

OFFICIAL NOTICE OF SALE

\$28,200,000*

SANTA CRUZ COUNTY CAPITAL FINANCING AUTHORITY REVENUE BONDS, SERIES 2024 (GREEN BONDS)

NOTICE IS HEREBY GIVEN that electronic bids only will be received by the Santa Cruz County Capital Financing Authority (the “Authority”) for the purchase of \$28,200,000* aggregate principal amount of the Authority’s Revenue Bonds, Series 2024 (Green Bonds) (the “Bonds”), more particularly described below.

DATE AND TIME: Tuesday, April 16, 2024, at 9:30 A.M. (Pacific Time).

SUBMISSION OF BIDS: Bids may be submitted (for receipt not later than the time set forth above) electronically only through the Ipreo BiDCOMP/PARITY[®] system. See “FORM OF BID” herein. **No facsimile, hand delivery or sealed bids will be accepted.**

TERMS OF BONDS; PRELIMINARY OFFICIAL STATEMENT: The terms of issuance, payment of the principal and the interest on the Bonds, security, tax exemption and all other information regarding the Bonds and the Authority are given in the Preliminary Official Statement for the Bonds, dated April 8, 2024 (the “Preliminary Official Statement”), which each bidder must have obtained and reviewed prior to bidding for the Bonds. This Official Notice of Sale contains certain information for quick reference only, is not a summary of the issue and governs only the terms of the sale of, bidding for and closing procedures with respect to the Bonds. Bidders must read the entire Preliminary Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used herein and not defined herein shall have the meanings set forth in the Preliminary Official Statement.

DESIGNATION AS GREEN BONDS: The Authority and the District have designated the Bonds as Green Bonds, as described in the Preliminary Official Statement.

ISSUE; BOOK-ENTRY: The Bonds will be dated April 30, 2024, their date of delivery (“Closing Date”) and will be issued in fully registered form, without coupons, in the principal amount of \$28,200,000*, pursuant to a Resolution of the Board of Directors of the Authority adopted on March 12, 2024. A copy of the Resolution will be furnished to any interested bidder upon request.

The Bonds will be issued in a book-entry-only system with no physical distribution of the Bonds made to the public. The Depository Trust Company, New York, New York (“DTC”), will act as depository for the Bonds, which will be immobilized in its custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC, on behalf of the participants in the DTC system and the subsequent beneficial owners of the Bonds. Reference is made to the Resolution for further details regarding the terms and provisions of the Bonds.

TRUSTEE: The Bank of New York Mellon Trust Company, N.A. will serve as trustee (“Trustee”) for the Bonds under a Trust Indenture, dated as of April 1, 2024 (the “Trust Indenture”), between the Authority and the Trustee.

* Preliminary, subject to change.

MATURITIES: The Bonds will mature, or be subject to mandatory sinking account redemption, on June 1, in the years and in the amounts, as set forth in the following table. Each bidder is required to specify in its bid whether, for any particular year, the Bonds will mature or, alternately, be subject to mandatory sinking fund redemption in such year:

Maturity Date <u>(June 1)</u>	Principal <u>Amount*</u>	Maturity Date <u>(June 1)</u>	Principal <u>Amount*</u>
2025	\$335,000	2040	\$ 905,000
2026	460,000	2041	950,000
2027	480,000	2042	1,000,000
2028	505,000	2043	1,050,000
2029	530,000	2044	1,100,000
2030	555,000	2045	1,155,000
2031	585,000	2046	1,205,000
2032	615,000	2047	1,250,000
2033	645,000	2048	1,300,000
2034	675,000	2049	1,355,000
2035	710,000	2050	1,405,000
2036	745,000	2051	1,465,000
2037	785,000	2052	1,520,000
2038	820,000	2053	1,585,000
2039	865,000	2054	1,645,000

REDEMPTION: The Bonds are subject to optional and mandatory sinking fund prior to their maturity, all as described in the Preliminary Official Statement.

INTEREST: Interest on the Bonds is payable on December 1, 2024, and semiannually thereafter on June 1 and December 1 of each year until maturity. Interest on the Bonds, calculated on a 360-day year, 30-day month, basis.

PAYMENT: Principal of and interest on the Bonds upon maturity will be payable by the Trustee to DTC which will in turn remit such interest and principal to DTC Participants (as described in the Preliminary Official Statement), which will in turn remit such interest and principal to Beneficial Owners (as described in the Preliminary Official Statement) of the Bonds.

