



COUNTY OF HUMBOLDT

AGENDA ITEM NO.  
**D-15**

For the meeting of: April 19, 2016

Date: February 17, 2016  
To: Board of Supervisors  
From: Humboldt County Treasurer-Tax Collector  
Subject: Financing the Approved Office Space and Building Capital Projects Improvements

RECOMMENDATIONS:

That the Board of Supervisors:

1. Approve and sign the attached Professional Services Agreement (PSA) for contractual services for Bond Counsel with the law firm of Stradling Yocca Carlson & Rauth to work with the County for financing the 'Office Space and Building Capital Projects Improvements' approved on January 19, 2016.
2. Approve and sign the attached Professional Services Agreement (PSA) for contractual services for Placement Agent services with Raymond James to work with the County for financing the 'Office Space and Building Capital Projects Improvements' approved on January 19, 2016.
3. Receive and approve the revised Statement of Investment Policy dated April 12, 2016 which will now allow Municipal Securities to be purchased in the County Investment Pool (Investment Pool) with maturities beyond five years to facilitate debt financing for Humboldt County capital improvement projects.
4. Approve and sign the attached Resolution showing your Board's intention to reimburse the costs incurred for the 'Office Space and Building Capital Projects Improvements' with a public offering

Prepared by John Bartholomew *JB*

CAO Approval *Cheryl Dillingham*

REVIEW: Auditor *MSM* County Counsel *[Signature]* Personnel \_\_\_\_\_ Risk Manager \_\_\_\_\_ Other \_\_\_\_\_

TYPE OF ITEM:  
 Consent  
 Departmental  
 Public Hearing  
 Other \_\_\_\_\_

PREVIOUS ACTION/REFERRAL:

Board Order No. \_\_\_\_\_

Meeting of: \_\_\_\_\_

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT**  
Upon motion of Supervisor Fennell Seconded by Supervisor Bass  
Ayes Sundberg, Fennell, Lovelace, Bohn, Bass  
Nays \_\_\_\_\_  
Abstain \_\_\_\_\_  
Absent \_\_\_\_\_

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: April 19, 2016  
By: *[Signature]*

of tax-exempt obligations to reimburse the Investment Pool.

SOURCE OF FUNDING: Interim financing to be done through the Investment Pool as approved in the Investment Policy revision dated April 12, 2016. Long term financing will be through a public issuance of tax exempt obligations once the projects have been completed (anticipated to be late in calendar 2019).

DISCUSSION: Capital improvement projects are designed, approved, and built over a period of years so paying for these type projects (when the money is not currently available in reserve or from other sources) involves issuing public debt. Since the county has plenty of debt capacity the public offering itself is not a problem, but projects like these are done in stages so it is more cost effective to borrow money as needed for each stage of the project versus borrowing the amount needed for the entire project at the beginning, or first stage of the project. Interest begins to accrue on borrowed money as soon as it is received therefore it is best to borrow money as needed for long term projects. The method of this type of as-needed borrowing is known as 'interim period financing'. Interim period financing is typically refunded or paid back by replacing it with long term or permanent financing.

The county pool (pool) is the source available to the county for interim period financing for capital improvement projects whereby draws for the amounts needed for various stages of the project would be borrowed. The draw amounts would be charged an interest rate a bit higher than the pool apportionment rate for the entire time it is borrowed from the pool. The additional interest rate (or 'spread') charged against those draws will be a set amount that will float with the apportionment rate of the pool. For example, if the pool rate is 1.00% on an annualized basis then an additional 'spread' amount of possibly 30 or 50 basis points (basis points are a percentage of 1, so 50 basis points equals ½ of 1%) would be accumulating as interest onto the principle amount of the draw until it is refinanced and repaid to the pool by long-term financing.

To provide the interim financing, the pool will purchase a lease (or a certificate of participation in the lease) from the Humboldt County Public Property Leasing Corporation (Corporation) to the county. As the county has done with previous lease financings, the county will lease, in this case the County Jail Phase I, to the Corporation and the Corporation will lease back the asset to the county pursuant to a facility lease. Under the facility lease, the county will agree to make lease payments from lawfully available funds which are anticipated to come from the General Fund. The pool will purchase the lease and will charge the county a spread over the prevailing pool investment rate, with the actual rate being determined in connection with each of the "draws" over the next three years, factoring in comparable "market rates" as provided by the Placement Agent. When the projects are complete, or sooner, at the county's option, the county will publicly issue tax-exempt certificates of participation or lease revenue bonds to take out the interim financing and repay the pool.

Both the 'interim period' and 'long-term' financing require legal documentation which will be provided by Bond Counsel and specific handling procedures in order for these methods of public indebtedness to be granted. Since county staff does not have the training and/or expertise for establishing these financing arrangements, PSAs with legal and financial corporations with the needed expertise must be established. Hence the following recommendations:

Recommendation 1: The PSA recommended for approval and signing for Bond Counsel (Attachment 1) is for the legal documentation required for the interim and long term financing for the projects specified in Board Order H. 3 (below).

Recommendation 2: The PSA recommended for approval and signing for Placement Agent (Attachment 2) is for following the lawful requirements as designed by bond counsel, and for directing the procedural

requirements of money handling during the interim period financing, and for guidance of the interest rate spread per comparable market rates for each draw facilitated during interim period financing for the projects specified in Board Order H.3 (below).

**Board Order H.3**

**“Public Works:** County Office Space and Building Capital Projects Improvements

**Recommendation:** That the Board of Supervisors direct the County Treasurer/Tax Collector and County Administrative Officer to secure \$5,590,000 to perform the following: Juvenile Hall Replacement - Project Budget Adjustment \$2,100,000; Weights and Measures Building - Finalize Design and Construction \$1,140,000; New Building, 1001 4th Street - Architectural Engineering Services \$1,200,000; Vacant areas of the Fifth floor of Courthouse - District Attorney Offices Remodel \$900,000; Arcata/Eureka Airport Restaurant - County Upgrades \$250,000.

**A motion was made by Supervisor Sundberg, seconded by Supervisor Fennell, that the recommendations be approved The motion carried by the following vote:**

**Aye: 5 - Rex Bohn, Estelle Fennell, Mark Lovelace, Virginia Bass, and Ryan Sundberg”**

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On August 25, 2015, your Board approved a resolution dedicating funding of \$1,000,000 towards the new Corrections Reentry Resource Center. This amount was not included in the funding recommendation on Board Order H.3. At this time it looks like the funds will need to be made available sooner than originally anticipated and should be added to the projects listed above. The amount for the Juvenile Hall Replacement project may be reduced based on the actual bids received and could be applied to this project. At this time it is not recommended that the interim financing amount be increased.

Government code section 31000 permits the Board of Supervisors to contract for these special services with individuals and companies specially trained, experienced and competent to provide those services such as the above mentioned Bond Counsel and Placement Agent firms which both have solid reputations for providing these services.

In addition, the current investment policy for the county pool does not allow for the interim financing of county projects, therefore the investment policy needs to be revised so interim financing is authorized. Recommendation 3 below is to revise the investment policy.

Recommendation 3: In order for short term financing of the ‘County Office Space and Building Capital Projects Improvements’ the County will use interim period financing that will be privately placed in the Investment Pool as is authorized by the revision to the Investment Policy dated April 12, 2016. (Attachment 3)

The changes sought for this revision of the Statement of Investment Policy are as follows:

Item # 7 AUTHORIZED INVESTMENTS:

Add, “Municipal Securities with maturities beyond five years may also be purchased to provide debt or lease financing for Humboldt County capital improvement projects; provided that (1) prior to such purchase, the Board of Supervisors shall have adopted a resolution stating its intention to refund the Municipal Securities from the Pooled Investment Fund by a public offering of long term lease or other debt instruments, and (2) the

Municipal Securities provide an increase in the interest rate at the end of five years to a long-term interest rate to the final maturity date of the Municipal Securities”.

Item # 9 INVESTMENT CRITERIA:

Under the ‘Maximum Maturity’ column of the row “Registered State Warrants and Municipal Notes and Bonds” add “and Debt Financing of County Capital Improvement Projects” after 5 years (30 years for Headwaters Investment Portfolio).

Recommendation 4: The Resolution (Attachment 4) reflects your Board’s intention to publicly issue those tax exempt obligations to reimburse the Pool for project costs incurred prior to the public issuance of the long term debt obligations.

FINANCIAL IMPACT: The following fees for Bond Counsel and Placement Agent will be payable from proceeds of the Interim Financing:

- Bond Counsel - the maximum amount payable by the county for services rendered, related to Interim Financing is Thirty Thousand Dollars (\$30,000.00), at the following rates:  
Shareholders: \$525/hr. Associates: \$300/hr. Paralegals: \$130/hr.
- Placement Agent - the maximum amount payable by the county for services rendered, and costs and expenses incurred, is \$27,500.00.

This interim financing is part of an investment of up to \$18 million which will move the County in the direction of having campuses where like functions are grouped together for better public service. In the first quarter budget update for FY 2015-16, the Board of Supervisors approved an allocation of \$750,000 toward this suite of projects. Today's action authorizes an additional investment of \$5.59 million which, being funded on an as-needed basis, will entail a number of draws from the investment pool over the next few years. These interim financing draws will accrue interest until they are repaid to the investment pool. This can be done as money is made available from the General Fund or after long term financing through a public offering to complete these projects is done through the open market. Ultimately the General Fund will be required to repay all money borrowed and interest. Estimated annual payments for the full \$18 million are \$1.3 million. These payments would most likely start in FY 2020-21.

Your Board should be aware that staff intends to return in the future to seek authorization to finance up to the aforementioned \$18 million to complete this 1<sup>st</sup> stage of county campuses. In addition, the Board should be aware that the \$5.59 million authorization today includes preparatory work for future phases that will be lost if the remaining cost of up to the potential \$18 million is not subsequently authorized.

