

RESOLUTION NO. OC SAN 21-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY SANITATION DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF AN INSTALLMENT PURCHASE AGREEMENT, A TRUST AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND ESCROW AGREEMENTS IN CONNECTION WITH THE ORANGE COUNTY SANITATION DISTRICT WASTEWATER REFUNDING REVENUE OBLIGATIONS, SERIES 2021A, AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH REVENUE OBLIGATIONS EVIDENCING PRINCIPAL IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$163,775,000, APPROVING A NOTICE OF INTENTION TO SELL, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL NOTICE INVITING BIDS AND AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH REVENUE OBLIGATIONS AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND RELATED ACTIONS

WHEREAS, to refinance the acquisition, construction and installation of certain improvements to its wastewater system (the "2011 Prior Project"), the Orange County Sanitation District (the "District") has heretofore purchased the 2011 Prior Project from the Orange County Sanitation District Financing Corporation (the "Corporation"), and the Corporation has heretofore sold the 2011 Prior Project to the District, for the installment payments (the "2011 Prior Installment Payments") made by the District pursuant to the Installment Purchase Agreement, dated as of October 1, 2011 (the "2011 Prior Installment Purchase Agreement"), by and between the District and the Corporation;

WHEREAS, to provide the funds necessary to refinance the 2011 Prior Project, the District caused the execution and delivery of the Orange County Sanitation District Wastewater Refunding Revenue Obligations, Series 2011A (the "2011 Prior Obligations"), evidencing direct, undivided fractional interests in the 2011 Prior Installment Payments;

WHEREAS, to refinance certain improvements to its wastewater system (the "2018 Prior Project" and, together with the 2011 Prior Project, the "Prior Projects"), the District has heretofore purchased the 2018 Prior Project from the Corporation, and the Corporation has heretofore sold the 2018 Prior Project to the District, for the installment payments (the "2018 Prior Installment Payments" and, together with the 2011 Prior Installment Payments, the "Prior Installment Payments") made by the District pursuant to the Installment Purchase Agreement, dated as of November 1, 2018 (the "2018 Prior Installment Purchase Agreement" and, together with the 2011 Prior Installment Purchase Agreement, the "Prior Installment Purchase Agreement"), by and between the District and the Corporation;

WHEREAS, to provide the funds necessary to refinance the 2018 Prior Project, the District caused the execution and delivery of the Orange County Sanitation District Revenue Refunding Certificate Anticipation Notes, Series 2018A (the "2018 Prior Notes"), evidencing direct, undivided fractional interests in the 2018 Prior Installment Payments;

WHEREAS, the District desires to refinance all or a portion of the Prior Projects by prepaying all or a portion of the remaining Prior Installment Payments, and the interest thereon to the date of prepayment, thereby causing all or a portion of the remaining 2011 Prior Obligations maturing on February 1, 2023 through 2026, inclusive, and 2018 Prior Notes to be prepaid;

WHEREAS, to provide the funds necessary to prepay a portion of the remaining Prior Installment Payments, the District and the Corporation desire that the Corporation purchase the Prior Projects from the District and the District sell the Prior Projects to the Corporation, and that the District then purchase the Prior Projects from the Corporation and the Corporation sell the Prior Projects to the District, for the installment payments (the "Installment Payments") to be made by the District pursuant to an Installment Purchase Agreement by and between the District and the Corporation (such Installment Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Installment Purchase Agreement");

WHEREAS, the Corporation intends to assign without recourse certain of its rights under and pursuant to the Installment Purchase Agreement to U.S. Bank National Association, as trustee (the "Trustee"), pursuant to a Trust Agreement by and among the Trustee, the Corporation and the District (such Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Trust Agreement");

WHEREAS, in consideration of such assignment and the execution and delivery of the Trust Agreement, the Trustee intends to execute and deliver the Orange County Sanitation District Wastewater Refunding Revenue Obligations, Series 2021A (the "Revenue Obligations"), evidencing direct, undivided fractional interests in the Installment Payments, and the interest thereon;

WHEREAS, the District desires to provide for the public sale of the Revenue Obligations;

WHEREAS, a form of the Notice of Intention to Sell to be published in connection with the public offering and sale of the Revenue Obligations has been prepared (such Notice of Intention to Sell, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Notice of Intention to Sell");

WHEREAS, a form of the Official Notice Inviting Bids to be distributed in connection with the public offering and sale of the Revenue Obligations has been prepared (such Official Notice Inviting Bids, in the form presented to this meeting, with

such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Notice Inviting Bids”);

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Revenue Obligations has been prepared (such Preliminary Official Statement in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”);

WHEREAS, Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), requires that the underwriter thereof must have reasonably determined that the District has undertaken in a written agreement or contract for the benefit of the holders of the Revenue Obligations to provide disclosure of certain financial information and certain material events on an ongoing basis;

WHEREAS, to cause such requirement to be satisfied, the District desires to enter into a Continuing Disclosure Agreement with Digital Assurance Certification, LLC (such Continuing Disclosure Agreement in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Agreement”);

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Installment Purchase Agreement;
- (b) the Trust Agreement;
- (c) the Notice of Intention to Sell;
- (d) the Notice Inviting Bids;
- (e) the Preliminary Official Statement;
- (f) the Continuing Disclosure Agreement;
- (g) the Escrow Agreement relating to the 2011 Prior Obligations to be prepaid (the “2011 Escrow Agreement”); and
- (h) the Escrow Agreement relating to the 2018 Prior Notes to be prepaid (the “2018 Escrow Agreement” and, together with the 2011 Escrow Agreement, the “Escrow Agreements”).