PURPOSE: Proceeds of the Bonds will be applied by the Santa Cruz County Sanitation District (the “District”) to finance capital projects, including trunkline installation and replacement and upgrades at various locations throughout the District (as described in the Preliminary Official Statement) and to pay costs of issuance of the Bonds.

SECURITY: Under the Trust Indenture, all Revenues and any other amounts held by the Trustee in any fund or account established thereunder (other than amounts on deposit in the Rebate Fund) are irrevocably pledged to the payment of the interest on and principal or redemption price of the Bonds (as described in the Preliminary Official Statement).

“Revenues” primarily consist of Installment Payments to be made by the District to the Authority under the Installment Purchase Agreement, dated as of April 1, 2024 (the “Installment Purchase Agreement”), between the District and the Authority. The obligation of the District to pay the Installment Payments and the interest thereon and other payments required to be made by it under the Installment Purchase Agreement is a

* Subject to adjustment as described herein.

special obligation of the District payable solely from Net Revenues in the manner provided under the Installment Purchase Agreement.

“Net Revenues” means, for any Fiscal Year, all Gross Revenues received by the District less all Operation and Maintenance Costs for such Fiscal Year.

“Gross Revenues” means, for each Fiscal Year, all gross income and revenue received or receivable by the District from the ownership or operation of the Wastewater System, determined in accordance with Generally Accepted Accounting Principles, including all rates, fees, and charges (including connection fees and charges) as received by the District for the services of the Wastewater System; and all other income and revenue howsoever derived by the District from the ownership or operation of the Wastewater System or arising from the Wastewater System, including all income from the deposit or investment of any money in the Enterprise Fund, and any refundable deposits made to establish credit, and advances or contributions in aid of construction; provided, “Gross Revenues” does not include (i) customers’ deposits or any other deposits subject to refund until such deposits have become the property of the District, (ii) the proceeds of any ad valorem property taxes levied to pay any general obligation bond indebtedness of the District with respect to the Wastewater operations and (iii) special assessments or special taxes levied upon real property within any improvement district for the purpose of paying special assessment bonds or special tax obligations of the District.

“Operation and Maintenance Costs” means the reasonable and necessary costs paid or incurred by the District for maintaining and operating the Wastewater System, determined in accordance with Generally Accepted Accounting Principles, consistently applied, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Wastewater System in good repair and working order, and including all administrative costs of the District that are charged directly or apportioned to the operation of the Wastewater System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits and licenses to operate the Wastewater System and insurance premiums, and including all other reasonable and necessary costs of the District or charges required to be paid by it to comply with the terms hereof; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles.

The Bonds are limited obligations of the Authority and are payable solely from and secured solely by the Revenues and all moneys on deposit in any of the funds and accounts established and held by the Trustee under the Trust Indenture. The District’s obligation to make the Installment Payments is a limited obligation of the District payable solely from Net Revenues of the Wastewater System on a parity with certain other obligations of the District as described in the Preliminary Official Statement, and neither the full faith and credit nor the taxing power of the District, the State of California or any of its political subdivisions is pledged for the payment of the Bonds. Neither the Bonds nor the obligation of the District to make Installment Payments constitutes an indebtedness of the Authority, the District, the State of California or any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction. Neither the Authority nor the District has taxing power.

RATING: S&P Global Ratings has assigned a rating of “AA-” to the Bonds. **The cost of obtaining such rating will be borne entirely by the Authority and not by the successful bidder.** Any additional ratings desired by the purchaser of the Bonds, as well as the fees associated with such ratings, will be the sole responsibility of the purchaser.

ADDITIONAL OBLIGATIONS: In addition to the outstanding Parity Obligations and the Bonds, the District may at any time incur Parity Obligations payable on a parity or on a subordinate basis to the payment by the District of the Installment Payments upon satisfaction of conditions provided in the Installment Purchase Agreement. No obligations payable on such a subordinate basis are currently outstanding. See “SOURCES OF PAYMENT FOR THE BONDS — Parity Obligations” in the Preliminary Official Statement.

