

RESOLUTION NO. __-__

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NAPA
SANITATION DISTRICT AUTHORIZING THE EXECUTION AND
DELIVERY OF REVENUE CERTIFICATES OF PARTICIPATION AND
APPROVING THE EXECUTION AND DELIVERY OF CERTAIN
DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER
MATTERS**

WHEREAS, the Board of Directors (the “Board”) of the Napa Sanitation District (the “District”) has determined that it may be in the best interest of the District to authorize certificates of participation (the “Certificates”) to be delivered to construct and acquire certain capital improvements for the District’s wastewater system and to pay costs of issuance in connection therewith;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Napa Sanitation District that:

SECTION 1. The Installment Purchase Agreement is hereby approved in substantially the form on file with the Secretary of the Board, with such additions thereto and changes therein as are recommended or approved by General Counsel and the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation, as special counsel (“Special Counsel”). The Chairperson, the Vice Chairperson, the General Manager or the designee thereof (each, an “Authorized Officer”), are hereby authorized and directed, individually, to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Stradling Yocca Carlson & Rauth, a Professional Corporation, Special Counsel (“Special Counsel”), said Authorized Officers’ execution being conclusive evidence of such approval.

SECTION 2. The Trust Agreement is hereby approved in substantially the form on file with the Secretary of the Board, with such additions thereto and changes therein as are recommended or approved by General Counsel and Special Counsel. The Authorized Officers are hereby authorized and directed to execute and deliver the Trust Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Special Counsel, said Authorized Officers’ execution being conclusive evidence of such approval.

SECTION 3. The Certificates may be sold in one or more series on a taxable or tax-exempt basis by competitive bid, direct placement or negotiated underwriting, as determined by an Authorized Officer to be in the best interest of the District based on market conditions, upon the advice of General Counsel, Special Counsel and KNN Public Finance, LLC, the District’s Municipal Advisor (“KNN”).

The Notice of Sale setting forth bid parameters in connection with a competitive bid is hereby approved in substantially the form on file with the Secretary of the Board, with such additions thereto and changes therein as are recommended or approved by General Counsel and Special Counsel. The Authorized Officers are hereby authorized and directed to execute, deliver and disseminate the Notice of Sale with such changes, insertions and omissions as may be recommended by General Counsel or Special Counsel, said Authorized Officers’ execution being conclusive evidence of such approval, together with such ancillary documents as are necessary to effect a competitive sale of the Certificates. Bids for the purchase of the Certificates shall be received at such time or place and by such means as an Authorized Officers directs. On the date and time established for the receipt of bids, an Authorized

Officer shall accept bids and shall cause the bids to be mathematically verified. The Authorized Officers are authorized to award, on behalf of the District, the winning bid and to accept the winning bidder's offer to purchase the Certificates with such adjustments to the aggregate principal amount and principal amount per maturity as the Authorized Officers deem appropriate. The Authorized Officers may reject any or all bids submitted and may waive any formality or irregularity in any bid or in the bidding process if the Authorized Officers deem it to be in the District's best interest to do so. If all bids are rejected, the Certificates may be sold pursuant to direct placement or negotiated underwriting or in any manner provided by law as the Authorized Officer determines is in the best interest of the District.

If the Authorized Officers determine that the Certificates are to be sold by direct placement or negotiated underwriting, the Authorized Officers shall select one or more purchasers or underwriters, as applicable, with which to negotiate such sale, and to negotiate the terms of a Certificate Purchase Contract with the assistance of General Counsel and Special Counsel and KNN. The Certificate Purchase Contract shall set forth the Certificate sale terms. The Authorized Officers are authorized to execute and deliver the Certificate Purchase Contract on behalf of the District, so long as the terms provided therein are consistent with the terms hereof.

Whether sold by competitive bid, direct placement or negotiated underwriting, in no event shall the aggregate principal amount of the Certificates exceed \$11,000,000 (except that such principal amount may be increased to provide original issue discount), nor shall the true interest cost exceed 4.00%. If the Certificates are sold by negotiated underwriting, the underwriter's discount shall not exceed 2.00% of the principal amount of the Certificates.