By signing the PSAs and Resolution the County shows a solid plan for financing much needed capital improvements that will enhance public services into the future. These plans show the proactive nature of your Board to follow the strategic framework you established to serve the needs of the community.

OTHER AGENCY INVOLVEMENT: The Humboldt County Public Property Leasing Corporation will meet to review and approve documents. This Corporation is presently a party to the 2012 Refunding of the 2003 and 2004 COPs and will be a party to these new issues.

ALTERNATIVES TO STAFF RECOMMENDATIONS: The Board may decide to not authorize the proposed financing plan for the ‘Office Space and Building Capital Projects Improvements’. This alternative is not recommended because it would counteract your Board’s motion to secure funding per Board Order H.3 and stop the Capital Improvement Projects listed therein.

ATTACHMENTS:

1. PSA with Stradling Yocca Carlson & Rauth for Bond Counsel services.
2. PSA with Raymond James for Placement Agent Services
3. Humboldt County Investment Policy dated April 12, 2016
4. Resolution of the Board of Supervisors intention to issue tax-exempt obligations

# ATTACHMENT 1

**PROFESSIONAL SERVICES AGREEMENT  
BY AND BETWEEN  
COUNTY OF HUMBOLDT  
AND  
STRADLING YOCCA CARLSON & RAUTH  
FOR FISCAL YEARS [2015-2016] THROUGH [2019-2020]**

This Agreement, entered into this 19th day of April, 2016, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Stradling Yocca Carlson & Rauth, a California Professional Corporation, hereinafter referred to as "SPECIAL COUNSEL," is made upon the following considerations:

WHEREAS, COUNTY desires to enter into certain financing arrangements to fund various capital improvements through the execution and delivery of one or more leases (each a "Lease") and one or more series of certificates of participation (the "Certificates") that is expected to include an interim financing where a Lease and/or Certificates are purchased by the COUNTY Treasurer's Pooled Investment Fund (the "Interim Financing") which will be refinanced with a public sale of Certificates (the "Permanent Financing"); and

WHEREAS, COUNTY intends to secure \$5,590,000 in interim lease financing obligations directly to the COUNTY'S Treasury Pool as needed to perform the following: Juvenile Hall Replacement - Project Budget Adjustment \$2,100,000; Weights and Measures Building - Finalize Design and Construction \$1,140,000; New Building, 1001 4<sup>th</sup> Street - Architectural Engineering Services \$1,200,000; Vacant areas of the Fifth floor of Courthouse - District Attorney Offices Remodel \$900,000; Arcata/Eureka Airport Restaurant - County Upgrades \$250,000 for these listed 2016 Capital Improvement Projects; and up to \$18 million in Permanent Financing to replace Interim Financing and pay construction costs associated with the 2016 Capital Improvement projects; and

WHEREAS, COUNTY, by and through its Treasurer-Tax Collector's Office, desires to retain SPECIAL COUNSEL to perform the necessary legal work related to the Interim Financing and the Permanent Financing; and

WHEREAS, such work involves the performance of professional, expert and technical services of a temporary and occasional character; and

WHEREAS, COUNTY has no employees available to perform such services and is unable to hire employees for the performance thereof for the temporary period; and

WHEREAS, SPECIAL COUNSEL represents that it is specially trained, skilled, experienced and qualified to perform the services required by COUNTY.

NOW THEREFORE, the parties hereto mutually agree as follows:

1. DESCRIPTION OF SERVICES:

SPECIAL COUNSEL agrees to furnish the services described in Exhibit A – Scope of Services, which is attached hereto and incorporated herein by reference. In providing such services, SPECIAL COUNSEL agrees to fully cooperate with the Humboldt County Treasurer-Tax Collector or designee thereof, hereinafter referred to as "Treasurer."

2. TERM:

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until January 1, 2020, unless sooner terminated as provided herein.

3. TERMINATION:

- A. Breach of Contract. If, in the opinion of COUNTY, SPECIAL COUNSEL fails to adequately perform the services required hereunder within the time limits specified herein, or otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation or other law applicable to its performance herein, COUNTY may terminate this Agreement immediately, upon notice.
- B. Without Cause. COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice to SPECIAL COUNSEL. Such notice shall state the effective date of the termination.
- C. Insufficient Funding. COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide SPECIAL COUNSEL seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.
- D. Right to Withdraw. If, in the opinion of SPECIAL COUNSEL, COUNTY fails to adequately cooperate or follow the advice of SPECIAL COUNSEL on a material matter, or any fact or circumstance that would render continuing representation unlawful or unethical, or otherwise fails to comply with the terms of this Agreement, SPECIAL COUNSEL may terminate this Agreement immediately, upon notice and withdraw as SPECIAL COUNSEL to COUNTY. If SPECIAL COUNSEL elects to withdraw, COUNTY will take all steps necessary to free SPECIAL COUNSEL of any obligation to perform further services, including the execution of any documents necessary to complete such withdrawal.
- E. Termination Effective Date. SPECIAL COUNSEL'S representation of COUNTY under this Agreement will be considered terminated at the earlier of (i) COUNTY'S termination of SPECIAL COUNSEL'S representation, (ii) SPECIAL COUNSEL'S withdrawal from representation of COUNTY, or (iii) the substantial completion by SPECIAL COUNSEL of its substantive work for COUNTY. Unless SPECIAL COUNSEL has been specifically engaged to perform Special Services related to the Certificates after their execution and delivery, SPECIAL COUNSEL'S representation of COUNTY with respect to the Certificates shall terminate on the date of execution and delivery.
- F. Compensation Upon Termination. In the event of any termination of this Agreement, SPECIAL COUNSEL shall be entitled to compensation for uncompensated services rendered hereunder through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owing to COUNTY resulting from a breach of this Agreement by SPECIAL COUNSEL.

4. COMPENSATION:

- A. Fee Schedule. For the services to be rendered under this Agreement relating to the Interim Financing, it is agreed that Special Counsel will be paid a fee at the hourly rates set forth in



Exhibit B not to exceed \$30,000 and for the Permanent Financing, it is agreed that Special Counsel will be paid a fee based on the fee schedule set forth below. In addition to the fee set forth in the schedule for any series of Certificates for which an Official Statement is to be prepared, Special Counsel will be paid \$25,000 for the work related to the preparation of the Official Statement and the delivery of the letter described in Exhibit A, Section 1(P). These fees will be payable only from proceeds of the Interim Financing or the Permanent Financing.

<i>Principal Amount of Certificates</i>	<i>Fee</i>
Up to \$10,000,000	\$35,000
\$10,000,000 and above	\$35,000 plus \$1,000 per each \$1,000,000

The fee schedule set forth above assumes that the Certificates will be issued within one year from the date of this Agreement. In the event the Certificates are not issued within that time, SPECIAL COUNSEL reserves the right to make such modifications to the foregoing amount as COUNTY and SPECIAL COUNSEL agree in writing, as justified by reason of increased cost to SPECIAL COUNSEL and the then prevailing fee schedule for obligations such as the Certificates.

- B. Special Services. In the event SPECIAL COUNSEL is requested to perform Special Services as set forth in Exhibit A, SPECIAL COUNSEL will be paid at the hourly rates set forth in Exhibit B or in such other manner as is mutually acceptable in writing to COUNTY and SPECIAL COUNSEL. Such fees will be billed monthly and shall be payable within thirty (30) days following the receipt of each invoice.
- C. Expenses. In addition to the fees set forth in paragraphs A and B above, SPECIAL COUNSEL shall be reimbursed for the actual cost of any out-of-pocket expenses reasonably incurred in the course of its performance, such as document reproduction, telecommunications charges, printing costs, filing fees, long-distance telephone calls, messenger services, overnight delivery services, travel and similar items of expense; provided, however, that the bill for expenses associated with each financing shall not exceed \$2,000.
- D. Additional Services. Any additional services not otherwise provided for herein shall not be provided by SPECIAL COUNSEL, or compensated by COUNTY, without written authorization by COUNTY. All unauthorized costs and expenses incurred shall be the responsibility of SPECIAL COUNSEL.

5. PAYMENT:

SPECIAL COUNSEL shall submit to COUNTY invoices itemizing all services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement. Invoices shall be in a format approved by, and shall include backup documentation as specified by, Treasurer and the Humboldt County Auditor-Controller. SPECIAL COUNSEL shall submit a final invoice for payment within thirty (30) days following the expiration or termination date of this Agreement. Payment for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement will be made within thirty (30) days after the receipt of approved invoices. All invoices submitted by SPECIAL COUNSEL shall be sent to COUNTY at the following address:

COUNTY:           Treasurer-Tax Collector  
                       825 Fifth Street, Room 125  
                       Eureka, CA 95501

6. PERSONNEL AND CONTRACT ADMINISTRATION

COUNTY agrees to accept and SPECIAL COUNSEL agrees to provide the services described herein primarily through Robert J. Whalen and Carol L. Lew. If any of these attorneys are unable to provide such services due to death, disability or similar event, SPECIAL COUNSEL reserves the right to substitute another of its attorneys, upon approval in writing by the Treasurer or his designee, to provide such services; and such substitution shall not alter or affect in any way SPECIAL COUNSEL'S or COUNTY'S other obligations under this Agreement.

7. CONFLICTS OF INTEREST

SPECIAL COUNSEL represents a number of municipal underwriting firms on matters not related to the Interim Financing and the Permanent Financing, including Raymond James, and, in the event that COUNTY selects Raymond James or another one of such firms as the underwriter for the Certificates in connection with the Permanent Financing, COUNTY hereby provides its informed written consent to SPECIAL COUNSEL'S representation of such firms.

