

**HUMBOLDT BAY HARBOR, RECREATION  
AND CONSERVATION DISTRICT**

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**RESOLUTION NO. 2023-09**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT  
APPROVING THE FORM OF AND AUTHORIZING AND DIRECTING EXECUTION  
AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT PROVIDING FOR THE  
FINANCING OF THE DISTRICT'S DREDGING AND PROPERTY ACQUISITION  
PROJECTS AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED  
THERE TO**

**WHEREAS**, the Board of Commissioners (the "Board"), after due investigation and deliberation, hereby determines that it is in the public interests of the District to provide for the long-term financing (the "Financing") of certain capital improvements (the "Project"), pursuant to terms and conditions of an Installment Sale Agreement (the "2023 Installment Sale Agreement") related to the District's Harbor Enterprise (the "Harbor Enterprise"), dated as of May 1, 2023, by and between the District and Signature Public Funding Corp., a wholly-owned subsidiary of Flagstar Bank, N.A. (the "Bank"), a copy of which has been presented at this meeting and is on file with the Secretary to the Board (the "Secretary"); and

**WHEREAS**, for the purpose of providing for the Financing, the District proposes to execute and deliver not to exceed \$5,500,000 aggregate principal amount of the "Humboldt Bay Harbor, Recreation and Conservation District, Series 2023 Installment Sale Obligations (Acquisition and Renovation Project)" (the "Obligation"), as evidenced by a Promissory Note (the "Promissory Note," and together with the Obligation, the "2023 Obligations"), representing the interest of the registered owner thereof in certain installment payments (the "Installment Payments") to be made by the District to the Bank pursuant to the terms and conditions of the 2023 Installment Sale Agreement; and

**WHEREAS**, pursuant to the 2023 Installment Sale Agreement, the District will make payments from revenues of its Harbor Enterprise operations sufficient in amount to pay back the debt service on the 2023 Obligations, as more particularly set forth in the 2023 Installment Sale Agreement; and

**WHEREAS**, the Board, with the aid of its staff, has reviewed the 2023 Installment Sale Agreement, the form of which is on file with the Secretary, and the Board wishes at this time to approve the foregoing document as being within the public interests of the District; and

**WHEREAS**, the Board desires to designate the 2023 Obligations for purposes of Paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986 (the “Code”) as a “Qualified Tax-Exempt Obligation;” and

**WHEREAS**, Section 5852.1 of the Government Code of the State of California (“Section 5852.1”) provides that the Board obtain from the Bank and disclose, in a meeting open to the public, prior to authorization of the 2023 Obligations, good faith estimates of: (a) the true interest cost of the 2023 Obligations, (b) the finance charge of the 2023 Obligations, meaning the sum of all fees and charges paid to third parties, (c) the amount of proceeds of the 2023 Obligations received less the finance charge described above and any reserves or capitalized interest paid or funded with proceeds of the 2023 Obligations and (d) the sum total of all debt service payments on the 2023 Obligations calculated to the final maturity of the 2023 Obligations plus the fees and charges paid to third parties not paid with the proceeds of the 2023 Obligations; and

**WHEREAS**, in accordance with Section 5852.1, the Board has obtained such good faith estimates from the Bank, and such estimates are disclosed in Section 6 hereof; and

**WHEREAS**, the Board wishes at this time to authorize all actions and proceedings relating to the procurement and delivery of the 2023 Obligations, the execution and delivery of the 2023 Installment Sale Agreement; 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 now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

**NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:**

**Section 1. Recitals and Findings.** The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the recitals set forth above are true and correct and that the Refunding will result in public benefits to the District and its ratepayers.

**Section 2. Authorizing the Issuance of 2023 Obligations.** The Board hereby authorizes the issuance of the 2023 Obligations pursuant to the 2023 Installment Sale Agreement.

**Section 3. Authorized Representatives.** The President, Vice President, Executive Director, Deputy Executive Director, Secretary and any other person authorized by the Executive Director 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 2023 Obligations, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the District, to

execute and deliver any and all documents and certificates that may be required to be executed in connection with the execution and delivery of the 2023 Obligations, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Board has intended with the adoption of this Resolution.

