

ATASCADERO FINANCING AUTHORITY

DRAFT RESOLUTION NO. AFA-25-_____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ATASCADERO FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF A GROUND LEASE, LEASE AGREEMENT, INDENTURE, ASSIGNMENT AGREEMENT, AND BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE OF ATASCADERO FINANCING AUTHORITY LEASE REVENUE BONDS, AUTHORIZING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$33,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

The Board of Directors of the Atascadero Financing Authority (hereafter referred to as “Board of Directors”) hereby finds, determines, resolves and orders as follows:

WHEREAS, the Atascadero Financing Authority (the “Authority”) is a joint exercise of powers authority duly organized and existing pursuant to the laws of the State of California and that certain Joint Exercise of Powers Agreement between the City and the Atascadero Industrial Development Authority (the “Joint Powers Agreement”); and

WHEREAS, pursuant to the Joint Powers Agreement and Section 6588(h) of the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”), the Authority has the legal authority to lease and sublease lands, structures, real or personal property, and other interests in lands that are located within the State of California that the Authority determines are necessary or convenient for the financing of public capital improvements, or any portion thereof; and

WHEREAS, the City and the Authority desire to finance all or a portion of the costs of the design, acquisition, construction and/or installation of certain public capital improvements to be located in the City, including some or all of the following: the demolition of Fire Station No. 1, the reconstruction of Fire Station No. 1, the renovation of Fire Station No. 2, and the renovation of the Police Department headquarters building (collectively, the “Project”); and

WHEREAS, the City is a member of the Authority and the Project is located within the boundaries of the City; and

WHEREAS, the City has, prior to the consideration of this Resolution, held a public hearing on the financing of the Project in accordance with Section 6586.5 of the Act, which hearing was held at 6500 Palma Ave, Atascadero, California 93422 on September 23, 2025, and

adopted its resolution approving the financing and making a finding of significant public benefit in accordance with the Act; and

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in the New Times, an adjudicated local newspaper of general circulation in the City; and

WHEREAS, the Authority and the City have determined that it would be in the best interests of the Authority, the City and residents of the City to authorize the preparation, sale and delivery of the “Atascadero Financing Authority Lease Revenue Bonds, Series 2025A” (the “Bonds”) for the purpose of (i) financing all or a portion of the Project, and (ii) paying costs of issuance of the Bonds; and

WHEREAS, in order to facilitate the issuance of the Bonds, the City and the Authority desire to enter into a Ground Lease between the City and the Authority (the “Ground Lease”) pursuant to which the City will lease certain real property, which real property shall initially consist of City Hall, Fire Station 1, Fire Station 2, and the Police Department headquarters, or other City-owned properties, as determined by the City Manager or his authorized designees (collectively, the “Leased Assets”) to the Authority, and a Lease Agreement between the City and the Authority (the “Lease Agreement”), pursuant to which the City will lease the Leased Assets back from the Authority, and pay certain Base Rental Payments (as defined in the Lease Agreement), which will be pledged to the owners of the Bonds by the Authority pursuant to an Indenture by and among The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the City and the Authority (the “Indenture”); and

WHEREAS, the Authority and the Trustee desire to enter into an Assignment Agreement in order to provide, among other things, that all rights to receive the Base Rental Payments have been assigned without recourse by the Authority to the Trustee; and

WHEREAS, the Authority will issue the Bonds pursuant to the Act; and

WHEREAS, the City Council of the City previously adopted a Debt Management Policy that complies with Government Code Section 8855(i) (the “Debt Management Policy”), which Debt Management Policy is by this Resolution hereby adopted by the Authority, and the sale and issuance of the Bonds as contemplated by this Resolution complies with the Debt Management Policy; and

WHEREAS, the City and the Authority desire to provide for the negotiated sale of the Bonds; and

WHEREAS, the City and the Authority have selected Piper Sandler & Co., to act as underwriter (the “Underwriter”) and to purchase the Bonds from the Authority pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”); and

WHEREAS, a form of the Preliminary Official Statement (the “Preliminary Official Statement”) has been prepared; and

WHEREAS, good faith estimates of certain information relating to the Bonds are disclosed and set forth in Exhibit A attached to this Resolution as required by California Government Code Section 5852.1; such estimates were provided by Urban Futures, Inc. (the “Municipal Advisor”), based on preliminary bond pricing information provided by the Underwriter; and

WHEREAS, the Board of Directors has been presented with the form of each document referred to herein, and the Board of Directors has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

WHEREAS, all acts, conditions and things required by the 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 such 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 Authority 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, BE IT RESOLVED, by the Board of Directors of the Atascadero Financing Authority as follows:

SECTION 1. All of the recitals herein contained are true and correct and the Board of Directors so finds. The Board of Directors of the Authority has determined and hereby finds that the Authority’s assistance in financing the Project by the issuance of the Bonds and related transactions will result in significant public benefits of the type described in Section 6586 (a) through (d), inclusive, of the Act.

