MENDOCINO COAST HEALTH CARE DISTRICT

RESOLUTION 2026-6
November 19, 2026

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MENDOCINO COAST HEALTH CARE DISTRICT APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN LEASE-PURCHASE FINANCING DOCUMENTS FOR THE DISTRICT'S SEISMIC IMPROVEMENTS PROJECT AND APPROVING RELATED DOCUMENTS AND OFFICIAL ACTIONS

WHEREAS, the Mendocino Coast Health Care District (the "District") owns a hospital and related health care facilities within its service area (the "District Facilities"), which is currently leased to and operated by Adventist Health Mendocino Coast, a California nonprofit public benefit corporation; and

WHEREAS, the District intends to undertake the construction and installation of seismic improvements to the District Facilities (the "Project"), more particularly described in Appendix A hereto; and

WHEREAS, in order to provide for the financing of the Project, the District proposes to enter into a lease-purchase agreement (the "Lease Agreement") with the CSDA Finance Corporation (the "Corporation"), under which the District will lease the Project to the Corporation, and the Corporation will simultaneously lease the Project to the District in return for semi-annual lease payments (the "Lease Payments"); and

WHEREAS, for the purpose of assisting the District in obtaining the moneys required to finance the costs of the Project, the Corporation proposes to assign and transfer certain of its rights under the Lease Agreement to U.S. Bank Trust Company, National Association, as trustee (the "Trustee") under a Trust Agreement (the "Trust Agreement"), by and among the Corporation, the District and the Trustee; and

WHEREAS, in consideration of such assignment and execution of the Trust Agreement, the Trustee will execute and deliver a certificate of participation in the original initial principal amount of not to exceed $21,000,000 (the "Certificate"), evidencing direct, undivided fractional interests in the Lease Payments to be made by the District; and

WHEREAS, the Certificate will be privately placed with Tri Counties Bank (the "Lender"); and

WHEREAS, the documents listed below have been filed with the District and the District's staff has reviewed such documents; and

WHEREAS, in accordance with Government Code Section 5852.1, the District has obtained and disclosed the information set forth in Appendix A hereto; and

WHEREAS, the Board desires to accomplish a change in use and deemed reissuance of the District's $4,125,000 original principal amount of General Obligation Refunding Bonds, Series 2016 (the "2016 Bonds") as qualified 501(c)(3) bonds under Code section 145, which 2016 Bonds were used to refund the District's Election of 2000 General Obligation Bonds which were used for real property improvements to the hospital facility owned by the District; and

WHEREAS, an “applicable elected representative” of the jurisdiction in which the Project is to be located is required to approve the plan of finance for the Project, including the issuance of the Certificate, in addition to a change in use of the 2016 Bonds, under Section 147(f) of the Internal Revenue Code (the “Code”); and

WHEREAS, pursuant to Section 147(f) of the Code, the Board has, following notice duly given, held a public hearing regarding the issuance of the Certificate and change in use of the 2016 Bonds, and now desires to approve the plan of finance for the Project and change in use of the 2016 Bonds; and

WHEREAS, the Board has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the District; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mendocino Coast Health Care District as follows:

SECTION 1. Recitals. Each of the above recitals is true and correct and is adopted by Board.

SECTION 2. Change in Use of 2016 Bonds. The Board hereby approves a change in use and deemed reissuance of the General Obligation Refunding Bonds, Series 2016 (defined above as the “2016 Bonds”) as qualified 501(c)(3) bonds under Code section 145 in the currently outstanding principal amount of $2,300,000. The Board authorizes the Designated Officers to execute such documents and actions as necessary under the federal tax rules to effectuate the change in use and deemed reissuance of the 2016 Bonds.

SECTION 3. Approval of Financing. The Board hereby approves the execution and delivery of the Certificate in an aggregate principal amount not to exceed $21,000,000 for the purpose of providing funds to finance the costs of the Project.

