

RESOLUTION NO. 2022-

RESOLUTION OF THE BOARD OF SUPERVISORS OF NAPA COUNTY, STATE OF CALIFORNIA, APPROVING A LOAN RENEWAL TO THE NAPA BERRYESSA RESORT IMPROVEMENT DISTRICT FOR THE PURPOSE OF SATISFYING THE PAYMENT FOR A LOAN ISSUED BY NAPA COUNTY

WHEREAS, pursuant to California Government Code section 25214.4, the Board of Supervisors may loan any available funds of the county to a county service area to pay for any lawful expenses of the county service area; and

WHEREAS, California Public Resource Code section 13031 applies the provisions of the County Service Area Law, including Government Code section 25214.4, to the conduct of the business of resort improvement districts; and

WHEREAS, the Napa Berryessa Resort Improvement District (the “District”) currently has four active loans from the County, totaling \$3,594,000, including Loan No. 1 for \$869,000 and Loan No. 2 for \$625,000, which are the result of the consolidation of five smaller loans issued between 2008 and 2012, Loan No. 3 for \$1,100,000 which is an original loan from 2013, and Loan No. 4 for \$1,000,000 which is an original loan from 2021; and

WHEREAS, District residents have approved several rate increases since 2007 and established special assessments in 2012 to cover the costs of numerous repairs, but these actions have not allowed the District to build enough budgetary reserves to repay certain loans; and

WHEREAS, the District is unable to satisfy the payment for Loan No. 1 for \$869,000, which was issued on May 7, 2013, then renewed for a second and third term on June 14, 2016 and June 4, 2019 and which is coming due on June 30, 2022; and

WHEREAS, the Board of Supervisors of Napa County has received a request from the District to renew Loan No. 1 for \$869,000 for a fourth, three-year term ending on June 30, 2025;

NOW, THEREFORE, BE IT RESOLVED by the Napa County Board of Supervisors as follows:

1. The recitals set forth above are true and correct.
2. The Board of Supervisors finds good cause to approve a loan renewal to the District in the amount of \$869,000, which shall be repaid by the District to the County on or before June 30, 2025.
3. The Board of Supervisors approves the loan to the District in that amount to be funded upon the County’s receipt of a promissory note executed by the Chair of the District (the “Note”) in favor of the County consistent with the following terms:
 - a. The principal amount of the Note shall be \$869,000.

b. The term of the Note shall be from July 1, 2022 until June 30, 2025. Interest on the Note shall be payable at the same rate of interest that the County applies to funds of the District on deposit with the County. Interest shall accrue and be payable by the end of each fiscal year until the principal is paid in full.

4. The principal amount of the Note, together with the interest thereon, shall be payable from taxes, revenue and other moneys which are received by the District for the general fund of the District. As security for the payment of the principal of and interest on the Note, the District pledges the first “unrestricted moneys,” as hereinafter defined, (such pledged amounts being hereinafter called the “Pledged Revenues”). The principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be paid from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Note shall be paid from any other moneys of the District lawfully available therefore. The term “unrestricted moneys” shall mean taxes, income, revenue and other moneys intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

4. The Clerk of the Board is directed to file a copy of this Resolution, as well as the original Note with the Napa County Auditor-Controller.

5. Upon receipt of the Note that complies with above terms, the Napa County Auditor is hereby directed and authorized to transfer the necessary loan funds approved above to the District.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED
at a regular meeting of the Board of Supervisors on the 17th day of May, 2022, by the following
vote:

AYES: SUPERVISORS

NOES: SUPERVISORS

ABSTAIN: SUPERVISORS

ABSENT: SUPERVISORS

NAPA COUNTY, a political subdivision of the
State of California

By: _____
RYAN GREGORY, Chair
Napa County Board of Supervisors

APPROVED AS TO FORM Office of County Counsel By: <u>Thomas C. Zeleny</u> Interim County Counsel Date: <u>May 10, 2022</u> ProLaw Doc. No. 71902	APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS Date: May 17, 2022 Processed By: _____ Deputy Clerk of the Board	ATTEST: NEHA HOSKINS Clerk of the Board of Supervisors By: _____
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