8. NOTICES:

Any and all notices required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Treasurer-Tax Collector  
Attention: John Bartholomew  
825 Fifth Street, Room 125  
Eureka, California 95501

SPECIAL COUNSEL: Stradling Yocca Carlson & Rauth  
Attention: Robert J. Whalen, Esq.  
660 Newport Center Drive, Suite 1600  
Newport Beach, California 92600

9. REPORTS:

SPECIAL COUNSEL agrees to provide COUNTY with any and all reports that may be required by local, state and/or federal agencies for compliance with this Agreement. Reports shall be submitted no later than fifteen (15) days after the end of each calendar quarter using the format required by the State of California as appropriate.

10. RECORD RETENTION AND INSPECTION:

A. Maintenance and Preservation of Records. SPECIAL COUNSEL agrees to timely prepare accurate and complete financial, performance and payroll records, documents and other evidence relating to the services provided hereunder, and to maintain and preserve said records for at least three (3) years from the date of final payment under this Agreement, except that if

any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the services provided hereunder.

- B. Inspection of Records. Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of SPECIAL COUNSEL, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and any other duly authorized agents of the State of California for a period of three (3) years after final payment under this Agreement. SPECIAL COUNSEL hereby agrees to make all such records available during normal business hours to inspection, audit and reproduction by COUNTY and any duly authorized local, state and/or federal agencies. SPECIAL COUNSEL further agrees to allow interviews of any of its employees who might reasonably have information related to such records by COUNTY and any duly authorized local, state and/or federal agencies. All examinations and audits conducted hereunder shall be strictly confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement.
- C. Audit Costs. In the event of an audit exception or exceptions, the party responsible for not meeting the program requirements shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because SPECIAL COUNSEL'S documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY.

11. MONITORING:

SPECIAL COUNSEL agrees that COUNTY has the right to monitor all activities related to this Agreement, including, without limitation, the right to review and monitor SPECIAL COUNSEL'S records, programs or procedures, at any time, as well as the overall operation of SPECIAL COUNSEL'S programs, in order to ensure compliance with the terms and conditions of this Agreement. SPECIAL COUNSEL will cooperate with a corrective action plan, if deficiencies in SPECIAL COUNSEL'S records, programs or procedures are identified by COUNTY. However, COUNTY is not responsible, and will not be held accountable, for overseeing or evaluating the adequacy of the results of services performed by SPECIAL COUNSEL pursuant to the terms of this Agreement.

12. CONFIDENTIAL INFORMATION:

- A. Disclosure of Confidential Information. In the performance of this Agreement, SPECIAL COUNSEL may receive information that is confidential under local, state or federal law. SPECIAL COUNSEL hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards, including, but not limited to: California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health and Safety Code Sections 1280.15 and 1280.18; the California Information Practices Act of 1977; the California Confidentiality of Medical Information Act ("CMIA"); the United States Health Information Technology for Economic and Clinical Health Act ("HITECH Act"); the United States Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and any current and future implementing regulations promulgated thereunder, including, without limitation, the Federal Privacy Regulations contained in Title 45 of the Code of Federal Regulations ("C.F.R.") Parts 160 and 164, the

Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164 and the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162, all as may be amended from time to time.

- B. Continuing Compliance with Confidentiality Laws. The parties acknowledge that local, state and federal laws, regulations and standards pertaining to confidentiality, electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. Each party agrees to promptly enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations or standards.

13. NON-DISCRIMINATION COMPLIANCE:

- A. Professional Services and Employment. In connection with the execution of this Agreement, SPECIAL COUNSEL, and its subcontractors, shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of race, religion or religious creed, color, age (over forty (40) years of age), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics), mental or physical disability (including HIV status and AIDS), political affiliation, military service, denial of family care leave or any other classifications protected by local, state or federal laws or regulations. Nothing herein shall be construed to require the employment of unqualified persons.
- B. Compliance with Anti-Discrimination Laws. SPECIAL COUNSEL further assures that it, and its subcontractors, will abide by the applicable provisions of: Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51, et seq.; California Government Code Sections 4450, et seq.; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state and/or federal laws and regulations, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing California Government Code Section 12990, set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

14. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

SPECIAL COUNSEL certifies by its signature below that it is not a Nuclear Weapons Contractor, in that SPECIAL COUNSEL is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. SPECIAL COUNSEL agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if SPECIAL COUNSEL subsequently becomes a Nuclear Weapons Contractor.

15. DRUG-FREE WORKPLACE CERTIFICATION:

By executing this Agreement, SPECIAL COUNSEL certifies that it will comply with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code Sections 8350, et seq.) and will provide a drug-free workplace by doing all of the following:

- A. Drug-Free Policy Statement. Publish, as required by California Government Code Section 8355(a)(1), a Drug-Free Policy Statement which notifies employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited, and specifies the actions to be taken against employees for violations.
- B. Drug-Free Awareness Program. Establish, as required by California Government Code Section 8355(a)(2), a Drug-Free Awareness Program which informs employees about the following:
  - 1. The dangers of drug abuse in the workplace; and
  - 2. SPECIAL COUNSEL'S policy of maintaining a drug-free workplace; and
  - 3. Any available counseling, rehabilitation and employee assistance programs; and
  - 4. Penalties that may be imposed upon employees for drug abuse violations.
- C. Drug-Free Employment Agreement. Ensure, as required by California Government Code Section 8355(a)(3), that every employee who provides services pursuant to the terms and conditions of this Agreement will:
  - 1. Receive a copy of SPECIAL COUNSEL'S Drug-Free Policy Statement; and
  - 2. Agree to abide by the terms of SPECIAL COUNSEL'S Drug-Free Policy as a condition of employment.
- D. Effect of Noncompliance. Failure to comply with the above-referenced requirements may result in suspension of payments under this Agreement and/or termination thereof, and SPECIAL COUNSEL may be ineligible for award of future contracts if COUNTY determines that the foregoing certification is false or if SPECIAL COUNSEL violates the certification by failing to carry out the above-referenced requirements.

16. INDEMNIFICATION:

- A. Hold Harmless, Defense and Indemnification. SPECIAL COUNSEL shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages and liabilities of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, SPECIAL COUNSEL'S negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of SPECIAL COUNSEL.
- B. Effect of Insurance. Acceptance of insurance, does not relieve SPECIAL COUNSEL from liability under this provision. This provision shall apply to all claims for damages related to the

services performed by SPECIAL COUNSEL pursuant to the terms and conditions of this Agreement regardless if any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided by SPECIAL COUNSEL hereunder.

17. INSURANCE REQUIREMENTS:

This Agreement shall not be executed by COUNTY, and SPECIAL COUNSEL is not entitled to any rights hereunder, unless certificates of insurance or other sufficient proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors.

A. General Insurance Requirements. Without limiting SPECIAL COUNSEL'S indemnification obligations provided for herein, SPECIAL COUNSEL shall, and shall require that all subcontractors hereunder, take out and maintain, throughout the entire period of this Agreement, and any extended term thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of SPECIAL COUNSEL, its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:

1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000.00) per occurrence for any one incident, including, but not limited to, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.
2. Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles. Said coverage shall be at least as broad as Insurance Service Offices Form Code 1 (any auto).
3. Workers' Compensation Insurance, as required by the Labor Code of the State of California, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY, its agents, officers, officials, employees and volunteers.
4. Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than Two Million Dollars (\$2,000,000.00) for each occurrence (Four Million Dollars (\$4,000,000.00) general aggregate). Said insurance shall be maintained for the statutory period during which SPECIAL COUNSEL may be exposed to liability. SPECIAL COUNSEL shall require that such coverage be incorporated into its professional services agreements with any other entities.

B. Special Insurance Requirements. Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:

1. The Comprehensive or Commercial General Liability Policy shall provide that

COUNTY, its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by or on behalf of SPECIAL COUNSEL. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:

- a. Includes contractual liability.
  - b. Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to as "XCU Hazards."
  - c. Is the primary insurance with regard to COUNTY.
  - d. Does not contain a pro-rata, excess only and/or escape clause.
  - e. Contains a cross liability, severability of interest or separation of insureds clause.
2. The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice provisions set forth herein. It is further understood that SPECIAL COUNSEL shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.
  3. The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.
  4. For claims related to this Agreement, SPECIAL COUNSEL'S insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to SPECIAL COUNSEL'S insurance and will not be used to contribute therewith.
  5. Any failure to comply with the provisions of this Agreement, including breach of warranties, shall not affect coverage provided to COUNTY, its agents, officers, officials, employees and volunteers.
  6. SPECIAL COUNSEL shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If SPECIAL COUNSEL does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Agreement, take out the necessary insurance, and SPECIAL COUNSEL agrees to pay the cost thereof. COUNTY is also hereby authorized with the discretion to deduct the cost of said insurance from the monies owed to SPECIAL COUNSEL under this Agreement.
  7. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any

required insurance aggregate limit is encumbered, and SPECIAL COUNSEL shall be required to purchase additional coverage to meet the above-referenced aggregate limits.

- C. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms of this Agreement shall be sent to the addresses set forth below in accordance with the notice provisions described herein.