**Section 4. Approval of 2023 Installment Sale Agreement and Promissory Note.** The Board hereby authorizes and approves the execution and delivery of the 2023 Installment Sale Agreement as well as the Promissory Note. The Board approves the 2023 Installment Sale Agreement and Promissory Note in substantially the form on file with the Secretary, together with any additions thereto or changes therein deemed necessary or advisable by an Authorized Representative of the District. Any Authorized Representative of the District is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the District to, the final form of the 2023 Installment Sale Agreement and Promissory Note for and in the name and on behalf of the District, and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the 2023 Installment Sale Agreement and Promissory Note.

**Section 5. 2023 Obligations Designated as a Qualified Tax-Exempt Obligation.** The Board hereby designates the 2023 Obligations for purposes of Paragraph (3) of Section 265(b) of the Code as a "Qualified Tax-Exempt Obligation" and covenants that the 2023 Obligations do not constitute a private activity bond as defined in Section 141 of the Code and that the aggregate face amount of all tax-exempt obligations issued by the District (including all subordinate entities of the District and all entities which may issue obligations on behalf of the District) during the calendar year 2023 is not reasonably expected to exceed \$10,000,000, excluding, however, private activity bonds, as defined in Section 141 of the Code (other than qualified 501(c)(3) bonds as defined in Section 145 of the Code) and current refunding obligations having a principal amount not in excess of the refunded obligation.

**Section 6. Good Faith Estimates.** Set forth below are good faith estimates of the Underwriter, as required under Section 5852.1 of the California Government Code (the "Code") for the 2023 Obligations. The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by this resolution.

(a) The true interest cost of the 2023 Obligations is estimated at 4.25%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.

(b) The finance charge of the 2023 Obligations, including all fees and charges paid to third parties, is estimated at \$74,000.00.

(c) Proceeds of the 2023 Obligations received by the District of \$5,454,000.00 (estimated) less the finance charge set forth in (b) above, is equal to \$5,380,000.00.

(d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$7,518,291.00.

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

**Section 7. Confirmation and Direction to Proceed with the Financing.** The Board hereby finds and determines that it has taken all of the foregoing actions, and made all of the foregoing findings, in full compliance with the law, and that all prior proceedings taken with respect to the Financing and issuance of 2023 Obligations were duly considered, and are hereby considered valid and in conformity with the requirements of law. All actions heretofore taken by the officers and agents of the District with respect to the Financing are hereby approved, confirmed and ratified.

**Section 8. Official Actions.** The Authorized Representatives 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, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they or any of them might deem necessary or appropriate in order to consummate any of the actions and transactions contemplated by this Resolution, the 2023 Installment Sale Agreement and Promissory Note. Whenever any officer of the District is authorized to execute or countersign any document or take any action contemplated by this Resolution, the 2023 Installment Sale Agreement and Promissory Note, 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.

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

**PASSED AND ADOPTED** by the Humboldt Bay Harbor, Recreation and Conservation District Board of Commissioners at a duly called meeting held on the **11<sup>th</sup> day of May 2023** by the following vote:

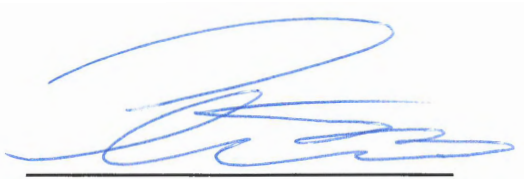
AYES: Benson, Dale, Higgins, Kullmann, Newman

NOES: 0

ABSENT: 0

ABSTAIN: 0

ATTEST:



**Aaron Newman, Secretary  
Board of Commissioners**



**Greg Dale, President  
Board of Commissioners**

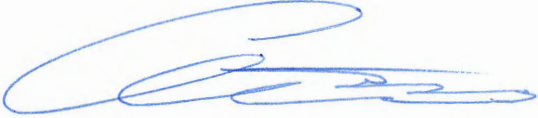
**CERTIFICATE OF SECRETARY**

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. **2023-09** entitled,

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PROPERTY ACQUISITION PROJECTS AND PROVIDING FOR OTHER MATTERS  
PROPERLY RELATED THERETO**

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 **11<sup>th</sup> day of May 2023**; 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 **11<sup>th</sup> day of May 2023**.



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**Aaron Newman, Secretary  
Board of Commissioners**