

RESOLUTION NO. 18/19-13

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE MT. DIABLO
UNIFIED SCHOOL DISTRICT EDUCATION FACILITIES FINANCING
CORPORATION AUTHORIZING AND DIRECTING THE EXECUTION
OF DOCUMENTS AND CERTAIN RELATED ACTIONS WITH
RESPECT TO A LEASE FINANCING FOR THE MT. DIABLO UNIFIED
SCHOOL DISTRICT**

WHEREAS, the Mt. Diablo Unified School District Education Facilities Financing Corporation (the "Corporation"), a non-profit public benefit corporation organized and existing under and by virtue of the laws of the State of California, has been formed for the purpose of assisting the Mt. Diablo Unified School District (the "District") in financing the acquisition and construction of educational facilities of the District; and

WHEREAS, at a special election held on November 7, 1989, more than two-thirds of the voters of the District approved Measure A, authorizing the levy and collection of a special tax at the rate of \$67 per taxable unit, for the purpose of providing financing for the rehabilitation and improvement of existing elementary, middle and high school facilities at existing school sites, together with necessary appurtenances thereto and furniture and equipment therefor (collectively, the "Authorized Projects"); and

WHEREAS, in order to provide funding for Authorized Projects, the District has requested the Corporation to enter into a lease agreement and various other financing documents relating to the execution and delivery of a Lease Agreement with the District and to approve matters relating to the execution and delivery of 2018 Certificates of Participation in the aggregate principal amount of not to exceed \$20,000,000, evidencing a direct, undivided fractional interest in lease payments which are payable under such lease agreement (the "Certificates"); and

WHEREAS, there has been submitted to the Board of Directors of the Corporation (a) the form of a Site Lease between the District, as lessor, and the Corporation, as lessee (the "Site Lease"), whereby the District leases certain real property to the Corporation in consideration of the Corporation providing an amount required to provide financing for the Authorized Projects, (b) the form of a Lease Agreement between the Corporation, as lessor, and the District, as lessee (the "Lease Agreement"), whereby the District leases such property back from the Corporation in consideration of the payment of semiannual lease payments by the District as rental for the leased property, and (c) the form of an Assignment Agreement (the "Assignment Agreement") between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), whereby the Corporation assigns substantially all of its rights under the Lease Agreement to the Trustee; and

WHEREAS, the Board of Directors has reviewed the Site Lease, the Lease Agreement and the Assignment Agreement (collectively, the "Financing Agreements") and has found such documents to be in proper order, and the Board of Directors now desires to approve the Financing Agreements and authorize related documents and actions in connection with the proposed financing; and

WHEREAS, pursuant to Government Code Section 5852.1 which became effective on January 1, 2018 by the enactment of Senate Bill 450, certain information

relating to the Certificates is set forth in Appendix A attached to this Resolution, and such information is hereby disclosed and made public;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mt. Diablo Unified School District Education Facilities Financing Corporation, as follows:

SECTION 1. Recitals. All of the recitals herein contained are true and correct and the Board of Directors of the Corporation so finds.

SECTION 2. Approval of Financing Agreements. The Financing Agreements are hereby approved in substantially the respective forms on file with the Secretary of the Corporation, together with such changes thereto as shall be approved by the Chairman, the Treasurer and the Secretary of the Corporation (the "Authorized Officers"). Each of the Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the Corporation, to approve changes to the Financing Agreements as they deem necessary and advisable to put each of the Financing Agreements in a final form, and to execute and deliver each of the Financing Agreements in the name and on behalf of the Corporation. The execution and delivery of the Financing Agreements by an Authorized Officer shall be conclusive evidence of the approval by the Authorized Officers of all changes and revisions thereto.

SECTION 3. Approval of Certificates. The Board of Directors hereby approves the execution, delivery and sale of the Certificates in accordance with the resolution adopted by the Board of Education of the District on June 25, 2018, approving the Financing Agreements and the Certificates, and in accordance with the Bond Purchase Agreement in the form on file with the Secretary of the Corporation, which is hereby approved.

SECTION 4. Closing Documents and Actions. The Authorized Officers and all other officers of the Corporation are each authorized and directed in the name and on behalf of the Corporation to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants 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. Whenever in this Resolution any officer of the Corporation 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 5. Confirmation of Officers The Board of Directors hereby ratifies and confirms appointment of the Superintendent of the District to serve *ex officio* as the Executive Director and the Secretary of the Corporation, and appointment of the Director of Fiscal Services of the District to serve *ex officio* as the Treasurer and Chief Financial Officer of the Corporation.

SECTION 6. Ratification of Actions. All actions heretofore taken by the officers, employees and agents of the Corporation with respect to the transactions set forth above are hereby approved, confirmed and ratified.

PASSED AND ADOPTED at a special meeting of the Board of Directors of the Mt. Diablo Unified School District Education Facilities Financing Corporation this 12th day of September, 2018, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Secretary of the
Mt. Diablo Unified School District Education
Facilities Financing Corporation

EXHIBIT A

REQUIRED GOOD FAITH ESTIMATES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

(SB 450 effective January 1, 2018)*

1. True Interest Cost of the Certificates: 2.54%.
2. Finance charge of the Certificates, being the sum of all fees and charges paid to third parties (Costs of Issuance of approximately \$270,000 plus estimated underwriter's compensation, bond insurance premium and reserve insurance policy premium, assuming bond insurance and reserve insurance are obtained): \$760,696.92.
3. Amount of proceeds of the Certificates expected to be received by the District, net of proceeds for Costs of Issuance in (2) above and net of capitalized interest (if any) and reserves (if any) paid or funded with the proceeds of the Certificates: \$19,870,325.56⁽²⁾.
4. Total payment amount for the Certificates, being the sum of (a) debt service to be paid on the Certificates to final maturity, plus (b) any financing costs not paid from proceeds of the Certificates: \$24,356,496.67⁽²⁾.

⁽¹⁾ All amounts and percentages are estimates, and are made in good faith by the District based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding tax-exempt rates available in the bond market at the time of pricing the Certificates.

⁽²⁾ Assumes principal amount of \$20,000,000 plus original issue premium of \$1,504,968.85; par and premium estimates and interest rate assumptions are preliminary and subject to change.