COUNTY: County of Humboldt  
Attention: Risk Management  
825 Fifth Street, Room 131  
Eureka, California 95501

SPECIAL COUNSEL: Stradling Yocca Carlson & Rauth  
Attention: Robert J. Whalen, Esq.  
660 Newport Center Drive, Suite 1600  
Newport Beach, California 92600

18. RELATIONSHIP OF PARTIES:

It is understood that this is an Agreement by and between two (2) independent contractors and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. Both parties further agree that SPECIAL COUNSEL shall not be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, retirement benefits, leave benefits or workers' compensation. SPECIAL COUNSEL shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

19. COMPLIANCE WITH APPLICABLE LAWS AND LICENSURE REQUIREMENTS:

SPECIAL COUNSEL agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the services provided pursuant to the terms and conditions of this Agreement, including but not limited to, all applicable statutes and regulations relating to the Fair Political Practices Commission. SPECIAL COUNSEL further agrees to comply with any and all applicable local, state and federal licensure and certification requirements.

20. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

21. REFERENCE TO LAWS AND RULES:

In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.



22. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

23. ASSIGNMENT:

Neither party shall delegate its duties nor assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment by SPECIAL COUNSEL in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by either party to obtain supplies, technical support or professional services.

24. AGREEMENT SHALL BIND SUCCESSORS:

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

25. WAIVER OF DEFAULT:

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement. In no event shall any payment by COUNTY constitute a waiver of any breach of this Agreement or any default which may then exist on the part of SPECIAL COUNSEL. Nor shall such payment impair or prejudice any remedy available to COUNTY with respect to any breach or default. COUNTY shall have the right to demand repayment of, and SPECIAL COUNSEL shall promptly refund, any funds disbursed to SPECIAL COUNSEL which in the judgment of COUNTY were not expended in accordance with the terms of this Agreement.

26. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

27. AMENDMENT:

This Agreement may be amended at any time during the term of this Agreement upon the mutual consent of both parties. No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

28. STANDARD OF PRACTICE:

SPECIAL COUNSEL warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. SPECIAL COUNSEL'S duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

29. TITLE TO INFORMATION AND DOCUMENTS:

It is understood that any and all documents, information and reports concerning the subject matter of this Agreement prepared and/or submitted by SPECIAL COUNSEL shall become the property of COUNTY. However, SPECIAL COUNSEL may retain copies of such documents and information for its records. In the event of termination of this Agreement, for any reason whatsoever, SPECIAL COUNSEL shall promptly turn over all information, writings and documents pertaining to the services provided hereunder to COUNTY without exception or reservation.

30. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

31. ADVERTISING AND MEDIA RELEASE:

All informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, but not limited to, television, radio, newspapers and internet. SPECIAL COUNSEL shall inform COUNTY of all requests for interviews by the media related to this Agreement before such interviews take place; and COUNTY shall be entitled to have a representative present at such interviews. All notices required by this provision shall be given to Treasurer.

32. SUBCONTRACTS:

SPECIAL COUNSEL shall obtain prior written approval from COUNTY before subcontracting any of the services to be provided hereunder. Any and all subcontracts shall be subject to all applicable terms and conditions of this Agreement, including, without limitation, the licensing, certification, privacy, security and confidentiality requirements set forth herein. SPECIAL COUNSEL shall remain legally responsible for the performance of all terms and conditions of this Agreement, including work performed by third parties under subcontracts, whether approved by COUNTY or not.

33. ATTORNEYS' FEES:

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

34. SURVIVAL:

The duties and obligations of the parties set forth in Section 3 (F) – Compensation Upon Termination, Section 10 – Record Retention and Inspection, Section 12 – Confidential Information and Section 16 – Indemnification shall survive the expiration or termination of this Agreement.

35. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

36. INTERPRETATION:

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

37. INDEPENDENT CONSTRUCTION:

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

38. FORCE MAJEURE:

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

39. ENTIRE AGREEMENT:

This Agreement contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in its entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

40. AUTHORITY TO EXECUTE:

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the first date written above.

**TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:**

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.


**SPECIAL COUNSEL:**

By:  \_\_\_\_\_

Date: April 11, 2016

Name: Robert J. Whalen

Title: Vice President

By:  \_\_\_\_\_

Date: April 11, 2016

Name: Mark L. Skaist

Title: Secretary

**COUNTY OF HUMBOLDT:**

By:  \_\_\_\_\_

Date: 4-19-16

Mark Lovelace  
Chair, Humboldt County Board of Supervisors

**INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:**

By: \_\_\_\_\_  
Risk Management

Date: \_\_\_\_\_

**LIST OF EXHIBITS:**

- Exhibit A – Scope of Services
- Exhibit B – Schedule of Rates

**EXHIBIT A**  
**SCOPE OF SERVICES**  
Stradling Yocca Carlson & Rauth  
[Agreement Term]

1. SERVICES:

During the term of this Agreement, SPECIAL COUNSEL, in its capacity as Bond Counsel for COUNTY, shall perform the following legal services:

- A. Render legal opinions pertaining to the execution and delivery of the Lease and any Certificates for the Interim Financing and the Lease and Certificates for the Permanent Financing to the effect that:
  - 1. The Leases and any Certificates related to the Interim Financing and Permanent Financing have been properly authorized, executed and delivered and are valid and binding obligations; and
  - 2. The essential sources of security for each series of the Certificates have been legally provided; and
  - 3. With respect to the Permanent Financing only, interest due on Certificates is exempt from California personal income taxation and is excluded from gross income for purposes of federal income taxes.
- B. Research applicable laws and ordinances relating to the proposed Interim Financing and Permanent Financing.
- C. Attend conferences and consult with COUNTY staff and legal counsel regarding such laws, and the need for amendments thereto, or additional legislation.
- D. Participate in meetings, conferences or discussions with any financial advisors, underwriters or other experts retained by COUNTY in structuring the Interim Financing and Permanent Financing.
- E. Supervise and prepare documentation regarding execution and delivery of the Leases and Certificates, including all resolutions, notices, rules and regulations, and other legal documents required for the execution and delivery of the Leases and Certificates, and all other documents relating to the security of the Certificates, in consultation with COUNTY.
- F. Prepare the record of proceedings for the authorization, sale, execution and delivery of the Leases and Certificates.
- G. Assist COUNTY in the preparation of any official statement or placement memorandum ("Official Statement") relating to the Certificates for the Permanent Financing.
- H. Review the purchase contracts or the bidding documents relating to the sale of the Certificates for the Permanent Financing and participating in the related negotiations.
- I. Participate in relevant meetings and/or other conferences scheduled by COUNTY, their

financial advisor, or underwriter.

- J. Consult with prospective purchasers, their legal counsel and rating agencies.
- K. Consult with COUNTY concerning any legislation or litigation which may affect the validity of the Leases or Certificates, or any other matter related to the execution and delivery of the Certificates.
- L. Consult with any trustee or fiscal agent for the Certificates and their counsel.
- M. Prepare the form of the Certificates, and supervise their production, authentication and delivery.
- N. Render the final approving opinion as to the validity of the Leases and the Certificates for use and distribution upon their execution and delivery.
- O. Render a legal opinion to the underwriter or purchaser of the Certificates for the Permanent Financing as to the applicability of the registration requirements of federal securities laws and the fair and accurate nature of those portions of the Official Statement.
- P. Deliver a letter to the underwriter or purchaser of the Certificates for the Permanent Financing to the effect that the Official Statement, excluding certain financial, statistical and other information, does not contain any untrue statement of a material fact or omission of any material fact.

2. SPECIAL SERVICES:

Special Services are services in addition to those outlined in Section 1 above. Special Services include, but are not limited to, any work after a bond closing related to the amendment of the financing documents or agreements; and special studies or analyses. Any and all Special Services must be authorized in writing by the Treasurer, or his designee, prior to being performed.

**EXHIBIT B**  
**SCHEDULE OF RATES**  
Stradling Yocca Carlson & Rauth  
[Agreement Term]

RATE OF COMPENSATION:

The maximum amount payable by COUNTY for services rendered, related to Interim Financing is Thirty Thousand Dollars (\$30,000.00), at the following rates:

1. Shareholders: \$525/hr.
2. Associates: \$300/hr.
3. Paralegals: \$130/hr.

# ATTACHMENT 2



**PROFESSIONAL SERVICES AGREEMENT  
BY AND BETWEEN  
HUMBOLDT COUNTY  
AND  
RAYMOND JAMES & ASSOCIATES, INC.  
FOR FISCAL YEARS 2015-2016 THROUGH 2019-2020**

This Agreement, entered into this 19th day of April, 2016, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Raymond James & Associates, Inc., a Financial Services Corporation, hereinafter referred to as "CONTRACTOR," is made upon the following considerations:

WHEREAS, COUNTY intends to enter into certain financing arrangements to fund various capital improvements through the execution and delivery of one or more leases ("Leases") and one or more series of certificates of participation ("Certificates"); and

WHEREAS, such arrangements are expected to include an interim financing where Leases and/or Certificates are purchased by the County of Humboldt Treasurer's Pooled Investment Fund ("Interim Financing") which will be refinanced with a public sale of Certificates ("Permanent Financing"); and

WHEREAS, COUNTY intends to issue up to Five Million Nine Hundred Fifty Thousand Dollars (\$5,950,000.00) of Interim Lease Financing Obligations directly to the Humboldt County Treasury Pool to provide Interim Financing as needed to perform the following: Juvenile Hall Replacement - Project Budget Adjustment \$2,100,000; Weights and Measures Building - Finalize Design and Construction \$1,140,000; New Building, 1001 4<sup>th</sup> Street - Architectural Engineering Services \$1,200,000; Vacant areas of the Fifth floor of Courthouse - District Attorney Offices Remodel \$900,000; Arcata/Eureka Airport Restaurant - County Upgrades \$250,000; and

WHEREAS, COUNTY intends to issue up to Eighteen Million Dollars (\$18,000,000.00) Permanent Financing to replace Interim Financing and pay construction costs associated with such Capital Improvement Projects; and

WHEREAS, COUNTY, by and through its Treasurer-Tax Collector's Office, desires to retain the services of a qualified placement agent in order to arrange for the placement of securities in an arm's-length commercial transaction between the issuer and the investor; and

WHEREAS, such work involves the performance of professional, expert and technical services of a temporary and occasional character; and

WHEREAS, COUNTY has no employees available to perform such services and is unable to hire employees for the performance thereof for the temporary period; and

WHEREAS, CONTRACTOR represents that it is specially trained, skilled, experienced and qualified to perform placement agent services for Interim and Permanent Lease Financing obligations required by COUNTY.