TERMS OF SALE

BID SPECIFICATIONS & INTEREST RATE: All bids must be unconditional. Bidders must specify the interest rate with respect to the Bonds in accordance with the following conditions:

- (i) the interest rate specified must be in a multiple of 1/20 or 1/8 of 1%;
- (ii) the maximum interest rate may not exceed 6%;
- (iii) the Bonds shall bear interest to the stated maturity date at the interest rate specified in the bid;
- (iv) bidders may bid to purchase the Bonds from the District at a discount or with a premium; however, no bid will be considered if the bid is to purchase Bonds at an aggregate price less than 98% or more than 110% of the aggregate principal amount of the Bonds; and
- (v) if the bidder proposes to purchase bond insurance for the Bonds, the bidder will be solely responsible for the payment of such bond insurance premium.

No bid will be accepted that contemplates the waiver of any interest or other concession by the bidder as substitute for payment in full of the purchase price. Bids that do not conform to these terms will be rejected.

FORM OF BID: All bids must be for not less than all of the Bonds hereby offered for sale and each bid shall state the total price offered for the Bonds and the interest rate (which shall not exceed that specified herein) at which the bidder offers to buy the Bonds.

ELECTRONIC BIDS: To the extent any instructions or directions set forth in Ipreo BiDCOMP/PARITY[®] conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about Ipreo BiDCOMP/PARITY[®], bidders may contact Harrell & Company Advisors, LLC (the “Municipal Advisor”) at (714) 939-1464 or by email at s.harrell@harrellco.com, or may contact Ipreo BiDCOMP/PARITY[®] at (212) 849-5021.

The Authority retains absolute discretion to determine whether any bid is timely, legible and complete. None of the Authority, the Municipal Advisor, or Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the Authority (“Bond Counsel”), takes any responsibility for informing any bidder prior to the time for receiving bids that its bid is incomplete, illegible or not received. Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with Ipreo BiDCOMP/Parity[®] and that Ipreo BiDCOMP/PARITY[®] is not acting as an agent of the Authority. Instructions and forms for submitting electronic bids must be obtained from Ipreo BiDCOMP/PARITY[®] and the Authority assumes no responsibility for ensuring or verifying bidder compliance with the procedures of Ipreo BiDCOMP/PARITY[®]. The Authority shall assume that any bid received through Ipreo BiDCOMP/PARITY[®] has been made by a duly authorized agent of the bidder.

The Authority will make its best efforts to accommodate electronic bids; however, the Authority, the Municipal Advisor and Bond Counsel assume no responsibility for any error contained in any bid submitted electronically, or for failure of any bid to be transmitted, received or accepted at the official time for receipt of bids. The official time for receipt of bids will be determined by the Authority, and the Authority shall not be required to accept the time kept by Ipreo BiDCOMP/PARITY[®] as the official time.

BEST BID: The Bonds will be awarded to the responsible bidder or bidders offering to purchase the Bonds at the lowest true interest cost to the Authority. The true interest cost of each bid will be determined on the basis of the present value of the aggregate future payment at maturity resulting from the interest rate specified by the bidder. The present value will be calculated to April 30, 2024, the dated date of the Bonds, and will be based on the proposed bid amount (par value less any discount or plus any premium). Each bidder is requested, but not required, to state in such bidder’s bid the percentage true interest cost to the Authority, which shall be considered as informative only and shall not be binding on either the bidder or

the Authority. The determination by the Municipal Advisor of the bid with the lowest true interest cost to the Authority shall be binding and conclusive on all bidders.

ADJUSTMENT OF PRINCIPAL AMOUNTS AFTER RECEIPT OF BIDS: The principal amounts of the Bonds set forth in the Official Bid Form reflect assumptions of the Authority and its Municipal Advisor as to the likely interest rates of the winning bid and the premium or discount contained in the winning bid. After selecting the winning bid, the principal amount and individual maturity amounts set forth above for the Bonds will be adjusted in \$5,000 increments, to reflect the actual interest rates and any discount or premium in the winning bid to properly fund the purchase price of the Bonds and to accommodate certain other requirements or preferences of the Authority, including approximately level debt service. The dollar amount bid for the Bonds by the winning bidder will be adjusted to reflect such adjustment in the applicable amortization schedule. Any such adjustment will change the total (but not the per Bond) dollar amount of purchaser's discount and original issue discount or premium, if any, provided in such bid. Any such adjustment will be communicated to the winning bidder within 24 hours after receipt of such bid by the District. Changes in the amortization schedule made as described in this paragraph will not affect the determination of the winning bidder or give the winning bidder any right to reject the Bonds.

