

Santa Cruz Port District  
**Resolution 26-01**  
February 24, 2026

ON THE MOTION OF \_\_\_\_\_

SECONDED BY \_\_\_\_\_

**A RESOLUTION OF THE SANTA CRUZ PORT DISTRICT COMMISSION AUTHORIZING THE FORM, EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF THE SANTA CRUZ PORT DISTRICT, SERIES 2026 REVENUE OBLIGATIONS (SANTA CRUZ HARBOR 2026 REPAIR PROJECT); APPROVING THE RELATED PROMISSORY NOTE AND TERM SHEET; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO**

**WHEREAS**, the Santa Cruz Port District (the “District”) presently owns and operates certain facilities and property for its harbor enterprise and recreation system commonly known as the Santa Cruz Harbor (interchangeably, the “Harbor” or the “Enterprise”); and

**WHEREAS**, a significant storm event on December 23, 2024, produced extreme wave energy and elevated water levels that resulted in substantial structural damage to both G Dock and X Dock, compromising their long-term integrity, safety, and serviceability; and

**WHEREAS**, the work required to rehabilitate the storm-damaged facilities consists of the demolition and full replacement of the existing G and X Docks, including new piles, decking, utilities, and associated marine infrastructure (the “Project”); and

**WHEREAS**, the District is authorized pursuant to Sections 6200 et seq. of the California Harbors and Navigation Code (the “Port District Law”) to acquire, construct, repair and finance facilities of the Enterprise and to issue or incur revenue debt obligations payable from enterprise revenues; and

**WHEREAS**, the District has determined that it is necessary and desirable and in the public interest to provide for the financing of the Project (the “Financing”) pursuant to terms and conditions of an Installment Sale Agreement (the “2026 Installment Sale Agreement”), dated as of March 1, 2026, by and between the District and Flagstar Public Funding Corp., an affiliate of Flagstar Bank, N.A. (the “Bank”), a form of which has been presented to this meeting and is on file with the Secretary to the Commission (the “Secretary”); and

**WHEREAS**, in connection with the Financing, the District proposes to execute and deliver its “Santa Cruz Port District, Series 2026 Revenue Obligations (Santa Cruz Harbor 2026 Repair Project)” (the “2026 Obligations”), as evidenced by a Promissory Note dated March 4, 2026 (the “Note”), representing the obligation of the District to make installment payments (the “Installment Payments”) to the Bank pursuant to the 2026 Installment Sale Agreement; and

**WHEREAS**, the principal of and interest and redemption premium (if any) on the 2026 Obligations, and any obligations hereafter issued on a parity therewith, will be payable solely from and secured by a pledge of and lien on Net Revenues (as defined in the 2026 Installment Sale Agreement) derived from the Enterprise; and

**WHEREAS**, Section 5852.1 of the California Government Code requires that, prior to authorizing the 2026 Obligations, the Commission obtain and disclose certain good faith estimates relating to the Financing; and

**WHEREAS**, such good faith estimates have been obtained from the Bank and are set forth in Section 6 of this Resolution; 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 District is duly authorized and empowered, pursuant to applicable law, to consummate such Financing for the purposes and upon the terms set forth herein.

**NOW, THEREFORE, THE COMMISSIONERS OF THE SANTA CRUZ PORT DISTRICT DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:**

**Section 1. Recitals.** The Commission hereby specifically finds and declares that each of the statements, findings and determinations set forth in the foregoing recitals and in the preambles of the Installment Sale Agreement, is true and correct as of the date hereof.

**Section 2. Authorization of the Financing.** The Commission hereby finds and determines that it is necessary, desirable and in the public interest to authorize the execution and delivery of the 2026 Obligations and the 2026 Installment Sale Agreement to provide financing for the Project. The execution and delivery of the 2026 Obligations in an aggregate principal amount not to exceed \$13,100,000 are hereby authorized and approved. The 2026 Obligations shall be payable from and secured by Net Revenues of the Enterprise on a parity with the District's outstanding parity obligations, as defined in the 2026 Installment Sale Agreement.

**Section 3. Authorized Representatives.** The Chairman, Vice-Chairman, Port Director and any other person authorized by the Commission to act on behalf of the District shall each be an "Authorized Representative" of the District for the purposes of structuring and providing for the execution and delivery of the 2026 Obligations.

