***HUMBOLDT BAY HARBOR, RECREATION***

***AND CONSERVATION DISTRICT***

**RESOLUTION 2014-05**

**RESOLUTION APPROVING SALE OF LIMITED OBLIGATION NOTE PURSUANT TO HARBOR AND NAVIGATIONS CODE SECTION 6084.2 TO COAST SEAFOODS, INC.**

The Humboldt Bay Harbor, Recreation and Conservation District Commission hereby finds and resolves as follows:

**WHEREAS,** Humboldt Bay Harbor, Recreation and Conservation District has acquired a former pulp mill site adjacent to Humboldt Bay upon which is stored pulp processing liquors; and

**WHEREAS**, an accidental release of said pulp processing liquors would be harmful to the waters of Humboldt Bay and to the health and safety of the general public; and

**WHEREAS**, the Commission finds it to be in the public interest that said pulp processing liquors be removed from the site as soon as practical and is currently working with the Environmental Protection Agency for proper removal and disposal of the pulp processing liquors; and

**WHEREAS**, the Humboldt Bay Harbor, Recreation and Conservation District does not have immediate readily-available cash to fund the removal of the pulp processing liquors; and

**WHEREAS**, Coast Seafoods, Inc. is engaged in oyster production in Humboldt Bay and has an interest in insuring the water quality of Humboldt Bay; and

**WHEREAS**, Coast Seafoods, Inc. has expressed a willingness to assist the Humboldt Bay Harbor, Recreation and Conservation District by advancing funds necessary for assisting in the removal and disposal of the pulp processing liquors in an expedient manner; and

**WHEREAS**, Humboldt Bay Harbor, Recreation and Conservation District is willing to sell a limited obligation note issued pursuant to California Harbors and Navigations Code section 6084.2 to acquire funds necessary for assisting in the removal and disposal of the pulp processing liquors in an expedient manner to Coast Seafoods, Inc. and Coast Seafoods, Inc. is willing to purchase said limited obligation note;

**NOW THEREFORE, BE IT RESOLVED THAT THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT ACKNOWLEDGES:**

1. This Resolution is adopted pursuant to California Harbors and Navigations Code section 6084.2(a); and
2. The purpose of incurring this indebtedness is to procure funds necessary for assisting in the removal and disposal of pulp processing liquors located on the Samoa pulp mill site near Humboldt Bay in an expedient manner; and
3. The estimated amount of the indebtedness is $1.25 million (one million, two hundred fifty thousand dollars); and
4. The maximum amount of the limited obligation note shall be $1.25 million (one million, two hundred fifty thousand dollars); and
5. The interest rate on the note (computed on the basis of a 360-day year, actual days elaped) shall be three and one-half percent (3.5%) per annum, compounded annually or at the interest rate allowable under California Government Code Section 53530 et. seq., whichever is lower; and
6. The source of revenue for repayment of the limited obligation note shall be the District’s income from lease operations at the Field’s Landing Boatyard and the Woodley Island Marina, excluding marina dock rental income, dredging assessments, utilities and related charges; revenue derived from the anticipated sale of the Samoa pulp mill power plant/boiler and related equipment; anticipated revenue in the form of grants for removal and disposal of the pulp liquors, to the extent permitted by the grant funding; and anticipated revenue from Brownsfield loan proceeds for removal and disposal of the pulp liquors, to the extent permitted by the loan provisions and requirements; and
7. The maturity date of the obligation shall be four years after the first funds are advanced to the Humboldt Bay Harbor, Recreation and Conservation District pursuant to the limited obligation note; and
8. The form of the limited obligation note shall be substantially that as attached to this Resolution as Exhibit 1 and incorporated by reference as if set forth in full herein; and
9. This Resolution is adopted by a vote of four-fifths of all of Commissioners of the Commission as required by Harbors and Navigations Code section 6084.2(a); and
10. The President and Secretary of the Humboldt Bay Harbor, Recreation and Conservation District shall be, and hereby are, authorized to execute the limited obligation note on behalf of the District.

**PASSED AND ADOPTED** by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District at a duly called meeting held on the 29th day of April 2014, by the following polled vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

 **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Richard Marks, President**

 **Board of Commissioners**

**ATTEST:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Patrick Higgins, Vice President for**

**Greg Dale, Secretary**

**Board of Commissioners**

# CERTIFICATE OF SECRETARY

The undersigned, duly qualified and acting Secretary of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, does hereby certify that the attached Resolution is a true and correct copy of RESOLUTION NO. 2014-05 entitled,

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as regularly adopted at a legally convened meeting of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, duly held on the 29TH day of April 2014; and further, that such Resolution has been fully recorded in the Journal of Proceedings in my office, and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of April 2014.

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 Patrick Higgins, Vice President for

Greg Dale, Secretary

 Board of Commissioners