

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

Certified copy of portion of proceeding, meeting on July 23, 2024

RESOLUTION NO. ____

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN ORDER TO FINANCE VARIOUS CAPITAL IMPROVEMENT PROJECTS

WHEREAS, the Humboldt County Public Property Leasing Corporation is a nonprofit public benefit corporation organized and existing under the laws of the State of California (the “Corporation”) with the authority to assist the County of Humboldt (the “County”) in financing capital improvements; and

WHEREAS, in order to finance capital improvements to and furniture and equipment for various County properties (collectively, the “Project”), the County and the Corporation have entered into that certain Site Lease (the “Site Lease”) and that certain Lease Agreement (the “Lease”), each dated as of September 1, 2020, pursuant to which Site Lease the Corporation has leased from the County, real property of the County described therein (the “Existing Leased Premises”), and pursuant to which Lease the County has leased back the Existing Leased Premises from the Corporation and the County has agreed to pay certain lease payments in connection therewith to the Corporation; and

WHEREAS, the Corporation and the Treasurer-Tax Collector of the County, acting on behalf of the Humboldt County Treasury Pool (the “Assignee”) entered into an Assignment and Purchase Agreement dated as of September 1, 2020 (the “Assignment Agreement”), pursuant to which the Assignee has agreed to pay consideration in an amount sufficient to provide for the financing of the Project and payment of certain costs incurred by the County in connection with such financing in an amount up to \$40,000,000; and

WHEREAS, the County, the Corporation and the Assignee desire to amend the Site Lease, the Lease and the Assignment Agreement in order to increase the amount the Assignee will agree to pay in consideration for the financing of the Project from \$40,000,000 to \$60,000,000 and in connection therewith, add additional property to the Existing Leased Premises (such additional property, together with the Existing Leased Premises, the “Leased Premises”) under the Site Lease and the Lease; and

WHEREAS, the plan to increase the amount of financing for the Project pursuant to the amendments described herein has been presented to the County’s Debt Advisory Committee (the “DAC”) in accordance the Humboldt County Debt Management Policy dated June 27, 2017 (the “Debt Policy”) and the DAC has reviewed the proposed amendments to the lease transaction in accordance with the provisions of the Debt Policy and has recommended to the Board of Supervisors that it proceed with the approval of the amendments; and

WHEREAS, in accordance with Government Code Section 5852.1 the Board of Supervisors is required to obtain and disclose certain good faith estimates regarding the financing described herein from an underwriter or a financial advisor; and

WHEREAS, the County and the Corporation have retained the services of Raymond James and Associates, Inc., a firm which provides municipal advisory and underwriting services, to act as the placement agent (the "Placement Agent") with respect to the lease transaction for the Project and the Placement Agent has provided to the County the good faith estimates required by Government Code Section 5852.1 which are attached hereto as Exhibit A; and

WHEREAS, the Board of Supervisors desires approve the forms of the first amendment to the Site Lease (the "First Amendment to Site Lease"), the first amendment to the Lease (the "First Amendment to Lease") and to consent to the first amendment to the Assignment Agreement (the "First Amendment to Assignment Agreement") in the forms presented to the Board of Supervisors at the meeting at which this Resolution is being adopted; and

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Board of Supervisors hereby:

1. Finds that each of the foregoing recitals is true and correct.
2. Approves the forms of the First Amendment to Site Lease, the First Amendment to Lease and the First Amendment to Assignment Agreement presented at this meeting. Each of the Chair, Vice Chair and Clerk of the Board of Supervisors and the Chief Administrative Officer of the County or their designees (collectively, the "Authorized Officers"), acting alone, is hereby authorized for and in the name of the County to execute the First Amendment to Site Lease and the First Amendment to Lease and to consent to the First Amendment to Assignment Agreement in substantially the forms hereby approved, with such additions thereto and changes therein as the Authorized Officer or Authorized Officers executing the same deem to be necessary, including, but not limited to, additions and changes thereto as are required by the Assignee as condition to its agreement to amend the Assignment Agreement as described in the First Amendment to Assignment Agreement; provided, however, that the terms of the Site Lease and the Lease, as amended as described herein, shall comply with the limitations set forth in Section 3 below. Approval of such changes shall be conclusively evidenced by the execution and delivery thereof by any one of the Authorized Officers. Each of the Authorized Officers is further authorized to execute, acknowledge and deliver any and all documents required to consummate the transactions contemplated by the First Amendment to Site Lease, the First Amendment to Lease and the First Amendment to Assignment Agreement. In the event that the Assignee requires that real property in addition to or in substitution of the real property described in the First Amendment to Site Lease and the First Amendment to Lease be leased thereunder, any one of the Authorized Officers is authorized to select such property of the County to include as the Leased Premises.
3. Declares that the Lease Payments to be made by the County under the Lease shall not exceed \$4,417,040.00 in any year and hereby determines that the maximum annual Lease Payments due under the Lease in each year do not exceed the annual fair rental value of the Leased Premises. The foregoing