**Section 4. Approval of Term Sheet and Financing Parameters.** The 2026 Obligations shall bear interest at a fixed rate not to exceed 4.12% per annum and shall be payable semi-annually over a ten-year final maturity on a twenty-year amortized level debt service basis, in such principal amounts, denominations, and for the purposes set forth in the 2026 Installment Sale Agreement, the Promissory Note, and this Resolution. The 2026 Obligations shall be sold on a private placement basis to the Bank pursuant to and in accordance with the 2026 Installment Sale Agreement, the Promissory Note, and the Term Sheet, together with such additions, deletions, or modifications thereto as may be approved by an Authorized Representative of the District, consistent with the parameters established by this Resolution. The execution and delivery of the final form of the Term Sheet by an Authorized Representative of the District, acting singly, shall constitute conclusive evidence of the Commission's approval of such final terms and any such additions, deletions, or modifications.

**Section 5. Approval of 2026 Installment Sale Agreement and Promissory Note.** The 2026 Obligations shall be executed and delivered to the Bank in accordance with the terms and conditions set forth in the Series 2026 Installment Sale Agreement and the Promissory Note, in substantially the forms presented to this meeting and on file with the Secretary, which forms are

hereby approved and incorporated herein by this reference. Each Authorized Representative of the District, acting singly, is hereby authorized and directed to execute, attest, and affix the seal of the District to the final forms of the Series 2026 Installment Sale Agreement and Promissory Note, with such additions, deletions, or modifications as such Authorized Representative may deem necessary or advisable, consistent with this Resolution, and the execution and delivery thereof shall constitute conclusive evidence of the Commission's approval of the final terms. The Commission hereby authorizes the delivery, execution, and performance by the District of the Series 2026 Installment Sale Agreement and the Promissory Note in accordance with their respective terms.

**Section 6. Good Faith Estimates.** Set forth below are good faith estimates of the Bank, as required under Section 5852.1 of the California Government Code (the "Code") for the 2026 Obligations. The following estimates are provided solely for purposes of compliance with Section 5852.1 and shall not be deemed to modify, limit, or supersede the financial parameters established by this Resolution.

(a) The true interest cost of the 2026 Obligations is estimated at 4.12%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.

(b) The finance charge of the 2026 Obligations, including all fees and charges paid to third parties, is estimated at \$100,000.00.

(c) Estimated proceeds of \$13,100,000.00 less the finance charge described in subsection (b) above, is equal to \$13,000,000.00.

(d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$18,304,897.17.

The foregoing are estimates and the final costs will depend on market conditions as well as the timing of prepayments and can be expected to vary from the estimated amounts set forth above.

**Section 7. Confirmation and Direction to Proceed with the Financing.** The Commission hereby finds and determines that all actions taken and findings made in connection with the Financing and the authorization of the 2026 Obligations have been undertaken in full compliance with applicable law. The Commission further finds that all prior proceedings and actions taken with respect to the Financing and the issuance of the 2026 Obligations were duly considered and are valid and in conformity with the requirements of law. All actions heretofore taken by the officers, agents, and advisors of the District in connection with the Financing are hereby approved, confirmed, and ratified in all respects. The Authorized Representatives are hereby directed to proceed with the consummation of the Financing in accordance with this Resolution.

**Section 8. Official Actions.** The Authorized Representatives and any and all other officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to take any and all actions and execute and deliver any and all documents, including the execution and delivery of any and all assignments, certificates, requisitions (including requisitions for the payment of costs of issuance associated with the procurement of the 2026 Obligations), agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the execution and delivery of the 2026 Obligations in accordance with the Installment Sale Agreement and Promissory Note approved herein. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution,

countersigning or action may be taken on behalf of such officer by any person designated and confirmed in a closing certificate by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

**Section 9. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

**THE FOREGOING RESOLUTION** of the Santa Cruz Port District Commission was duly and regularly introduced, passed and adopted at a regular meeting of the Santa Cruz Port District on the 24<sup>th</sup> day of February 2026, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
Reed Geisreiter, Chairman  
Santa Cruz Port District Commission

ATTEST:

\_\_\_\_\_  
Holland MacLaurie, Port Director