RIGHT OF CANCELLATION OF SALE BY AUTHORITY: The Authority reserves the right, in its sole discretion, at any time to cancel the public sale of the Bonds. In such event, the Authority shall cause notice of cancellation of this invitation for bids and the public sale of the Bonds to be communicated through the Bond Buyer Wire or TM3 as promptly as practicable. However, no failure to publish such notice or any defect or omission therein shall affect the cancellation of the public sale of the Bonds.

RIGHT TO MODIFY OR AMEND: The Authority reserves the right, in its sole discretion, to modify or amend this Official Notice of Sale including, but not limited to, the right to adjust and change the principal amount and maturity date of the Bonds being offered, however, such modifications or amendments shall be made not later than 1:00 P.M., Pacific Time, on the business day prior to the bid opening and communicated through the Bond Buyer Wire or TM3.

RIGHT OF POSTPONEMENT BY AUTHORITY: The Authority reserves the right, in its sole discretion, to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be communicated through the Bond Buyer Wire or TM3 not later than 8:00 A.M., Pacific Time, on the date for receipt of bids. If any date is postponed, any alternative sale date will be announced through the Bond Buyer Wire or TM3 at least 24 hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except for the date of sale and except for the changes announced through the Bond Buyer Wire or TM3 at the time the sale date and time are announced.

RIGHT OF REJECTION: The Authority reserves the right, in its sole discretion, to reject any and all bids and to waive any irregularity or informality in any bid except that no bids will be accepted later than 9:30 A.M. on the date set for receipt of bids.

PROMPT AWARD: Pursuant to authority granted by the Board of Directors, the Authority will award the Bonds or reject all bids not later than 2 hours after the expiration of the time herein prescribed for the receipt of proposals; provided, that the award may be made after the expiration of the specified time if the bidder shall not have given to said Board notice in writing of the withdrawal of such proposal.

PLACE OF DELIVERY; CANCELLATION FOR LATE DELIVERY: It is expected that such Bonds will be delivered through the facilities of DTC for the account of the successful bidder within 30 days from the date of sale thereof. The successful bidder shall have the right, at its option, to cancel its obligation to purchase the Bonds if the Bonds are not tendered for delivery within 60 days from the date of the sale thereof.

NO GOOD FAITH DEPOSIT: No good faith deposit is required.

CHANGE IN TAX EXEMPT STATUS: At any time before the Bonds are tendered for delivery, the successful bidder may disaffirm and withdraw such bidder's proposal if the interest received by private holders from obligations of the same type and character as the Bonds shall be declared not to be excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable, or be required to be taken into account in computing federal income taxes by any federal income tax law enacted subsequent to the date of this Official Notice of Sale.

APPROVING OPINION: Each proposal will be understood to be conditioned upon the Authority furnishing to the purchaser, without charge, concurrently with payment for and delivery of the Bonds, the opinion of Bond Counsel substantially to the effect, subject to the matters expressed therein, that the Bonds constitute the valid and binding special obligations of the Authority and that based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Bond Counsel's opinion is also expected to state that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax.

Certain legal matters regarding enforceability of the Bonds and matters with respect to litigation will also be passed upon for the District and the Authority by the Office of the County Counsel, as General Counsel to the District and the Authority.

DISCLOSURE COUNSEL OPINION: Best Best & Krieger LLP, Riverside, California will act as Disclosure Counsel in connection with the issuance of the Bonds. Such firm will render a legal opinion to the Authority and the original purchaser of the Bonds to the effect that based on their participation in the preparation of the final Official Statement, nothing has come to their attention to lead them to believe that the Official Statement (excluding therefrom financial, engineering and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; statements relating to The Depository Trust Company, Cede & Co. and the operation of the book-entry system; and the information contained in the Appendices thereto) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

CUSIP NUMBER: It is anticipated that the CUSIP number will be printed on the Bonds, but neither the failure to print such number on the Bonds nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses of printing the CUSIP number on the Bonds and the CUSIP Service Bureau charge for the assignment of said number shall be paid by the successful bidder.

QUALIFICATION FOR SALE; BLUE SKY: Compliance with blue sky laws shall be the sole responsibility of the purchaser. The Authority will furnish such information and take such action not inconsistent with law as the purchaser may request and the Authority shall deem necessary or appropriate to qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the purchaser; provided, however, that the Authority shall not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction. The purchaser will not offer to sell or solicit any offer to buy the Bonds in any jurisdiction where it is unlawful for such purchaser to make such offer, solicitation or sale, and the purchaser shall comply with the blue sky and other securities laws and regulations of the states and jurisdictions in which the purchaser sells the Bonds.

