

SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY

**SECOND SUPPLEMENT TO
AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT**

This SECOND SUPPLEMENT TO AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT (this "Second Supplement"), dated _____, 2025, is entered into by and among the CITY OF SANTA CRUZ, a charter city and municipal corporation duly organized and existing under the Constitution and laws of the State of California, the CITY OF SCOTTS VALLEY, a general law city and municipal corporation duly organized and existing under the laws of the State of California, the CITY OF CAPITOLA, a general law city and municipal corporation duly organized and existing under the laws of the State of California, and the COUNTY OF SANTA CRUZ, a California county duly organized and existing under the laws of the State of California.

BACKGROUND:

1 The Cities and the County previously entered into an Amended and Restated Joint Exercise of Powers Agreement dated February 28, 2017 (the "Original Agreement"), which governs the joint powers authority known as the Santa Cruz Libraries Facilities Financing Authority (the "Authority"), whose members are the Cities and the County, for the purpose of financing the acquisition, construction and improvement of public library facilities (the "Public Library Improvements") through the formation of a community facilities district under the Mello-Roos Community Facilities Act of 1982, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53311 of said Code (the "Mello-Roos Act") and the authorization and issuance of bonds under the Mello-Roos Act.

2. The Cities and the County previously amended the Original Agreement to modify certain terms regarding the distribution of Special Taxes and Net Bond Proceeds through the execution of a First Supplement to Amended and Restated Joint Exercise of Powers Agreement dated September 25, 2018 (the "First Supplement" and, together with the Original Agreement, the "First Amended Agreement").

3. The Cities and the County desire to further amend the First Amended Agreement to further modify certain terms regarding the distribution of Special Taxes and Net Bond Proceeds, as set forth in this Second Supplement.

4. This Second Supplement is entered into in accordance with Section 14 of the First Amended Agreement. Capitalized terms used but not defined in this Second Supplement have the meanings set forth in the First Amended Agreement.

AGREEMENT:

For and in consideration of the premises and the material covenants hereinafter contained, the Parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Amendment of First Amended Agreement.* The First Amended Agreement is hereby amended as follows:

(a) Section 2(b)(ii). Paragraph of (b)(ii) of Section 2 of the First Amended Agreement is hereby deleted and amended in its entirety by the following:

(ii) Maximum Distributions to Parties. The Facilities Authority shall distribute the Special Taxes and Net Bond Proceeds to each of the Parties in the maximum amounts specified below using the percentages specified below (adjusted for rounding) in order to undertake and complete the construction of the Public Library Improvements:

Member	Maximum Amount	Percentage
City of Capitola	\$13,870,000	12.90%
City of Santa Cruz	\$43,346,000	40.32%
City of Scotts Valley	\$5,202,000	4.84%
County of Santa Cruz	\$45,082,000	41.94%
Total	\$107,500,000	100.00%

The distribution of Special Taxes and Net Bond Proceeds among the Parties shall be governed by the Bond Expenditure Plan as adopted and amended by the unanimous affirmative vote of all of the Directors under Section 2(b)(i). Changes to the maximum amounts shown in the table above shall require an amendment to this Agreement executed by all of the Members, in accordance with the further requirements set forth in Section 14, and shall be subject to the requirements of the Mello-Roos Act and the Joint Powers Act.

(b) Section 2(b)(iii). Paragraph of (b)(iii) of Section 2 of the First Amended Agreement is hereby deleted and amended in its entirety by the following:

(iii) Distribution of Special Tax Proceeds. Prior to issuance of Bonds, any net Special Tax collected in excess of amounts needed to administer the CFD shall be distributed twice annually in January and June, or as soon as practical upon receipt (but in no event less than twice annually), to each of the Parties in the percentages shown above.

After the issuance of Bonds, any net Special Tax collected in excess of amounts needed to pay each Party's allocable share of debt service on Bonds and to administer the Bonds and the CFD shall be distributed annually on September 2 to each of the Parties in accordance with the Bond Expenditure Plan.

When the total of net Special Taxes and Net Bond Proceeds distributed to the Parties equals the maximum amounts specified in Section 2 (ii) and a total of \$107,500,000, further distribution of net Special Taxes to each of the Parties shall be made in accordance with the Bond Expenditure Plan subject to the unanimous affirmative vote of all of the Directors.

Each of the Parties shall deposit or cause to be deposited all Special Tax proceeds it receives into a separate account to track revenues, expenses and fund balance, which will also be subject to an independent audit every year during the term of this Agreement.