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. DESCRIPTION OF SERVICES:

CONTRACTOR agrees to furnish the services described in Exhibit A – Scope of Services, which is attached hereto and incorporated herein by reference. In providing such services, CONTRACTOR

agrees to fully cooperate with the Humboldt County Treasurer-Tax Collector or designee thereof, hereinafter referred to as "Treasurer."

2. TERM:

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until June 30, 2020 or until the closing of the final tranche of Interim and Permanent Lease Financing Obligations, whichever is earlier, unless sooner terminated as provided herein.

3. TERMINATION:

- A. Breach of Contract. If, in the opinion of COUNTY, CONTRACTOR fails to adequately perform the services required hereunder within the time limits specified herein, or otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation or other law applicable to its performance herein, COUNTY may terminate this Agreement immediately, upon notice.
- B. Without Cause. COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice to CONTRACTOR. Such notice shall state the effective date of the termination.
- C. Insufficient Funding. COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide CONTRACTOR seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.
- D. Compensation Upon Termination. In the event of any termination of this Agreement, CONTRACTOR shall be entitled to compensation for uncompensated services rendered hereunder through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owing to COUNTY resulting from a breach of this Agreement by CONTRACTOR.

4. COMPENSATION:

- A. Maximum Amount Payable. The maximum amount payable by COUNTY for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this agreement is Twenty Seven Thousand Five Hundred Dollars (\$27,500.00). CONTRACTOR agrees to perform all services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding or allowance rates are reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable for services provided hereunder, or terminate this Agreement as provided herein.
- B. Schedule of Rates. The specific rates and costs applicable to this Agreement are set forth in Exhibit B – Schedule of Rates, which is attached hereto and incorporated herein by reference.
- C. Additional Services. Any additional services not otherwise provided for herein shall not be provided by CONTRACTOR, or compensated by COUNTY, without written authorization by COUNTY. All unauthorized costs and expenses incurred above the maximum dollar amount set forth herein shall be the responsibility of CONTRACTOR. CONTRACTOR shall notify

COUNTY, in writing, at least six (6) weeks prior to the date upon which CONTRACTOR estimates that the maximum payable amount will be reached.

5. PAYMENT:

CONTRACTOR shall submit to COUNTY invoices itemizing all services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement. Invoices shall be in a format approved by, and shall include backup documentation as specified by, Treasurer and the Humboldt County Auditor-Controller. CONTRACTOR shall submit a final invoice for payment within thirty (30) days following the expiration or termination date of this Agreement. Payment for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement will be made within thirty (30) days after the receipt of approved invoices. All invoices submitted by CONTRACTOR shall be sent to COUNTY at the following address:

COUNTY:           Treasurer-Tax Collector  
                    Attention: John Bartholomew  
                    825 Fifth Street, Room 125  
                    Eureka, CA 95501

6. NOTICES:

Any and all notice(s) required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY:           Humboldt County Treasurer-Tax Collector  
                    Attention: John Bartholomew  
                    825 Fifth Street, Room 125  
                    Eureka, California 95501

CONTRACTOR:   Raymond James & Associates, Inc.  
                    Attention: Robert Larkins  
                    One Embarcadero Center, Suite 650  
                    San Francisco, CA 94111

7. REPORTS:

CONTRACTOR agrees to provide COUNTY with any and all reports that may be required by local, state and/or federal agencies for compliance with this Agreement. Reports shall be submitted no later than fifteen (15) days after the end of each calendar quarter using the format required by the State of California as appropriate.

8. RECORD RETENTION AND INSPECTION:

A. Maintenance and Preservation of Records. CONTRACTOR agrees to timely prepare accurate and complete financial, performance and payroll records, documents and other evidence relating to the services provided hereunder, and to maintain and preserve said records for at least three (3) years from the date of final payment under this Agreement, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until

completion and resolution of all issues arising therefrom. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the services provided hereunder.

- B. Inspection of Records. Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and any other duly authorized agents of the State of California for a period of three (3) years after final payment under this Agreement. CONTRACTOR hereby agrees to make all such records available during normal business hours to inspection, audit and reproduction by COUNTY and any duly authorized local, state and/or federal agencies. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by COUNTY and any duly authorized local, state and/or federal agencies. All examinations and audits conducted hereunder shall be strictly confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement.
- C. Audit Costs. In the event of an audit exception or exceptions, the party responsible for not meeting the program requirements shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because CONTRACTOR's documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY.

9. MONITORING:

CONTRACTOR agrees that COUNTY has the right to monitor all activities related to this Agreement, including, without limitation, the right to review and monitor CONTRACTOR's records, programs or procedures, at any time, as well as the overall operation of CONTRACTOR's programs, in order to ensure compliance with the terms and conditions of this Agreement. CONTRACTOR will cooperate with a corrective action plan, if deficiencies in CONTRACTOR's records, programs or procedures are identified by COUNTY. However, COUNTY is not responsible, and will not be held accountable, for overseeing or evaluating the adequacy of the results of services performed by CONTRACTOR pursuant to the terms of this Agreement.

10. CONFIDENTIAL INFORMATION:

- A. Disclosure of Confidential Information. In the performance of this Agreement, CONTRACTOR may receive information that is confidential under local, state or federal law. CONTRACTOR hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards, including, but not limited to: California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health and Safety Code Sections 1280.15 and 1280.18; the California Information Practices Act of 1977; the California Confidentiality of Medical Information Act ("CMIA"); the United States Health Information Technology for Economic and Clinical Health Act ("HITECH Act"); the United States Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and any current and future implementing regulations promulgated thereunder, including, without limitation, the Federal Privacy Regulations contained in Title 45 of the Code of Federal Regulations ("C.F.R.") Parts 160 and 164, the Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164 and the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162, all as may be amended from time to time.

- B. Continuing Compliance with Confidentiality Laws. The parties acknowledge that local, state and federal laws, regulations and standards pertaining to confidentiality, electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. Each party agrees to promptly enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations or standards.

11. NON-DISCRIMINATION COMPLIANCE:

- A. Professional Services and Employment. In connection with the execution of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of race, religion or religious creed, color, age (over forty (40) years of age), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics), mental or physical disability (including HIV status and AIDS), political affiliation, military service, denial of family care leave or any other classifications protected by local, state or federal laws or regulations. Nothing herein shall be construed to require the employment of unqualified persons.
- B. Compliance with Anti-Discrimination Laws. CONTRACTOR further assures that it, and its subcontractors, will abide by the applicable provisions of: Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51, et seq.; California Government Code Sections 4450, et seq.; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state and/or federal laws and regulations, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing California Government Code Section 12990, set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

12. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

CONTRACTOR certifies by its signature below that it is not a Nuclear Weapons Contractor, in that CONTRACTOR is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components, as defined by the Nuclear Free Humboldt County Ordinance. CONTRACTOR agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the forgoing certification is false or if CONTRACTOR subsequently becomes a Nuclear Weapons Contractor.

13. DRUG FREE WORKPLACE CERTIFICATION:

By executing this Agreement, CONTRACTOR certifies that it will comply with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code Sections 8350, et seq.) and will provide a drug-free workplace by doing all of the following:

- A. Drug-Free Policy Statement. Publish, as required by California Government Code Section 8355(a)(1), a Drug-Free Policy Statement which notifies employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited, and specifies the actions to be taken against employees for violations.
- B. Drug-Free Awareness Program. Establish, as required by California Government Code Section 8355(a)(2), a Drug-Free Awareness Program which informs employees about the following:
  - 1. The dangers of drug abuse in the workplace;
  - 2. CONTRACTOR's policy of maintaining a drug-free workplace;
  - 3. Any available counseling, rehabilitation and employee assistance programs; and
  - 4. Penalties that may be imposed upon employees for drug abuse violations.
- C. Drug-Free Employment Agreement. Ensure, as required by California Government Code Section 8355(a)(3), that every employee who provides services pursuant to the terms and conditions of this Agreement will:
  - 1. Receive a copy of CONTRACTOR's Drug-Free Policy Statement; and
  - 2. Agree to abide by the terms of CONTRACTOR's Drug-Free Policy as a condition of employment.
- D. Effect of Noncompliance. Failure to comply with the above-referenced requirements may result in suspension of payments under this Agreement and/or termination thereof, and CONTRACTOR may be ineligible for award of future contracts if COUNTY determines that the foregoing certification is false or if CONTRACTOR violates the certification by failing to carry out the above-referenced requirements.

14. INDEMNIFICATION:

- A. Hold Harmless, Defense and Indemnification. CONTRACTOR shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages and liabilities of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, CONTRACTOR's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. Effect of Insurance. Acceptance of insurance, if required by this Agreement, does not relieve CONTRACTOR from liability under this provision. This provision shall apply to all claims for damages related to the services performed by CONTRACTOR pursuant to the terms and conditions of this Agreement regardless if any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided by CONTRACTOR hereunder.

15. INSURANCE REQUIREMENTS:

This Agreement shall not be executed by COUNTY, and CONTRACTOR is not entitled to any rights hereunder, unless certificates of insurance or other sufficient proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors.

