

RESOLUTION NO. 21-2021-22

RESOLUTION OF THE BOARD OF EDUCATION OF THE PIEDMONT UNIFIED SCHOOL DISTRICT AUTHORIZING EXECUTION AND DELIVERY OF A LEASE AND SUBLEASE AGREEMENT AND RELATED DOCUMENTS AND ACTIONS

WHEREAS, the Piedmont Unified School District (the “District”) requires a local financing source in order to acquire and improve real property to be used by the District for educational purposes, including the construction and furnishing of the Alan Harvey Theater (the “Project”); and

WHEREAS, the District is authorized by the California Education Code (the “Education Code”), including Section 17456 and following, to lease real property to a nonprofit organization formed in part to assist local agencies in obtaining financing, and to simultaneously lease such property back and obtain financing thereby for the purpose of making capital improvements to school facilities; and

WHEREAS, pursuant to Section 17150.1 of the Education Code, the District has provided the required notice of proposed non-voter approved debt to the Alameda County Auditor-Controller and the Superintendent of Schools of the Alameda County Office of Education; and

WHEREAS, in order to obtain the financing required for the Project, the District has determined at this time to authorize the execution and delivery of a Lease and Sublease Agreement (the “Lease”) in an aggregate principal amount not to exceed \$4,000,000, the net proceeds of which will be applied to the payment of the costs of the Project;

WHEREAS, as required by Government Code Section 5852.1, attached as Exhibit A hereto is information relating to the Lease that has been obtained by the Board of Education (the “Board”) and is hereby disclosed and made public;

WHEREAS, the Board wishes at this time to approve the proceedings described herein to finance the Project and to approve all related documents and actions;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Education of the Piedmont Unified School District as follows:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Approval of Financing Proceedings. The Board hereby approves the financing of the Project. To that end, the Board hereby approves each of the following financing documents in substantially the respective forms on file with the Clerk of the Board, together with any changes therein or additions thereto approved by the President of the Board, the Clerk of the Board, the Superintendent of the District or the Chief Financial Officer of the District (each, an “Authorized Officer”), provided that the execution thereof by an Authorized Officer shall be conclusive evidence of such approval:

- Lease and Sublease Agreement between the District and the Public Property Financing Corporation of California (the “Corporation”),

whereby the District leases the Leased Property (defined below) to the Corporation in consideration of the agreement by the Corporation to provide funds to finance the Project, as described in this Resolution, and the Corporation subleases the Leased Property back to the District in consideration of the payment of semi-annual lease payments (the "Lease Payments") by the District as rental for the Leased Property.

- Assignment of Lease Agreement between the Corporation and a bank to be selected by an Authorized Officer following a request for proposal process (the "Lender"), whereby the Corporation assigns its rights under the Lease Agreement to the Lender in consideration of the agreement by the Lender to provide funds to finance the Project and pay related financing costs.

The real property and related facilities to serve as the subject of the Lease and Sublease Agreement shall be Beach Elementary School, or such other location as an Authorized Officer deems appropriate (the "Leased Property"); provided, however, that any Authorized Officer is hereby authorized to identify additional or alternative District-owned real property in order to accomplish the financing plan described herein, which shall be particularly described in the foregoing documents.

An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the District to execute the final form of each of the foregoing documents, and the Clerk of the Board is hereby authorized and directed to attest to the final form of each of the foregoing documents.

Section 3. Material Terms of Lease Agreement. The aggregate principal amount of the Lease Payments shall not exceed \$4,000,000 the interest components of the Lease Payments shall be computed at an interest rate not to exceed 3.0% per annum, and the original term of the lease shall not extend more than 10 years.

Section 4. Payment of Financing Costs. All costs and expenses of professional and legal services in connection with the financing plan described herein are contingent upon the successful delivery of the Lease and Sublease Agreement. Such costs and expenses, together with all other financing costs relating to the transactions described in this Resolution, shall be paid as provided in a costs of issuance custodian agreement to be executed by an Authorized Officer. KNN Public Finance shall serve as the District's financial advisor, and Jones Hall, A Professional Law Corporation, shall serve as the District's special counsel, in connection with the proceedings described herein.

Section 5. Official Actions. The President of the Board, the Clerk of the Board, the Secretary to the Board, the Superintendent of the District, the Chief Financial Officer of the District, or any written designee of any such official, and all other officers of the Board and the District are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants, terminations and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution, including but not limited to documentation selecting and identifying the Lender and documentation providing for the deposit and administration of the proceeds of the Lease including with respect to the administration of funds and the execution of any

documents or certifications that may be required in order to obtain a title insurance policy with respect to the Leased Property. Whenever in this resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

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PASSED AND ADOPTED this 26th day of January, 2022, by the following vote:

AYES:

NOES:

ABSENT:

COUNTERSIGNED:

President of the Board

Secretary to the Board

APPENDIX A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided to the District by the financial advisor, in good faith, assuming an initial par amount of \$3,220,000:

- (A) True interest cost of the Lease Payments: 1.785%
- (B) Finance charge of the Lease Payments (sum of all costs of issuance and fees/charges paid to third parties): \$120,000
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$3,100,000
- (D) Total payment amount through maturity: \$3,544,000