determination is based on costs of the acquisition, construction and renovation of and improvements to the Leased Premises, the replacement cost of the Leased Premises, the essential nature of the Leased Premises to the County's operations, other obligations of the parties under the Lease (including but not limited to costs of maintenance, taxes and insurance) and the uses and purposes that are being served by the Leased Premises and the benefits therefrom that are and will continue to accrue to the County and the general public throughout the Term (as defined in the Lease). The principal components of Base Rental Payments shall not exceed \$60,000,000. The DAC has determined and the Board of Supervisors now determines that the useful life of the Leased Premises extends beyond August 1, 2055, which is the maximum term of the Lease. The foregoing determination is based on the age and current condition of the Leased Premises, the essential nature of the Leased Premises to the County's operations, and the improvements made to the Leased Premises since initial construction, including seismic, safety and mechanical system improvements.

4. Hereby consents to the First Amendment to Assignment Agreement and hereby approves the form of the First Amendment to Assignment Agreement by and between the Corporation and the Assignee. The Board hereby determines that the consideration to be paid by the Assignee pursuant to the Assignment Agreement as so amended is fair consideration for the lease of the Leased Premises by the County to the Corporation.
5. Hereby authorizes each of the Authorized Officers and the other officers of the County, acting alone, to do any and all things and to execute and deliver any and all documents and agreements which they may deem necessary and advisable in order to consummate the financing of the Project and otherwise effectuate the purposes of this Resolution, including adding property to the Leased Premises, determining the capital improvements to be made as part of the Project and submitting draws to fund the Project in accordance with the Lease and substituting other County property for all or a portion of the Leased Premises from time to time in accordance with the provisions of the Lease. In the event the Chair and Vice Chair of the Board of Supervisors are unavailable or unable to execute and deliver any of the above referenced documents, any other member of the Board of Supervisors may validly execute and deliver such document. In the event that the Clerk of the Board of Supervisors is unavailable or unable to execute and deliver any of the above-referenced documents, any deputy clerk may validly execute and deliver such document.
6. Hereby approves of the contract with Stradling Yocca Carlson & Rauth LLP to serve as special counsel with respect to the transactions approved by this Resolution and in connection with any permanent financing utilized to retire the interim financing under the leases described herein. Each of the Authorized Officers is authorized to execute the agreement for legal services with Stradling Yocca Carlson & Rauth LLP in the form presented to the Board of Supervisors at this meeting.

7. All actions heretofore taken by any officer of the County with respect to the execution and delivery of the First Amendment to Site Lease, the First Amendment to Lease and the First Amendment to Assignment Agreement, and the financing of the Project, are hereby approved, confirmed and ratified.
8. This Resolution shall take effect from and after its date of adoption.

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA
 Certified copy of portion of proceedings, Meeting of July 23, 2024

RESOLUTION NO. _____

Adopted on motion by Supervisor _____, seconded by Supervisor _____ and the following vote:

AYES: SUPERVISORS
 NOES: SUPERVISORS
 ABSENT: SUPERVISORS
 ABSTAIN: SUPERVISORS

STATE OF CALIFORNIA)
 County of Humboldt)

I, Tracy Damico, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be a full, true and correct copy of the original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California as the same now appears of record in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.

 Clerk of the Board of Supervisors of the County of Humboldt, State of California.

(Seal)

By _____

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Lease in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the County by the Placement Agent.

(A) True Interest Cost of the Lease: 4.14%.

(B) Finance Charge of the Lease (Sum of all fees/charges paid to third parties, but excluding potential bond insurance or debt service reserve fund insurance premiums, if applicable): \$130,000.

(C) Net Proceeds to be Received (net of finance charges, reserves and capitalized interest, if any): \$59,870,000.00.

(D) Total Payment Amount Through Maturity: \$106,325,793.36.

The foregoing estimates constitute good faith estimates only. The final principal amount due under the Lease, the true interest cost of the Lease, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to, among other factors, the final draws to be made under the Lease and the interest rates with respect to each draw.