A. General Insurance Requirements. Without limiting CONTRACTOR's indemnification obligations provided for herein, CONTRACTOR shall, and shall require that all subcontractors hereunder, take out and maintain, throughout the entire period of this Agreement, and any extended term thereof, the following policies of insurance placed with insurers authorized to do business in the State of California with a current A.M. Best rating of no less than A:VII or its equivalent against injury, death and property damage which may arise from, or in connection with, the activities of CONTRACTOR and its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:

1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of One Million Dollars (\$1,000,000.00) per occurrence for any one incident, including, but not limited to, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.
2. Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles. Said coverage shall be at least as broad as Insurance Service Office Form Code 1 (any auto).
3. Workers Compensation Insurance, as required by the Labor Code of the State of California, with the statutory limits and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY, its agents, officers, officials, employees and volunteers.
4. Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than Two Million Dollars (\$2,000,000.00) for each occurrence (Four Million Dollars (\$4,000,000.00) general aggregate). Said insurance shall be maintained for the statutory period during which CONTRACTOR may be exposed to liability. CONTRACTOR shall require that such coverage be incorporated into its professional services agreements with any other entities.

B. Special Insurance Requirements. Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:

1. The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, and its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by, or on behalf of, CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:
  - a. Includes contractual liability.
  - b. Is the primary insurance with regards to COUNTY.

- c. Does not contain a pro-rata, excess only and/or escape clause.
  - d. Contains a cross liability, severability of interest or separation of insureds clause.
2. Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.
  3. The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.
  4. For claims related to this Agreement, CONTRACTOR's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to CONTRACTOR's insurance and will not be used to contribute therewith.
  5. Any failure to comply with the provisions of this Agreement, including breach of warranties, shall not affect coverage provided to COUNTY, its agents, officers, officials, employees and volunteers. Gross negligence or intentional acts on the part of the County will void insurance coverage for it as an additional insured.
  6. CONTRACTOR shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Agreement, take out the necessary insurance, and CONTRACTOR agrees to pay the cost thereof. COUNTY is also hereby authorized with the discretion to deduct the cost of said insurance from the monies owed to CONTRACTOR under this Agreement.
- C. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms of this Agreement shall be sent to the addresses set forth below in accordance with the notice provisions described herein.

COUNTY: County of Humboldt  
Attention: Risk Management  
825 Fifth Street, Room 131  
Eureka, California 95501

CONTRACTOR: Raymond James & Associates, Inc.  
Attention: Robert Larkins  
One Embarcadero Center, Suite 650  
San Francisco, CA 94111

16. RELATIONSHIP OF PARTIES:

It is understood that this Agreement constitutes an arm's length, commercial transaction entered into by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar



association. CONTRACTOR is being retained to act solely as a placement agent for the Interim and Permanent Lease Financing Obligations, and not as an agent, advisor or fiduciary to COUNTY. CONTRACTOR does not assume any advisory or fiduciary responsibility to COUNTY with respect to the transactions contemplated herein and the discussions, undertakings and procedures leading thereto. CONTRACTOR shall not be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, retirement benefits, leave benefits or workers' compensation. CONTRACTOR shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

17. CONFLICT OF INTERESTS:

COUNTY acknowledges that CONTRACTOR or its affiliates may have business relationships with other participants in the proposed transactions, including the Humboldt County Treasury Pool. CONTRACTOR and its staff shall avoid organizational and personal conflicts of interest in the performance of the services covered by this Agreement.

18. COMPLIANCE WITH APPLICABLE LAWS AND LICENSURE REQUIREMENTS:

CONTRACTOR agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the services provided pursuant to the terms and conditions of this Agreement. CONTRACTOR further agrees to comply with any and all applicable local, state and federal licensure and certification requirements.

19. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

20. REFERENCE TO LAWS AND RULES:

In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

21. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

22. ASSIGNMENT:

Neither party shall delegate its duties nor assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment by CONTRACTOR in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by either party to obtain supplies, technical support or professional services.

23. AGREEMENT SHALL BIND SUCCESSORS:

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

24. WAIVER OF DEFAULT:

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement. In no event shall any payment by COUNTY constitute a waiver of any breach of this Agreement or any default which may then exist on the part of CONTRACTOR. Nor shall such payment impair or prejudice any remedy available to COUNTY with respect to any breach or default. COUNTY shall have the right to demand repayment of, and CONTRACTOR shall promptly refund, any funds disbursed to CONTRACTOR which in the judgment of COUNTY were not expended in accordance with the terms of this Agreement.

25. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

26. AMENDMENT:

This Agreement may be amended at any time during the term of this Agreement upon the mutual consent of both parties. No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

27. STANDARD OF PRACTICE:

CONTRACTOR warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. CONTRACTOR's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

28. TITLE TO INFORMATION AND DOCUMENTS:

It is understood that any and all documents, information and reports concerning the subject matter of this Agreement prepared and/or submitted by CONTRACTOR shall become the property of COUNTY. However, CONTRACTOR may retain copies of such documents and information for its records. In the event of termination of this Agreement, for any reason whatsoever, CONTRACTOR shall promptly turn over all information, writings and documents pertaining to the services provided hereunder to COUNTY without exception or reservation.

29. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

30. ADVERTISING AND MEDIA RELEASE:

All informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, but not limited to, television, radio, newspapers and internet. CONTRACTOR shall inform COUNTY of all requests for interviews by the media related to this Agreement before such interviews take place; and COUNTY shall be entitled to have a representative present at such interviews. All notices required by this provision shall be given to Treasurer.

31. INFORMATION TECHNOLOGY ASSURANCES:

CONTRACTOR shall take all reasonable precautions to ensure that any hardware, software and/or embedded chip devices used by CONTRACTOR in the performance of services under this Agreement, other than those owned or provided by COUNTY, shall be free from viruses. Nothing in this provision shall be construed to limit any rights or remedies otherwise available to COUNTY under this Agreement.

32. SUBCONTRACTS:

CONTRACTOR shall obtain prior written approval from COUNTY before subcontracting any of the services to be provided hereunder. Any and all subcontracts shall be subject to all applicable terms and conditions of this Agreement, including, without limitation, the licensing, certification, privacy, security and confidentiality requirements set forth herein. CONTRACTOR shall remain legally responsible for the performance of all terms and conditions of this Agreement, including work performed by third parties under subcontracts, whether approved by COUNTY or not.

33. THIRD-PARTY BENEFICIARIES:

The parties hereto do not intend to create any third-party beneficiaries and nothing contained in this Agreement shall be construed to confer any rights or benefits upon any third parties.

34. DISCLAIMER OF WARRANTIES:

COUNTY hereby acknowledges that this Agreement is not intended to provide any assurances that the transactions contemplated herein will be consummated. COUNTY further acknowledges and agrees that this Agreement does not constitute a guarantee by CONTRACTOR to arrange the placement of the Interim and Permanent Lease Financing Obligations.

35. ATTORNEY'S FEES:

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

36. SURVIVAL:

The duties and obligations of the parties set forth in Section 3(D) – Compensation Upon Termination, Section 8 – Record Retention and Inspection, Section 10 – Confidential Information and Section 14 – Indemnification shall survive the expiration or termination of this Agreement.

37. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

38. INTERPRETATION:

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

39. INDEPENDENT CONSTRUCTION:

The titles of the sections, subsections, and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

40. FORCE MAJEURE:

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

41. ENTIRE AGREEMENT:

This Agreement contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in its entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

42. AUTHORITY TO EXECUTE:

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the first date written above.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

(1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND

(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR  
TREASURER.

**[CONTRACTOR'S NAME]:**

By: R Larkins

Date: 4/13/16

Name: Robert Larkins

Title: Managing Director

By: [Signature]

Date: 4/13/16

Name: John Nguyen

Title: Vice President

By: [Signature]

Date: 4-19-16

Mark Lovelace  
Chair, Humboldt County Board of Supervisors

**INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:**

By: \_\_\_\_\_  
Risk Management

Date: \_\_\_\_\_

**LIST OF EXHIBITS:**

- Exhibit A – Scope of Services
- Exhibit B – Schedule of Rates

**EXHIBIT A**  
**SCOPE OF SERVICES**

Raymond James & Associates, Inc.  
For Fiscal Years 2015-2016 through 2019-2020

1. SERVICES:

During the term of this Agreement, CONTRACTOR, in its capacity as placement agent for COUNTY, shall perform all of the following activities:

- A. Advise COUNTY as to the form and structure of the Interim and Permanent Lease Financing Obligations and prevailing interest rates and market conditions for comparable securities.
- B. Assist COUNTY, in cooperation with legal counsel, to prepare the requisite documentation to effectuate the issuance of the Interim and Permanent Lease Financing Obligations.
- C. Assist COUNTY in presenting the Interim and Permanent Lease Financing Obligations financing plan to the Humboldt County Board of Supervisors and other parties, as requested by COUNTY.
- D. Assist COUNTY in obtaining a rating on the Interim and Permanent Lease Financing Obligations, if necessary or desirable.

**EXHIBIT B**  
**SCHEDULE OF RATES**  
Raymond James & Associates, Inc.  
For Fiscal Years 2015-2016 through 2019-2020

1. RATE OF COMPENSATION:

Interim Lease Financing	\$25,000
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2. EXPENSES:

Actual out-of-pocket expenses	\$2,500
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# ATTACHMENT 3



# COUNTY OF HUMBOLDT



## STATEMENT OF INVESTMENT POLICY

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## COUNTY OF HUMBOLDT

### STATEMENT OF INVESTMENT POLICY

Under the authority delegated to the County Treasurer by the Board of Supervisors to invest and reinvest all of the funds in the County Treasury and, in accordance with the California Government Code, the following sets forth the investment policy of the County of Humboldt.