SECTION 4. The Continuing Disclosure Agreement is hereby approved in substantially the form on file with the Secretary of the Board, with such additions thereto and changes therein as are recommended by General Counsel and Special Counsel. The Authorized Officers are hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as may be approved by Special Counsel, said Authorized Officers' execution being conclusive evidence of such approval.

SECTION 5. The preparation and distribution of the Preliminary Official Statement, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Special Counsel. The General Manager is hereby authorized to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 relating to the Preliminary Official Statement and the Authorized Officers are hereby authorized and directed to execute, approve and deliver the final Official Statement in the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by Special Counsel, said Authorized Officers' execution being conclusive evidence of such approval. The District is hereby authorized to disseminate said Preliminary Official Statement to persons who may be interested in the initial purchase of the Certificates and is directed to deliver copies of any final Official Statement to all actual initial purchasers of the Certificates.

SECTION 6. The Board hereby authorizes the preparation, sale and delivery of the Certificates in an aggregate principal amount not to exceed \$11,000,000: (i) to construct and acquire certain capital improvements for the District's wastewater system, as described in the Installment Purchase Agreement; and (ii) to pay the costs of the sale and delivery of the Certificates, all in accordance with the terms and provisions of the Trust Agreement.

SECTION 7. The Authorized Officers, and such other officers of the District are authorized and directed, individually, to do any and all things and to execute and deliver any and all documents, including an insurance agreement or reserve fund surety agreement with a municipal bond insurer, which they may deem necessary or advisable in order to consummate the sale and delivery of the Certificates, and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 8. U.S. Bank National Association, San Francisco, California, is hereby appointed to act as Trustee under the Trust Agreement.

SECTION 9. The good faith estimates of costs related to the Certificates which are required by Section 5852.1 of the California Government Code are disclosed in Exhibit A hereto and are available to the public at the meeting at which this resolution is approved.

SECTION 10. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Trust Agreement unless the context otherwise clearly requires.

SECTION 11. This resolution shall take effect from and after its date of adoption.

I DO HEREBY CERTIFY that the foregoing is a true and correct copy of the Resolution adopted by a majority vote of the Board of Directors of the Napa Sanitation District on February 3, 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

NAPA SANITATION DISTRICT

Chairperson

ATTEST:

Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Certificates in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the District by KNN Public Finance, LLC (the District's "**Municipal Advisor**").

Principal Amount. The Municipal Advisor has informed the District that, based on the District's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Certificates to be sold is **\$8,320,000** (the "**Estimated Principal Amount**").

True Interest Cost of the Certificates. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Certificates is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Certificates, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Certificates, is **1.98%**.

Finance Charge of the Certificates. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Certificates is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Certificates, which means the sum of all fees and charges paid to third parties (or costs associated with the Certificates), is **\$294,150**.

Amount of Proceeds to be Received. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Certificates is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the District for sale of the Certificates, less the finance charge of the Certificates, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Certificates, is **\$9,500,000**.

Total Payment Amount. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Certificates is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Certificates, plus the finance charge for the Certificates, as described above, not paid with the proceeds of the Certificates, calculated to the final maturity of the Certificates, is **\$11,779,097**.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Certificates issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the sale of the Certificates being different than the date assumed for purposes of such estimates; (b) the actual principal amount of Certificates sold being different from the Estimated Principal Amount; (c) the actual amortization of the Certificates being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the Certificates being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the District's financing plan, delays in the financing, additional legal work or a combination of such factors and additional finance charges, if

any, attributable thereto. The actual date of sale of the Certificates and the actual principal amount of Certificates sold will be determined by the District based on the timing of the need for proceeds of the Certificates and other factors. The actual interest rates borne by the Certificates will depend on market interest rates at the time of sale thereof. The actual amortization of the Certificates will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.