SECTION 2. The forms of the Lease Agreement and the Ground Lease, on file with the Secretary of the Authority, are hereby approved, and the Chair, Vice Chair, Executive Director, Treasurer, and Secretary, and each of their authorized designees (the “Authorized Officers”), are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Lease Agreement and the Ground Lease, respectively, in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of the Lease Agreement and the Ground Lease shall terminate no later than May 1, 2056 (provided that such term may be extended as provided therein) and the true interest cost applicable to the interest components of the Base Rental Payments shall not exceed 5.75% per annum. In the event that it is determined by the Executive Director, or his designee, that there are limitations or restrictions on the ability of the City to lease or sublease any portion of the Leased Assets as contemplated by the Ground Lease and Lease Agreement, or that other City-owned property would be more appropriate to use as Leased Assets under the Ground Lease and the Lease Agreement the Executive Director, or his designee, is hereby expressly authorized to designate other or additional real property of the City to be leased or subleased pursuant to the Ground Lease and Lease Agreement, with such designation to be conclusively evidenced by the execution and delivery of the Ground Lease and Lease Agreement by an Authorized Officer.

SECTION 3. The form of Indenture, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate principal amount of the Bonds shall not exceed \$33,000,000, the final maturity date of the Bonds shall be no later than May 1, 2056 and the true interest cost applicable to the Bonds shall not exceed 5.75% per annum and, provided, further, that such changes, insertions and omissions shall be consistent with the terms of the Bonds established at negotiated sale pursuant to the Bond Purchase Agreement.

SECTION 4. The issuance of not to exceed \$33,000,000 aggregate principal amount of the Bonds, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby authorized and approved.

SECTION 5. The form of Assignment Agreement, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. The Bond Purchase Agreement, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name of the Authority to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter's discount (not including any original issue discount paid by the Underwriter) from the principal amount of the Bonds in excess of 0.65% of the aggregate principal amount of the Bonds.

SECTION 7. The form of Preliminary Official Statement, on file with the Secretary of the Authority, with such changes, insertions and omissions 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 Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by such Rule).

The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective bidders for the Bonds a reasonable number of copies of the Preliminary Official Statement.

SECTION 8. The preparation and delivery of an Official Statement, and its use in connection with the offering and sale of the Bonds, 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 execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the Authority.

SECTION 9: The Policy for Disclosure Procedures, on file with the Secretary of the Authority, is hereby approved.

SECTION 10. Stradling Yocca Carlson & Rauth LLP, is hereby approved and appointed as Bond and Disclosure Counsel, Urban Futures, Inc., is hereby approved and appointed as Municipal Advisor, and The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee, each to provide such services to the Authority and any other related services as may be required to issue the Bonds.

SECTION 11. With the passage of this Resolution, the Authority hereby adopts the City's Debt Management Policy and certifies that such Debt Management Policy complies with Government Code Section 8855(i), and that the Authority's financing described in this Resolution and its obligations under the Indenture as contemplated by this Resolution is in compliance with the Debt Management Policy, and to the extent the sale and issuance of the Bonds is not in compliance with the Debt Management Policy, such noncompliance is waived in accordance with the terms of the Debt Management Policy, and instructs Stradling Yocca Carlson & Rauth LLP, as Bond Counsel, on behalf of the Authority, with respect to the Bonds described in this Resolution, (a) to cause notices of the proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855, and (b) to check, on behalf of the Authority, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

SECTION 12. The officers and agents of the Authority are hereby authorized and directed, jointly and severally, 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. Specifically and without limiting the foregoing, the Treasurer is authorized and directed to (a) solicit and accept bids for bond insurance and, if applicable, a reserve account insurance policy, for the Bonds, provided she determines acceptance of the best bid will result in lower overall debt service or lower interest cost, and appropriate changes to each of the documents referenced herein to evidence such bond insurance and the terms thereof, are hereby authorized and approved, and (b) solicit and enter into one or more investment contracts with respect to the proceeds of the Bonds. Anything to the contrary herein notwithstanding, in the event the Executive Director determines in consultation with the Municipal Advisor that the cost-efficient marketing of the Bonds requires creation of a funded reserve under the Indenture, each of the Indenture, Lease

Agreement and other documents approved herein may be revised to reflect the funding of such a reserve. All actions heretofore taken by the Authorized Officers and the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

SECTION 13. The Board hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the Government Code using DocuSign.

SECTION 14. This Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED at a regular meeting of the Atascadero Financing Authority held on the 23rd day of September, 2025.

On motion by Director _____ and seconded by Director _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Charles Bourbeau, Chair

ATTEST:

Lara K. Christensen
Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by the Authority's Municipal Advisor, Urban Futures, Inc., in consultation with Piper Sandler & Co., the Underwriter of the Bonds, as of September 3, 2025.

Principal Amount. The Municipal Advisor has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be issued and sold is **\$29,050,000** (the "Estimated Principal Amount").

True Interest Cost of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is **4.90%**.

Finance Charge of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is **\$812,838**.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is **\$29,613,113**.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is **\$57,203,649**, which excludes any reserves or capitalized interest paid or funded with proceeds of the Bonds (which may offset such total payment amount) and further excludes future administrative costs such as trustee and continuing disclosure costs.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount

of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds issued and sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, (f) alterations to the Authority's financing plan, or a combination of such factors.