#### 1. ***POLICY STATEMENT***

The purpose of this Investment Policy (Policy) is to establish cash management and investment guidelines for the County Treasurer, who is responsible for the stewardship of the Humboldt County Pooled Investment Fund. Each transaction and the entire portfolio must comply with California Government Code Section 53601, et. seq., Section 53635, et. seq., and this policy. All portfolio activities will be judged by the standards of the Policy and ranking of investment objectives.

#### 2. ***STANDARDS OF CARE***

The County Treasurer is the Trustee of the Pooled Investment Fund and, therefore, a fiduciary subject to the prudent investor standard. The County Treasurer and employees involved in the investment process shall refrain from all personal business activity that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with California State law. When investing, purchasing, acquiring, exchanging, selling and managing public funds, the County Treasurer shall act with the care, skill, prudence and diligence to meet the aims of the investment objectives listed in this Policy.

#### 3. ***INVESTMENT OBJECTIVES***

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for government purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance:

- [a] SAFETY OF CAPITAL - The preservation of capital is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.
- [b] LIQUIDITY - As a second objective, the Pooled Investment Fund should remain sufficiently flexible to ensure the County Treasurer meets all operating requirements, which may be reasonably anticipated in any depositor's fund.
- [c] MAXIMUM RATE OF RETURN - As the third objective, the Pooled Investment Fund should be designed to attain a rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified herein.

#### 4. **IMPLEMENTATION**

In order to provide direction to those responsible for management of the Pooled Investment Fund, the County Treasurer has established this Policy and presented it to the Board of Supervisors, and will provide the report to the legislative body of local agencies that participate in the Pooled Investment Fund.

The Policy defines investable funds; authorized instruments; credit quality required; maximum maturities and concentrations; collateral requirements; qualifications of broker-dealers and financial institutions doing business with, or on behalf of, the County; limits on gifts and honoraria; the manner of appropriating costs; and the criteria to request withdrawal of funds.

#### 5. **PARTICIPANTS**

- [a] STATUTORY PARTICIPANTS - General Participants are those government agencies within the County of Humboldt for which the Humboldt County Treasurer is statutorily designated as the Custodian of Funds.
- [b] VOLUNTARY PARTICIPANTS - Other local agencies, such as Special Districts and Cities for which the Treasurer is not the statutory designated Custodian of Funds, may participate in the Pooled Investment Fund. Such participation is subject to the consent of the County Treasurer and must be in accordance with the California Code Section 53684, et seq. The agency must adopt a resolution authorizing the investment into the Humboldt County Pooled Investment Fund and accept the County of Humboldt Investment Policy.

#### 6. **AUTHORIZED PERSONS**

The Humboldt County Board of Supervisors, by ordinance, has delegated investment authority for the Humboldt County Investment Program to the Treasurer-Tax Collector. Daily management responsibility of the investment program may be assigned to the Assistant Treasurer. Treasurer staff designated by the County Treasurer are also authorized to initiate investment transactions.

All investment decisions shall be made with care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting as a trustee in a like capacity and familiarity would use in the conduct of funds of a like character, and with like aims, to safeguard the principal and maintain the liquidity needs of depositors.

#### 7. **AUTHORIZED INVESTMENTS**

Authorized investments shall match the general categories established by the California Government Code Sections 53601, et. seq. Authorized investments shall also include, in accordance with California Government Code Section 16429.1, investments into the State Local Agency Investment Fund (LAIF). No investment shall be made in any security with a maturity greater than five years, unless the Board of Supervisors has granted express authority to make that investment. That express authority has now been granted exclusively to the Headwaters Investment Portfolio which may invest in U.S. Treasuries, Federal Agencies, Municipal Securities, and Negotiable Certificates of Deposit with maturities beyond five years.

Municipal Securities with maturities beyond five years may also be purchased to provide debt financing for Humboldt County capital improvement projects; provided that (1) prior to such purchase, the Board of Supervisors shall have adopted a resolution stating its intention to refund the Municipal Securities from the Pooled Investment Fund by a public offering of long term lease or other debt instruments, and (2) the Municipal Securities provide the registered owner the right to tender the Municipal Securities for purchase not later than five years after the date of purchase.

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

As the California Government Code is amended, this Policy shall likewise become amended.

#### **8. PROHIBITED INVESTMENTS**

No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages.

9. **INVESTMENT CRITERIA**

Investment Type	Maximum Maturity	Maximum % of Pool	Rating
U.S. Treasury and Agency Securities (§53601 (b & f))	5 years (30 years for Headwaters Investment Portfolio)	100	N/A
Bonds and Notes issued by local agencies (§53601 (e))	5 years (30 years for Headwaters Investment Portfolio)	100	N/A
Registered State Warrants and Municipal Notes and Bonds (§53601 c, d & e))	5 years (30 years for Headwaters Investment Portfolio and Debt Financing of County Capital Improvement Projects)	100	N/A
Bankers' Acceptances (See Section 10) (§53601 (g))	180 days	40	N/A
Commercial Paper (See Section 11) (§53601 (h) and (§53635 (a))	270 days	40	A-1/F-1/P-1
Negotiable Certificates of Deposit (§53601 (i))	5 years (30 years for Headwaters Investment Portfolio)	30	N/A
Repurchase Agreements (See Section 12) (§53601 (j))	1 year	100	N/A
Reverse Repurchase Agreements and Securities Lending Agreements (See Section 12) (§53601 (j))	92 days	20	N/A
Medium Terms Corporate Notes (§53601 (k))	5 years	30	A or better
Suprationals – Washington dollar denominated IBRD, IFC or IAD	5 years	30	AA or better
Money Market Mutual Funds (§53601(k))	N/A	20	Aaa & AAAM or Section 13
CAMP	N/A	As limited by CAMP	
Joint Powers Agreement (See Section 14) (§53601 (p))	N/A	20	N/A
Local Agency Investment Fund (LAIF) (§16429.1)	N/A	As limited by LAIF	N/A
Investment Trust of California (CalTRUST) (§6509.7)	N/A	As limited by CalTRUST	N/A
Collateralized Time Deposits (§53649 et. seq.)	5 years	N/A	N/A

10. ***BANKERS' ACCEPTANCE***

No more than 30 percent of the agency's surplus funds may be invested in Bankers' Acceptances of any one commercial bank pursuant to this section.

11. ***COMMERCIAL PAPER***

All commercial paper issuers must maintain an "A-1" rating by Standard & Poor's Corporation, a "P-1" rating by Moody's Investor Service, or a "F-1" rating by Fitch Financial Services issued by corporations operating within the United States, and having total assets in excess of five hundred million dollars (500,000,000.00). As used in this policy, "corporation" includes a limited liability company.

No more than 10% of the total assets of the investments held by a local agency may be invested in any one issuer's Commercial Paper.

12. ***REPURCHASE AND REVERSE REPURCHASE AGREEMENTS / SECURITIES LENDING AGREEMENTS***

Under California Government Code section 53601 (j) and section 53635, the County Treasurer may enter into repurchase agreements and reverse repurchase agreements / securities lending agreements. The maximum maturity of repurchase agreements shall be one year. This maximum maturity of a reverse repurchase agreement shall be 92 days, and the proceeds of reverse repurchase agreements / securities lending agreements may not be invested beyond the expiration of the agreement. The reverse repurchase agreements / securities lending agreements must be "matched to maturity."

13. ***MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS***

A Mutual Fund managed by an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by Government Code Section 53601 subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and with assets under management in excess of five hundred million dollars (\$500,000,000.00).

No more than 10% of the agency's funds may be invested in any one Mutual Fund.

14. ***COLLATERAL***

Repurchase agreements executed with approved broker-dealers must be collateralized with either; (1) U.S. Treasuries or Agencies with a market value of 102% for collateral marked to market daily; or (2) money market instruments which are on the approved list of the County and which meet the qualifications of the Policy, with a market value of 102%. Use of mortgage-backed securities for collateral is not permitted. For purposes of investing the daily excess bank balance, the collateral provided by the County's depository bank can include mortgage-backed securities valued at 100%.

15. ***CRITERIA FOR THE SELECTION OF BROKER/DEALERS AND FINANCIAL INSTITUTIONS***

All transactions initiated on behalf of the Pooled Investment Fund and Humboldt County shall be executed through either government security dealers reporting as primary dealers to the Market Reports Division of the Federal Reserve Bank of New York, financial institutions that directly issue their own securities which have been placed on the Approved List of Broker/Dealers and Financial institutions or broker/dealers in the State of California approved by the County Treasurer based on the reputation and expertise of the company and individuals employed. All broker/dealers and financial institutions must have an investment grade rating from at least one national rating service, if applicable.

Broker/dealers and financial institutions which have exceeded the political contribution limits within a four year period to the County Treasurer or any member of the governing board of a local agency or any candidate for those offices, are prohibited from the Approved List of Broker/Dealers and Financial Institutions.

Each broker/dealer or financial institution will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions. Each firm must acknowledge receipt of such materials to qualify for the Approved List of Broker/Dealers and Financial Institutions.

Each broker/dealer and financial institution authorized to do business with Humboldt County shall at least annually, supply the County Treasurer with financial statements.

16. ***WITHDRAWAL REQUESTS***

[a] **STATUTORY PARTICIPANTS** - The County Treasurer will honor all requests to withdraw funds for normal cash flow purposes that are approved by the Humboldt County Treasurer at a one dollar net asset value. Any requests to withdraw funds for purposes other than cash flow, such as for external investing, shall be subject to the consent of the County Treasurer. In accordance with California Government Code Section 27136, et. seq., such requests for withdrawals must first be made in writing to the County Treasurer. These requests are subject to the County Treasurer's consideration of the stability and predictability of the Pooled Investment Fund, or the adverse effect on the interests of the other depositors in the Pooled Investment Fund. Any withdrawal for such purposes shall be at the market value of the Pooled Investment Fund as of the date of the withdrawal.