Each of the Parties shall spend all Special Tax proceeds in accordance with the JCFA, and will be required to execute and deliver certifications and make representations and covenants regarding the administration and expenditure of net Special Taxes, as may be required by bond counsel in order to ensure compliance with applicable provisions of Mello-Roos Act.

SECTION 2. *Authority.* This Second Supplement is being executed pursuant to and in accordance with Section 14 of the First Amended Agreement.

SECTION 3. *First Amended Agreement Continues in Effect.* Except as amended and supplemented by this Second Supplement, the First Amended Agreement shall remain in full force and effect.

SECTION 4. *Effective Date.* This Second Supplement shall become effective upon the date hereof.

Approved As To Form:

Jones Hall, A Professional Law Corporation

Date: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Second Supplement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

CITY OF SANTA CRUZ

By: _____

Attest:

CITY OF SCOTTS VALLEY

By: _____

Attest:

CITY OF CAPITOLA

By: _____

Attest:

COUNTY OF SANTA CRUZ

By: _____

Attest:

Santa Cruz Libraries Facilities Financing Authority
Bond Expenditure Plan - 2025 Amendment

FY	Net Tax After Admin	Debt Service After \$77.5M Allocation		FY 25 Special Tax	Surplus Before	Share of Surplus						
		2017 & 2020 Bonds		2025 Bonds	Distribution	Increased	County			Santa Cruz		
		to Date*	Allocation	County	Capitola	Scotts Valley	Gross Share	2025 Debt Service	Net Share			
2025	4,400,804	(2,215,031)	(267,000)	(1,622,832)	295,941	41.94%	12.90%	4.84%	40.32%	119,323	(92,000)	27,323
2026	4,400,804	(2,220,281)	(894,000)	-	1,286,523	539,568	165,961	62,268	518,726	(331,000)	187,726	
2027	4,400,804	(2,217,531)	(898,000)	-	1,285,273	539,043	165,800	62,207	518,222	(330,000)	188,222	
2028	4,400,804	(2,217,031)	(896,000)	-	1,287,773	540,092	166,123	62,328	519,230	(328,000)	191,230	
2029	4,400,804	(2,215,181)	(898,000)	-	1,287,623	540,029	166,103	62,321	519,169	(325,000)	194,169	
2030	4,400,804	(2,215,831)	(894,000)	-	1,290,973	541,434	166,535	62,483	520,520	(328,000)	192,520	
2031	4,400,804	(2,220,431)	(894,000)	-	1,286,373	539,505	165,942	62,260	518,665	(320,000)	198,665	
2032	4,400,804	(2,217,081)	(898,000)	-	1,285,723	539,232	165,858	62,229	518,403	(322,000)	196,403	
2033	4,400,804	(2,219,681)	(896,000)	-	1,285,123	538,980	165,781	62,200	518,161	(318,000)	200,161	
2034	4,400,804	(2,216,231)	(898,000)	-	1,286,573	539,589	165,968	62,270	518,746	(320,000)	198,746	
2035	4,400,804	(2,215,863)	(894,000)	-	1,290,941	541,421	166,531	62,482	520,508	(315,000)	205,508	
2036	4,400,804	(2,218,413)	(894,000)	-	1,288,391	540,351	166,202	62,358	519,479	(316,000)	203,479	
2037	4,400,804	(2,213,669)	(897,000)	-	1,290,135	541,083	166,427	62,443	520,182	(316,000)	204,182	
2038	4,400,804	(2,220,688)	(894,000)	-	1,286,116	539,397	165,909	62,248	518,562	(310,000)	208,562	
2039	4,400,804	(2,216,075)	(895,000)	-	1,289,729	540,912	166,375	62,423	520,019	(310,000)	210,019	
2040	4,400,804	(2,215,113)	(894,000)	-	1,291,691	541,735	166,628	62,518	520,810	(308,000)	212,810	
2041	4,400,804	(2,216,631)	(893,000)	-	1,291,173	541,518	166,561	62,493	520,601	(304,000)	216,601	
2042	4,400,804	(2,215,213)	(897,000)	-	1,288,591	540,435	166,228	62,368	519,560	(304,000)	215,560	
2043	4,400,804	(2,217,094)	(894,000)	-	1,289,710	540,904	166,373	62,422	520,011	(299,000)	221,011	
2044	4,400,804	(2,212,100)	(895,000)	-	1,293,704	542,579	166,888	62,615	521,621	(299,000)	222,621	
2045	4,400,804	(2,214,250)	(894,000)	-	1,292,554	542,097	166,739	62,560	521,158	(299,000)	222,158	
2046	4,400,804	(999,375)	(2,028,000)	-	1,373,429	576,016	177,172	66,474	553,767	(328,000)	225,767	

*Includes \$175,464 to SV