

**SILVER VALLEY UNIFIED SCHOOL DISTRICT**

**RESOLUTION NO. 18-19-21**

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE SILVER VALLEY UNIFIED SCHOOL DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE, LEASE AGREEMENT, MEMORANDUM OF LEASE AND ASSIGNMENT AGREEMENT WITH RESPECT TO THE ACQUISITION, PURCHASE AND INSTALLATION OF CERTAIN FACILITIES AND IMPROVEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the Silver Valley Unified School District (the “District”) is a school district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “State”) and is authorized to purchase, acquire and lease personal property for the benefit of the District and its inhabitants and to enter into contracts with respect thereto;

**WHEREAS**, the District owns certain educational and administrative facilities and the District desires to use funding in order to implement certain energy efficiency and clean energy projects, as well as related energy planning, energy training and energy management projects;

**WHEREAS**, the District desires to enter into a contract with Schneider Electric Buildings Americas, Inc., for the acquisition and installation of certain energy efficient facilities (the “Project”);

**WHEREAS**, to facilitate the financing of the Project and under its power and authority as granted by Sections 17455 and 17456 of the California Education Code (the “Education Code”), the Board of Trustees of the District (the “Board”) has determined to enter into a Site Lease (the “Site Lease”) and Lease Agreement (the “Lease Agreement”) in each case with Local Facilities Finance Corporation (the “Corporation”), consisting of the real property and improvements of the District’s Alternative Education Center, or such other school site as may be designated pursuant to Section 3 hereof;

**WHEREAS**, Lease Payments under the Lease Agreement will be assigned to Western Alliance Business Trust, a wholly owned affiliate of Western Alliance Bank, an Arizona corporation (“WAB”) pursuant to an Assignment Agreement (the “Assignment Agreement”) between the Corporation and WAB, as assignee, and proceeds of the assignment will be disbursed for costs of the Project and associated eligible costs of financing; and

**WHEREAS**, pursuant to Section 17150.1(a) of the Education Code, the District has previously provided to the County of San Bernardino Superintendent of Schools and to the County of San Bernardino Auditor-Controller notice of this Board’s intention to finance the Project and enter into the Site Lease and Lease Agreement, and has further requested approval of the financing from the County of San Bernardino Superintendent of Schools pursuant to Education Code section 42133; and

**WHEREAS**, in accordance with Government Code Section 5852.1, there has been presented to this Board and disclosed to the public certain good faith estimates provided to the District by its lease consultant, George K. Baum & Company (the “Lease Advisor”), with respect to the financing, a copy of which good faith estimates is attached as Exhibit A hereto; and

**WHEREAS**, all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the consummation of the purchase, acquisition, and financing of the Project pursuant to the Site Lease, the Lease Agreement, a memorandum thereof and the Assignment Agreement (collectively, the “Financing Agreements”) authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such purchase, acquisition, and financing of the Project for the purpose, in the manner and upon the terms herein provided;

**NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE SILVER VALLEY UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1. Findings.** The Board hereby specifically finds and declares that the actions authorized hereby constitute and are true and correct with respect to the public affairs of the District, and that the statements, findings and determinations of the District set forth above and in the preambles of the documents approved herein are true and correct, and the Board hereby declares its intention to enter into the Financing Agreements to which it is a party.

**Section 2. Authorization of Financing Agreements.** The Board hereby expresses its intention to finance the Project, through the preparation, execution and delivery of the Financing Agreements, in an amount not-to-exceed \$4,000,000. However, such approval is expressly conditioned upon receipt of approval of the financing prior to the closing of the transaction from the County of San Bernardino Superintendent of Schools pursuant to Education Code section 42133.

**Section 3. Agreements.** The form of the Assignment Agreement, to be dated the date of its delivery, on file with the Clerk of the Board (the “Clerk”) is hereby approved and the Board hereby consents to its execution by the parties thereto. The forms of the Site Lease and Lease Agreement, on file with the Clerk, are hereby approved. The Board hereby determines that the District’s Alternative Education Center has a fair rental value at least equal to the lease payments to be made pursuant to the Lease Agreement, provided, in the event the Superintendent determines that there are limitations or restrictions on the ability of the District to lease and lease back such site, the property to be leased under the Site Lease and Lease Agreement may consist of any other school sites or school facilities selected by the Superintendent and determined by the Superintendent to have a fair rental value at least equal to the lease payments to be made under the Lease Agreement, the execution and delivery of the Lease Agreement to be conclusive evidence of such determination. The President of the Board, the Superintendent, and the Assistant Superintendent, Administrative Services, and such other officer of the District as the Superintendent may designate (collectively, the “Authorized Representatives”) are, each alone, hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver each of the above-mentioned documents to which it is a party in substantially said form, with such changes therein as such officer or person or persons may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The approval of the Financing Agreements is subject to the limitation that the original