[b] **VOLUNTARY PARTICIPANTS** - For outside participants who utilize Government Code Section 53684, where the County Treasurer does not serve as the agency's treasurer, any withdrawal request, with the exception of normal cash flow withdrawals, shall submit the request for withdrawal to the County Treasurer to determine the timing of the payout, in order that the withdrawal will not adversely affect the interests of the other depositors in the County Treasury Investment Fund. Withdrawals will be paid based upon the market value of the Pooled Investment Fund. If the Treasurer deems appropriate, the deposits may be returned at any time.



17. ***DELIVERY & SAFEKEEPING***

Delivery of all securities shall be either to the County Treasurer or to a third party custodian. No securities shall be held in the safekeeping of a broker / dealer unless it is collateral for a reverse repurchase agreement.

18. ***APPORTIONMENT OF INTEREST & COSTS***

Interest shall be apportioned to all pool participants quarterly, based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the Investment Pool. The amount of interest apportioned shall be determined using the accrual method of accounting, whereby interest will be apportioned for the quarter in which it was actually earned. The Treasurer may deduct from the gross interest earnings those budgeted administrative costs relating to the management of the Treasury, including salaries and other compensation, banking costs, equipment costs, supplies, the cost of information services, audit and any other costs as provided by Section 27013 of the Government Code. The deduction shall be adjusted to actual cost per quarter of the fiscal year.

19. ***REVIEW, MONITORING AND REPORTING OF THE PORTFOLIO***

Quarterly, the County Treasurer will provide to the Board of Supervisors, and to any local agency participant a report on the Pooled Investment Fund. The report will list the type of investments, name of issuer, maturity date, par amount and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value and the pricing source. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Investment Policy and a statement of the pooled fund's ability to meet expected expenditure requirements for the next six months.

20. ***LIMITS ON HONORARIA, GIFTS AND GRATUITIES***

In accordance with California Government Code Section 27133 (d), et. seq., this Policy hereby establishes limits for the County Treasurer, and individuals responsible for management of the portfolios. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of \$50 in a calendar 12 month time period from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the County Treasurer and complete the appropriate state forms.

No individual may receive aggregate gifts, honoraria and gratuities in a calendar twelve (12) month time period in excess of the limits established by the Fair Political Practices Commission (FPPC).

21. ***AUDITS***

The Humboldt County Auditor-Controller shall initiate an annual audit to ensure the County's Investment Portfolio is in compliance with its policy and state law.

22. **EXCEPTION TO POLICY**

The County Treasurer, except as prohibited by state law, can make exceptions to the investment purchasing limits when he deems it in the best interest of all of the pool participants. All exceptions will be reported in the quarterly report. Any State of California legislative action that further restricts allowable maturities, investment type, or percentage allocations will become effective immediately.

23. **INVESTMENT OF BOND PROCEEDS**

The County Treasurer shall invest bond proceeds using the standards of the County of Humboldt's Investment Policy. The bond proceeds will be invested in securities permitted by the bond documents. If the bond documents are silent, the bond proceeds will be invested in securities permitted by the County of Humboldt's Investment Policy.

24. **NUCLEAR FREE POLICY**

The County Treasurer shall act in accordance with the 'Nuclear Free Humboldt County Ordinance'.

25. **GLOSSARY OF TERMS**

**ACCRUED INTEREST**

Interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

**BANKERS' ACCEPTANCES**

A time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank "accepts" such a bill, the time draft becomes, in effect, a predated, certified check payable to the bearer at some future specified date. Little risk is involved for the investor because the commercial bank assumes primary liability once the draft is accepted.

**BASIS POINT**

One basis point is equal to 1/100 of one percent. For example, if interest rates increase from 4.25% to 4.50%, the difference is referred to as a 25-basis-point increase.

**BOOK VALUE**

The value of a held security as carried in the records of an investor. May differ from current market value of the security.

**BROKER/DEALER**

Any person licensed to engage in the business of effecting transactions in securities in this state for the account of others or for her/his own account. Broker/dealer also includes a person licensed to engage in the regular business of issuing or guaranteeing options with regard to securities not of her/his own issue.

**COMMERCIAL PAPER**

Short-term, unsecured promissory notes issued in either registered or bearer form and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30-45 days.

#### COUPON RATE

The annual rate of interest payable on a security expressed as a percentage of the principal amount.

#### CREDIT RISK

The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

#### CURRENT YIELD

The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

#### CUSIP NUMBERS

CUSIP is an acronym for Committee on Uniform Security Identification Procedures. CUSIP numbers are identification numbers assigned each maturity of a security issue and usually printed on the face of each individual security in the issue. The CUSIP numbers are intended to facilitate identification and clearance of securities.

#### DISCOUNT

The amount by which the par value of a security exceeds the price paid for the security.

#### EARNINGS APPORTIONMENT

The quarterly interest distribution to the Pool Participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool.

#### FAIR VALUE

The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### FEDERAL FUNDS

Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend Fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

#### FEDERAL FUNDS RATE

Interest rate at which banks lend federal funds to each other.

#### FEDERAL OPEN MARKET COMMITTEE (FOMC)

This committee sets Federal Reserve guidelines regarding purchases and sales of government securities in the open market as a means of influencing the volume of bank credit and money.

#### FLOATING RATE NOTE

A debt security whose interest rate is reset periodically (monthly, quarterly, annually) and is based on a market index (e.g. Treasury bills, LIBOR, etc.).

#### INTEREST

The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

#### LOCAL AGENCY INVESTMENT FUND (LAIF)

The State of California investment pool in which money of local agencies is pooled as a method for managing and investing local funds.

#### MARKET VALUE

The price at which a security is trading and could presumably be purchased or sold.

#### MATURITY

The date upon which the principal of a security becomes due and payable to the holder.

#### MONEY MARKET MUTUAL FUND

A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

#### PAR

The stated maturity value, or face value, of a security.

#### PAR VALUE

The stated or face value of a security expressed as a specific dollar amount marked on the face of the security; the amount of money due at maturity. Par value should not be confused with market value.

#### PREMIUM

The amount by which the price paid for a security exceeds the security's par value.

#### PRIME RATE

A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

#### REPURCHASE AGREEMENT OR RP OR REPO

An agreement consisting of two simultaneous transactions whereby the investor purchases securities from a bank or dealer and the bank or dealer agrees to repurchase the securities at the same price on a certain future date. The interest rate on a RP is that which the dealer pays the investor for the use of his funds. Reverse repurchase agreements are the mirror image of the RP's when the bank or dealer purchases securities from the investor under an agreement to sell them back to the investor.

#### SECURITIES LENDING

A transaction wherein the Treasurer's Pool transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

#### SETTLEMENT DATE

The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

#### TRADE DATE

The date and time corresponding to an investor's commitment to buy or sell a security.

#### WEIGHTED AVERAGE MATURITY

The remaining average maturity of all securities held in a portfolio.

# ATTACHMENT 4

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**

Certified copy of portion of proceedings, Meeting of April 19, 2016

RESOLUTION NO. 16-42

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT REGARDING ITS INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS**

**WHEREAS**, the Board of Supervisors of the County of Humboldt (the "County") desires to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (the "Project"); and

**WHEREAS**, the County intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

**WHEREAS**, prior to the issuance of the Obligations the County desires to incur certain expenditures with respect to the Project from available monies of the County which expenditures are desired to be reimbursed by the County from a portion of the proceeds of the sale of the Obligations.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of the County of Humboldt that:

Section 1. The County hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

Section 2. The reasonably expected maximum principal amount of the Obligations is \$18,000,000.

Section 3. This resolution is being adopted on or prior to the date (the "Expenditures Date or Dates") that the County will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

Section 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Obligations subject to the small County exception of Section 148(f)(4)(D) of the Internal Revenue Code, the "eighteen-month limit" of the previous sentence is changed to "three years" and the limitation of the previous sentence beginning with "; provided,...." is not applicable.

Section 5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the County (other than the Obligations)) or to be held

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**

Certified copy of portion of proceedings, Meeting of April 19, 2016

RESOLUTION NO. 16-42

as a reasonably required reserve or replacement fund with respect to an obligation of the County or any entity related in any manner to the County, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

Section 6. This resolution is consistent with the budgetary and financial circumstances of the County, as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the County (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Supervisors is not aware of the previous adoption of official intents by the County that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

Section 7. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

Section 8. This resolution is adopted as official action of the County in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of County expenditures incurred prior to the date of issue of the Obligations, is part of the County's official proceedings, and will be available for inspection by the general public at the main administrative office of the County.

Section 9. This Resolution shall take effect from and after its date of adoption.

Dated: April 19, 2016



MARK LOVELACE, Chair  
Humboldt County Board of Supervisors

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

AYES:	Supervisors	Sundberg, Fennell, Lovelace, Bohn, Bass
NAYS:	Supervisors	--
ABSENT:	Supervisors	--
ABSTAIN:	Supervisors	--



**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**  
Certified copy of portion of proceedings, Meeting of April 19, 2016

RESOLUTION NO. 16-42

STATE OF CALIFORNIA    )  
County of Humboldt     )

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be an original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California.

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



\_\_\_\_\_  
By ANA HARTWELL  
Deputy Clerk of the Board of Supervisors of the  
County of Humboldt, State of California

EXHIBIT A

DESCRIPTION OF PROJECT

Improvements, including construction and renovations at various County facilities including the Weights & Measures Building, the County Courthouse, Juvenile Hall, 1001 4<sup>th</sup> St., the Airport Restaurant Kitchen.