

RESOLUTION NO. 21-22:44

RESOLUTION OF THE BOARD OF DIRECTORS OF THE AZUSA UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE, A LEASE AGREEMENT AND AN ASSIGNMENT AGREEMENT WITH RESPECT TO THE ASSIGNMENT OF SUCH GROUND LEASE AND LEASE AGREEMENT, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the Azusa Unified School District (the “District”) is a school district organized and existing under and pursuant to the Constitution and laws of the State of California (the “State”); and

WHEREAS, in order to prepay the Azusa Unified School District Certificates of Participation (2012 School Facility Bridge Funding Program), the District caused to be executed and delivered the Azusa Unified School District Certificates of Participation, Series 2015 (the “Prior Certificates”) pursuant to the Trust Agreement, dated as of May 1, 2015, by and among U.S. Bank Trust Company, National Association, as successor trustee (formerly known as U.S. Bank National Association), the District and the Azusa Unified School District Facilities Corporation (the “Corporation”); and

WHEREAS, the Prior Certificates evidence direct, fractional undivided interests of the owners thereof in the base rental payments to be made by the District under the Lease Agreement, dated as of May 1, 2015 (the “Prior Lease”), by and between the District and the Corporation; and

WHEREAS, the District desires to cause the base rental payments of the Prior Lease to be prepaid, thereby prepaying the Prior Certificates, and the Corporation desires to assist the District in such prepayment; and

WHEREAS, in order to accomplish such prepayment, the District and the Corporation propose to enter into a Ground Lease (such Ground Lease, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Ground Lease”), pursuant to which the District will lease certain real property owned by the District and the improvements thereto, consisting of the Henry Dalton Elementary School (the “Property”), to the Corporation; and

WHEREAS, the District and the Corporation propose to enter into a Lease Agreement (such Lease Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Lease Agreement”), pursuant to which the Corporation will sublease the Property to the District; and

WHEREAS, the District proposes to make base rental payments (“Base Rental Payments”) and additional rental payments for the use and occupancy of the Property on the terms and conditions contained in the Lease Agreement; and

WHEREAS, the Corporation proposes to assign its right, title and interest in and to the Ground Lease and the Lease Agreement to any of the following: (a) First Foundation Public Finance, (b) a “qualified institutional buyer” (a “Qualified Institutional Buyer”) within the meaning of Rule 144A (as may be in effect on the date of such assignment), promulgated under the Securities Act of 1933, as amended (the “Securities Act”), or (c) an “accredited investor” (an “Institutional Accredited Investor”) as defined in Section 501(a)(1), (2), (3), (7) or (8) of Regulation D promulgated under the Securities Act, provided that each equity owner of an “accredited investor” as defined in Section 501(a)(8) of Regulation D shall be an “accredited investor” as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D (as may be in effect on the date of such assignment), such Qualified Institutional Buyer or Institutional Accredited Investor to be selected as provided herein, such assignee as may be ready, willing and able to enter into such assignment (in each case, such assignee being referred to herein as the “Assignee”), pursuant to an Assignment Agreement (such Assignment Agreement, in the form presented to this meeting, being referred to herein as the “Assignment Agreement”); and

WHEREAS, the Corporation has determined that it is in the best interests of the Corporation that the Corporation enter into the Ground Lease, the Lease Agreement and the Assignment Agreement; and

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Ground Lease;
- (b) the Lease Agreement; and
- (c) the Assignment Agreement; and

WHEREAS, all acts, conditions and things required by the laws of the State to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Corporation is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by this Board of Directors of the Azusa Unified School District Facilities Corporation, as follows:

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

SECTION 2. The form of the Ground Lease, submitted to and on file with the Secretary of the Corporation, is hereby approved, and the President of the Corporation, Vice President of the Corporation, the Treasurer of the Corporation, the Secretary of the Corporation, including anyone serving as the interim officer in such positions, and such other officer or employee of the Corporation as the President or the Vice President may designate (the “Authorized Officers”) are each hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver the Ground Lease in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such

approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that (a) the term of the Ground Lease shall not extend beyond August 1, 2040 (provided that such term may be extended as provided therein), and (b) the Ground Lease Payment (as defined in the Ground Lease) payable under the Ground Lease shall not be an amount greater than \$4,750,000.

SECTION 3. The form of the Lease Agreement, submitted to and on file with the Secretary of the Corporation, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver the Lease Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that (a) the aggregate amount of the principal components of the Base Rental Payments payable under the Lease Agreement shall not exceed \$4,750,000, (b) the term of the Lease Agreement shall not extend beyond August 1, 2040 (provided that such term may be extended as provided therein), and (c) the true interest cost applicable to the interest components of the Base Rental Payments payable under the Lease Agreement shall not exceed 4.00% per annum (provided that the interest components of the Base Rental Payments may exceed such true interest cost upon the occurrence of an Event of Taxability (as such term is defined in the Lease Agreement) or if a Base Rental Payment is not timely paid as provided therein).

SECTION 4. The form of Assignment Agreement, submitted to and on file with the Secretary of the Corporation, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver the Assignment Agreement to the Assignee selected by the District in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the amount received by the Corporation for the sale, assignment and transfer by the Corporation of the Corporation's right, title and interest in and to the Ground Lease and the Lease Agreement pursuant to the Assignment Agreement shall not be less than an amount equal to the Ground Lease Payment, determined as provided in Section 2 hereof.

SECTION 5. If upon the review of title reports and other matters relating to the real property consisting of the Henry Dalton Elementary School site, the property is shown to have an encumbrance or attribute that would affect the placement of the Lease Agreement or cause such property to fail an Assignee's criteria for leased assets, the Authorized Officers are each hereby authorized and directed to select one or more alternative District-owned school facility sites and related facilities selected by the District aggregating a similar total value that do not have any such encumbrance or attribute and/or meet such criteria to constitute the Property to be leased under the Ground Lease and the Lease Agreement.

SECTION 6. The officers and agents of the Corporation are, and each of them is, hereby authorized and directed, for and in the name of the Corporation, to do any and all things and to execute and deliver any and all agreements, documents, certificates and instruments referred to herein which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

SECTION 7. The Board of Directors of the Corporation hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures and digital signatures as may be permitted using DocuSign.

SECTION 8. All actions heretofore taken by the officers and agents of the Corporation with respect to the transactions set forth above, or in connection with or related to any of the agreements, documents, certificates or instruments referred to herein, are hereby approved, confirmed and ratified.

SECTION 9. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 14th day of June, 2022.

President of the Azusa Unified School
District Facilities Corporation

Secretary of the Azusa Unified School
District Facilities Corporation

SECRETARY’S CERTIFICATE

I, Shannon J. Norris, Secretary of the Azusa Unified School District Facilities Corporation, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of said Corporation duly adopted at a regular of the Board of Directors of said Corporation held at the regular meeting place thereof on June 14, 2022, and entered in the minutes thereof, of which meeting all of the members of the Board of Directors had due notice and at which a quorum thereof was present, and that at said meeting the resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 546 South Citrus Avenue, Azusa, California, a location freely accessible to members of the public, and the Azusa Unified School District’s website at <https://azusa.ic-board.com/>, and a brief general description of the resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in the District administrative office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that 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: _____, 2022

Secretary of the Azusa Unified School
District Facilities Corporation