interest rate with respect to the interest components of the lease payments due under the Lease Agreement shall not exceed six percent (6%) per annum and the aggregate principal components due under the Lease Agreement shall not exceed \$4,000,000. This Resolution shall constitute a consent of the District pursuant to Government Code Sections 5951 and 5952 for any transfer of interests in the Lease Agreement made in accordance with the Assignment Agreement and the Lease Agreement.

**Section 4. Bank Qualified Obligation.** The District hereby determines that the Lease Agreement is a qualified tax exempt obligation pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended, and finds that the reasonably anticipated amount of qualified tax exempt obligations which will be issued by the District and all of its subordinate entities during calendar year 2019 will not exceed \$10,000,000.

**Section 5. Attestations.** The Clerk, the Secretary to the Board, or persons as may have been designated by the Superintendent are hereby authorized and directed to attest the signature of the Authorized Representatives, and to affix and attest the seal of the District, as may be required or appropriate in connection with the execution and delivery of the Financing Agreements.

**Section 6. Other Actions.** The Authorized Representatives and officials and officers of the District are each hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the execution, delivery and performance of the Financing Agreements and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution and the Financing Agreements. Such officers or designees are further authorized and directed to provide to the County of San Bernardino Superintendent of Schools any additional information required by Sections 17150.1(a) or 42133 of the Education Code. Such actions as described in this Section 6 heretofore taken by such officers or designees are hereby ratified, confirmed and approved.

**Section 7.** In accordance with Government Code section 5852.1, good faith estimates of the following have been obtained from the Lease Advisor and presented at the meeting at which this resolution is adopted: (a) the true interest cost of the financing, (b) the sum of all fees and charges paid to third parties with respect to the financing, including an estimate of the costs of issuance, (c) the amount of proceeds of the financing expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the financing, and (d) the sum total of all debt service payments on the financing calculated through the term of the Lease. The Board finds and determines that the provisions of Government Code Section 5852.1 have been satisfied with respect to the authorization of the financing.

**Section 8. Recitals.** All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

**Section 9. Effect.** This Resolution shall take effect immediately upon its passage.

**PASSED AND ADOPTED** by the Board of Trustees of the Silver Valley Unified School District on March 12, 2019 at a duly noticed meeting by the following vote:

AYES: \_\_\_\_\_ NOES: \_\_\_\_\_ ABSTAIN: \_\_\_\_\_ ABSENT: \_\_\_\_\_

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

I, Mark Staggs, Clerk of the Board of Trustees of the Silver Valley Unified School District, hereby certify that the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Trustees on March 12, 2019.

**ATTEST:**

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Mark Staggs,  
Clerk of the District Board of Trustees of the  
Silver Valley Unified School

**CLERK'S CERTIFICATE**

I, Mark Staggs, Clerk of the Board of Trustees of the Silver Valley Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on March 12, 2019, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: \_\_\_\_\_, 2019

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Mark Staggs  
Clerk of the District Board of Trustees of the  
Silver Valley Unified School

## EXHIBIT A

### GOOD FAITH ESTIMATES

The good faith estimates for the financing set forth herein are provided in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the District by George K. Baum & Associates, the District's lease consultant, in conjunction with Western Alliance Bank as the provider of the loan.

Principal Amount. Based on the District's financing plan and current market conditions, its good faith estimate of the aggregate principal of the financing is an amount of \$3,314,330.00 (the "Estimated Principal Amount"). Based on the Estimated Principal Amount, the following good faith estimates are provided:

a) True Interest Cost. The good faith estimate of the true interest cost of the financing, which means the rate necessary to discount the amounts payable on the lease payment dates to the purchase price received by the District, is 4.33%.

b) Finance Charge. The good faith estimate of the finance charge for the financing, which means the sum of all fees and charges paid to third parties, is \$68,000.00.

c) Amount of Proceeds to be Received. The good faith estimate of the amount of proceeds expected to be received by the District from the loan, less the finance charge set forth in (b) above, is \$3,246,330.00.

d) Total Payment Amount. The good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay principal and interest under the loan, calculated through the term of the Lease Agreement, is \$5,108,114.57. Such amount does not account for any prepayments made by the District.