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 Orange County Sanitation District DOES HEREBY RESOLVE, DETERMINE AND ORDER:

Section 1. All of the recitals herein contained are true and correct and the Board of Directors of the District (the "Board") so finds.

Section 2. The Installment Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. The Chair of the Board, and such other member of the Board as the Chair may designate, the General Manager of the District, the Assistant General Manager, Director of Finance and Administrative Services of the District, and such other officers of the District as the Assistant General Manager, Director of Finance and Administrative Services may designate (the "Authorized Officers") are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Installment Purchase Agreement in the form submitted to this meeting, 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 Installment Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate principal amount of Installment Payments in excess of \$163,775,000.00, shall not result in a true interest cost for the Installment Payments in excess of 3.0% and shall not result in a final Installment Payment later than February 1, 2036.

Section 3. The Trust Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Trust Agreement in the form presented to this meeting, 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 Trust Agreement by such Authorized Officer.

Section 4. The execution and delivery of Revenue Obligations evidencing principal in an aggregate amount not to exceed \$163,775,000.00, payable in the years and in the amounts, and evidencing principal of and interest on the Installment Payments as specified in the Trust Agreement as finally executed, are hereby authorized and approved.

Section 5. The prepayment of all or a portion of the remaining principal components of the Prior Installment Payments, and the interest components thereof to the dates of prepayment, and the 2011 Prior Obligations maturing on February 1, 2023 through 2026, inclusive, and the 2018 Prior Notes evidencing interests therein, as determined by any Authorized Officer, is hereby authorized, and approved.

Section 6. The form of Notice of Intention to Sell, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Notice of Intention to Sell in connection with the offering and sale of the Revenue Obligations is hereby approved. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to cause the Notice of Intention to Sell to be published once in *The Bond Buyer* (or in such other financial publication generally circulated throughout the State of California or reasonably expected to be disseminated among prospective bidders for the Revenue Obligations as an Authorized Officer shall approve as being in the best interests of the District) at least five days prior to the date set for the opening of bids in the Notice Inviting Bids, with such changes, insertions and omissions therein as an Authorized Officer may require or approve, such requirement or approval to be conclusively evidenced by such publishing of the Notice of Intention to Sell.

Section 7. The Notice Inviting Bids, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, be and the same is hereby approved, and the use of the Notice Inviting Bids in connection with the offering and sale of the Revenue Obligations is hereby authorized and approved. The terms and conditions of the offering and sale of the Revenue Obligations shall be as specified in the Notice Inviting Bids. Bids for the purchase of the Revenue Obligations shall be received at the time and place set forth in the Notice Inviting Bids. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to accept the bid for the Revenue Obligations with the lowest true interest cost, or to reject all bids therefor, in accordance with the terms of the Notice Inviting Bids.

Section 8. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, 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 Revenue Obligations is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the District 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 information permitted by Rule 15c2-12 to be omitted). The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective bidders for the Revenue Obligations a reasonable number of copies of the Preliminary Official Statement.

Section 9. The preparation and delivery of a final Official Statement (the "Official Statement"), and its use in connection with the offering and sale of the Revenue Obligations, be and the same 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, and each of them is, hereby authorized and directed to execute the final Official Statement and any amendment or supplement thereto, for and in the name of the District.

Section 10. The Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Continuing Disclosure Agreement in the form submitted to this meeting, 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 Continuing Disclosure Agreement by such Authorized Officer.

Section 11. The Escrow Agreements, in substantially the forms submitted to this meeting and made a part hereof as though set forth herein, be and the same are hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Escrow Agreements in the forms submitted to this meeting, 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 Escrow Agreements by such Authorized Officer.

Section 12. The Authorized Officers are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the execution and delivery of the Revenue Obligations and the transactions contemplated by the notices, agreements and documents referenced in this Resolution.

Section 13. All actions heretofore taken by the officers and employees of the District with respect to the execution, delivery and sale of the Revenue Obligations, or in connection with or related to any of the agreements or documents referenced in this Resolution, are hereby approved, confirmed and ratified.

Section 14. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Orange County Sanitation District held May 26, 2021.

David John Shawver
Board Chair

ATTEST:

Kelly A. Lore, MMC
Clerk of the Board

APPROVED:

Bradley R. Hogin
General Counsel

STATE OF CALIFORNIA)
) ss
COUNTY OF ORANGE)

I, Kelly A. Lore, Clerk of the Board of Directors of the Orange County Sanitation District, do hereby certify that the foregoing Resolution No. OC SAN 21-XX was passed and adopted at a regular meeting of said Board on the 26th day of May 2021, by the following vote, to wit:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Orange County Sanitation District this 26th day of May 2021.

Kelly A. Lore, MMC
Clerk of the Board of Directors
Orange County Sanitation District