

## **ATTACHMENT 5**

### **GOOD FAITH ESTIMATES**

The good faith estimates set forth herein are provided with respect to the 2025 Broadband Revenue Loan in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by NHA Advisors, its municipal advisor (the “Municipal Advisor”).

**Principal Amount.** The Municipal Advisor has informed the City that, based on the City’s financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2025 Broadband Revenue Loan to be sold is \$7,864,039 (the “Estimated Principal Amount”). Based on the Estimated Principal Amount, the following good faith estimates are provided:

(a) **True Interest Cost of the 2025 Broadband Revenue Loan.** The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025 Broadband Revenue Loan is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2025 Broadband Revenue Loan, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2025 Broadband Revenue Loan, is 4.85%

(b) **Finance Charge of the 2025 Broadband Revenue Loan.** The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025 Broadband Revenue Loan is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2025 Broadband Revenue Loan, which means the sum of all fees and charges paid to third parties, is \$185,000.

(c) **Amount of Proceeds to be Received.** The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025 Broadband Revenue Loan is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the 2025 Broadband Revenue Loan, less the finance charges set forth in (b) above, and any reserves or capitalized interest to be paid or funded with proceeds of the 2025 Broadband Revenue Loan, together with any premium received, is \$6,930,000.

(d) **Total Payment Amount.** The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025 Broadband Revenue Loan is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the 2025 Broadband Revenue Loan, plus the finance charge for the 2025 Broadband Revenue Loan as described in (b) above not paid with the proceeds of the 2025 Broadband Revenue Loan, calculated to the final maturity of the 2025 Broadband Revenue Loan, is \$12,697,131 (\$749,039 of which will be paid for from capitalized interest and \$669,331 of which will be paid for from the Debt Service Reserve Fund).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2025 Broadband Revenue Loan issued and sold, the true interest cost thereof, the finance charges

thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2025 Broadband Revenue Loan being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2025 Broadband Revenue Loan sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2025 Broadband Revenue Loan being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2025 Broadband Revenue Loan being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the 2025 Broadband Revenue Loan and the actual principal amount of 2025 Broadband Revenue Loan sold will be determined by the City based on the timing of the need for proceeds of the 2025 Broadband Revenue Loan and other factors. The actual interest rates borne by the 2025 Broadband Revenue Loan will depend on market interest rates at the time of sale thereof. The actual amortization of the 2025 Broadband Revenue Loan will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.