ESTABLISHMENT OF ISSUE PRICE OF THE BONDS:

(a) The winning bidder for the Bonds shall assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority on the Closing Date an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price of the Bonds, together with the supporting pricing wires or equivalent communications, in form and substance acceptable to the Authority and bond counsel.

(b) The Authority intends that the provisions of Treasury Regulation Sections 1.148-1(f)(3)(i) and 1.148-1(f)(3)(i) (providing a special rule establishing the issue price of competitively sold bonds and (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the Authority shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Authority may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Authority anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) If the competitive sale requirements are not satisfied, the Authority shall so advise the winning bidder. In such event, the Authority intends to treat the initial offering price to the public as of the sale date of each maturity as the issue price of that maturity (the “hold-the-offering-price rule”). The Authority shall promptly advise the winning bidder, at or before the time of award, if the competitive sale requirements were not satisfied, in which case the hold-the-offering-price rule shall apply to the Bonds. Bids will not be subject to cancelation in the event the competitive sale requirements are not satisfied, and the hold-the-offering-price rule thus apply to any maturity of the Bonds as to which less than 10% of the maturity was sold by the winning bidder to the public at a single price. Bidders should prepare their bids on the assumption that some or all maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of each maturity of the Bonds.

(d) By submitting a bid to purchase the Bonds, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (“**initial offering price**”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule applies to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Authority when the underwriters have sold 10% of that maturity to the public at a price that is no higher than such maturity's initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(e) The Authority acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail or other third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail or other third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail or other third-party distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to one or more maturities of the Bonds.

(f) By submitting a bid to purchase the Bonds, the bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail or other third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail or other third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it and subject to the hold-the-offering-price rule until it is notified by the winning bidder that the hold-the-offering-price rule no longer applies to such maturity, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail or other third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail or other third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it and subject to the hold-the-offering-price rule until it is notified by the winning bidder or such underwriter that the hold-the-offering-price rule no longer applies to such maturity, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public).

A purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iii) “sale date” means the date that the Bonds are awarded by the Authority to the winning bidder.

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION: The successful bidder will be required, pursuant to State law, to pay any fees to the California Debt and Investment Advisory Commission when due.

DTC FEES: All fees due DTC with respect to the Bonds shall be paid by the successful bidder or bidders.

OFFICIAL STATEMENT: The Authority has caused to be prepared the Preliminary Official Statement in a form deemed final, as of its date, by the Authority within the meaning of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, (“Rule 15c2-12”) except for certain information which is permitted under said Rule 15c2-12 to be omitted from the Preliminary Official Statement, but is subject to revision, amendment and completion in a final Official Statement. A copy of the Preliminary Official Statement will be furnished upon request to Harrell & Company Advisors, LLC, 13891 Newport Avenue, Suite 145, Tustin, California 92780, telephone (714) 939-1464, e-mail s.harrell@harrellco.com.

Upon the sale of the Bonds, the Authority will publish the final Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions, and revisions as required to complete the Preliminary Official Statement. The Authority will furnish to the successful bidder within seven business days following the date of award, at no charge, any number of electronic copies and not in excess of 30 printed copies of the Official Statement for use in connection with any resale of the Bonds. The purchaser agrees to supply the Authority all pricing information necessary to complete the Official Statement within 24 hours after the award of the Bonds. Additional printed copies of the final Official Statement may be obtained at additional cost.

By making a bid for the Bonds, the purchaser agrees to (1) disseminate to all members of the underwriting syndicate copies of the final Official Statement, including any supplements prepared by the Authority, (2) promptly file a copy of the final Official Statement, including any supplements prepared by the Authority, with the Municipal Securities Rulemaking Board, and (3) take any and all other actions necessary to comply with applicable Securities and Exchange Commission rules and Municipal Securities Rulemaking Board rules governing the offerings, sale and delivery of the Bonds and the Official Statement to ultimate purchasers.

Prospective bidders should review the form of opinion of Bond Counsel set forth in Appendix E to the Preliminary Official Statement.

DISCLOSURE CERTIFICATE: The Authority will deliver to the purchaser of the Bonds a certificate dated the date of Bond delivery, stating that as of the date thereof, except for information relating to DTC and the CUSIP number as to which no view is expressed, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE: In order to assist bidders in complying with Rule 15c2-12, the District will undertake, pursuant to a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Dated: April 8, 2024