SECTION 4. Approval of Financing Documents. The Board hereby approves the documents listed below as presented to the Board on November 19, 2026, and the Agency Administrator and Chief Financial Officer (collectively, the "Designated Officers") each acting alone, are hereby authorized and directed to execute, for and in the name of the District, and the District Secretary (the “Secretary”) is hereby authorized and directed to attest as applicable, those documents in such form, together with any changes therein or additions thereto deemed advisable by a Designated Officer upon consultation with the District General Counsel and Bond Counsel, and the execution and delivery of those documents by a Designated Officer shall be conclusive evidence of the approval of any such changes or additions. Said documents shall require that annual Gross Revenues as defined in the Trust Agreement are sufficient to pay all annual operating, maintenance, principal, interest, and reserve costs.

(a) the Lease Agreement by and between the District and the Corporation;

(b) the Trust Agreement by and among the District, the Corporation and the Trustee, and the execution and delivery of the Certificate evidencing the direct, undivided interest of the owner thereof in the Lease Payments to be made by the District under the Lease Agreement.

It is the purpose and intent of the Board that this Resolution constitutes approval of (i) the proposed plan of finance for the issuance of debt obligations for the Project for the purposes of Section 147(f) of the Code by the applicable elected representative of a governmental unit having jurisdiction over the area in which the Project is to be located, in accordance with said Section 147(f), and (ii) for approval for the purposes of Section 147(f) of the Code by the applicable elected representative of a governmental unit having jurisdiction over the area in which the Project is to be located, in accordance with said Section 147(f), for a change in use and deemed reissuance of the 2016 Bonds as qualified 501(c)(3) bonds under Code section 145 in the currently outstanding principal amount of approximately $2,300,000.

The Board hereby authorizes the delivery and performance by the District of the foregoing documents.

SECTION 5. Acceptance of Offer. Each Designated Officer is hereby authorized and directed to accept for the District, upon receipt by the District, of an offer to purchase the Certificate, submitted to the District by the Lender, which is hereby approved, so long as the aggregate principal amount of the Certificate does not exceed $21,000,000 and the interest rate with respect to the Certificate does not exceed 6.00% (other than with respect to an event of default or taxability).

SECTION 6. Appointment of Professionals. The appointment of the following professionals is hereby confirmed: Jones Hall LLP as bond counsel; and Hilltop Securities, as placement agent.

SECTION 7. Other Actions. The Designated Officers, the Secretary and all other officers of the District are each authorized and directed in the name and on behalf of the District to make any and all assignments, and to execute any and all certificates, requisitions, agreements, notices, consents, and other documents which they or any of them deem necessary or appropriate in order to consummate the execution and delivery of the Certificate, and any of the other transactions contemplated by the documents approved pursuant to this Resolution. 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 by such officer to act on his or her behalf in the case such officer is absent or unavailable. Any actions previously taken by the Designated Officers, the Secretary and all other officers of the District are hereby ratified and approved.

SECTION 8. Effective Date. This Resolution shall be effective as of the date of its adoption.

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The Board of Directors of the Mendocino Coast Health Care District at a regularly scheduled meeting of the Board passed this Resolution on November 19, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Signed,

_____, Chair of the Board of Directors
Paul Garza Jr.

Attest,

_____, Secretary of the Board of Directors

APPENDIX A

Government Code Section 5852.1 Disclosure

The following information consists of estimates that have been provided by the financial consultant, which has provided to the District in good faith, as of November 4, 2026 based on a principal amount of $19,000,000:

(A) True interest cost of the Certificate: 4.851%

(B) Finance charge of the Certificate (sum of all costs of issuance and fees/charges paid to third parties): $300,000

(C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): $18,700,000

(D) Total payment amount through maturity: $25,091,983.

Description of the Project

The District owns and leases the Adventist Health Mendocino Coast Hospital, portions of which were originally constructed several decades ago and are now subject to state-mandated seismic safety requirements administered by the California Department of Health Care Access and Information (HCAI), with a State-wide compliance deadline of January 1, 2030. To meet these requirements, the District must complete a series of structural and nonstructural improvements to its hospital facility, including reinforcement and retrofit of the building's structural frame, bracing and anchoring of building utility systems and equipment, upgrades to the facility's water and wastewater storage systems, and related design, engineering, permitting, and construction work necessary to bring the hospital into compliance.