

**BEFORE THE BOARD OF TRUSTEES
OF THE MOUNTAIN VIEW LOS ALTOS UNION HIGH SCHOOL DISTRICT
SANTA CLARA COUNTY, CALIFORNIA**

RESOLUTION NO. 20-11

**AUTHORIZING EXECUTION AND DELIVERY OF AN EQUIPMENT LEASE-
PURCHASE AGREEMENT AND APPROVING RELATED DOCUMENTS AND
ACTIONS**

WHEREAS, the Mountain View Los Altos Union High School District (the “District”) seeks to obtain Cisco Networking Equipment and related equipment (collectively, the “Equipment”) referenced in the Lease Agreement (defined below); and

WHEREAS, in order to finance the Equipment and related costs, the District has proposed to lease the Equipment from Key Government Finance, Inc. (the “Lessor”) pursuant to the terms of an equipment lease-purchase agreement (the “Lease Agreement”), including the payment schedule attached to the Lease Agreement as Exhibit 1 to Property Schedule No. 1 (the “Lease Payment Schedule”), each between the District, as Lessee, and the Lessor; and

WHEREAS, the District has the option to purchase the Equipment in accordance with the Lease Agreement and the Lease Payment Schedule; and

WHEREAS, the District is authorized to enter into lease-purchase agreements for equipment under Section 17450 of the Education Code of the State of California; and

WHEREAS, the District’s Board of Trustees (the “Board”) has obtained from the private lender, Key Government Finance, Inc., good faith estimates of (a) the principal amount, (b) the true interest cost of the financing authorized by this Resolution, (c) the finance charge, meaning the sum of all fees and charges paid to third parties with respect to the financing, (d) 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 (e) the aggregate sum total of all payments made pursuant to the Lease Agreement calculated to the final term of the Lease Agreement, plus the fees and charges paid to third parties not paid with the proceeds of the financing, and such estimates are disclosed and set forth in Exhibit A attached hereto; and

WHEREAS, the District has adopted a debt management policy consistent with Government Code section 8855(i); and

WHEREAS, the Board wishes at this time to authorize and approve all proceedings for the financing of the Equipment and related costs, and all related documents and actions, in furtherance of the public purposes of the District.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Trustees of the Mountain View Los Altos Union High School District as follows:

Section 1. Recitals. The foregoing recitals are true and correct and the Board so finds and determines.

Section 2. Authorized Officers. The District's Superintendent, the Associate Superintendent of Business Services[, the Director of Information Services,] or the designee of either (each, an "Authorized Officer") are hereby each, acting alone, authorized and directed to execute and deliver the Lease Agreement and Schedule on behalf of the District (subject to making such changes to the Lease Agreement and Schedule as may be necessary or appropriate), to consummate the transaction, any documents or supplementary agreements necessary to secure possession, use, or ownership of said Equipment, and to approve any amendments thereto as necessary to carry out the provisions of this authorizing Resolution.

Section 3. Approval of Lease-Purchase Financing Plan and Related Documents. The Board hereby approves the lease-purchase financing plan outlined above and District staff is authorized and directed to take all steps necessary or convenient to acquire the Equipment in accordance with said Lease Agreement. To that end, the Board hereby approves each of the following documents in substantially the respective forms on file with the Superintendent, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, whose execution thereof shall be conclusive evidence of such approval:

- **Equipment Lease-Purchase Agreement** between the District, as Lessee, and Key Government Finance, Inc. ("Lessor"), whereby the District leases and/or purchases the Equipment to be financed under the terms thereof, and whereby Lessor agrees to lease the Equipment to the District for a term not to exceed [sixty-seven (67) months] in consideration of the payment by the District of lease payments; provided that (i) the total principal amount financed under the Lease Agreement shall not exceed \$1,625,000.00, and (ii) the interest rate shall not exceed 3.84%.
- **Lease Payment Schedule to Equipment Lease-Purchase Agreement** between the District, as Lessee, and Lessor, whereby the lease payment dates and amounts due under the Lease Agreement are set forth for the Equipment, in the manner as presented to this Board.

An Authorized Officer is authorized and directed for and in the name and on behalf of the District to execute and attest the final form of each of the foregoing documents. The Lease Payment Schedule attached as Exhibit 1 to Property Schedule No. 1 to the Lease Agreement is hereby approved, subject to adjustment by an Authorized Officer but not in excess of the above limitations as to lease term, the interest rate, and total principal amount of Equipment subject to the Lease Agreement.

Section 4. This Resolution Controls Over Any Prior Board Action. Board approval pursuant to this Resolution supersedes and replaces all prior Board actions, including action taken

on December 16, 2019 as Action Item No. 15.11, with respect to the lease-purchase financing plan outlined above. Lessor has acknowledged and agreed that this Resolution and the approval contained herein supersedes all prior Board action, including action taken on December 16, 2019 as Action Item No. 15.11, with respect to the lease-purchase financing plan outlined above.

Section 5. Official Actions. The Authorized Officers, the Board President, the District’s Superintendent, the Associate Superintendent of Business Services, [the Director of Information Services,] and all other officers of the District are each authorized and directed in the name and on behalf of the District to make, execute, and deliver any and all assignments, certificates, requisitions, agreements, notices, consents, leases, tax certificates, IRS Forms 8038-G, an escrow agreement and other 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 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 __ day of _____, 20__, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

President of the Board of Trustees of the
Mountain View Los Altos Union High School
District

ATTEST:

By: _____
Secretary, Board of Trustees of the
Mountain View Los Altos Union High School
District

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the financing authorized by this Resolution. Such good faith estimates have been provided to the District, based on market interest rates prevailing at the time of preparation of the Estimated Principal Amount, by Key Government Finance, Inc., the private lender (the “Lender”).

Principal Amount. The Lender has informed the District that, based on the District’s financing plan and current market conditions, their good faith estimate of the aggregate principal component of the Rental Payments paid under the Lease Agreement is \$1,510,511.03 (the “Estimated Principal Amount”).

True Interest Cost. The Lender has informed the District that their good faith estimate of the true interest cost of the financing, which means the rate necessary to discount the amounts payable on the respective Rental Payment dates to the principal components of said Rental Payments, is as follows: the interest rate is 3.84%. The amount of \$120,824.30, which is the sum of the interest components of each Rental Payment, shall be paid by Cisco Systems to the Lender on behalf of the District at or before the date of the first Rental Payment, which results in a net true interest cost of 0%.

Finance Charge. The Lender has informed the District that their good faith estimate of the finance charge for the financing, which means the sum of all fees and charges paid to third parties (or costs associated with the financing) (the “Finance Charge”), is \$6,500.

Amount of Proceeds to be Received. The Lender has informed the District that their good faith estimate of the amount of proceeds, where proceeds is the value of the Equipment being delivered to the District, expected to be received by the District in connection with the financing, less the Finance Charge as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the financing, is \$1,510,511.03.

Total Payment Amount. The Lender has informed the District that their good faith estimate of the total payment amount, which means the sum total of all Rental Payments made pursuant to the Lease Agreement, plus the Finance Charge as described above, not paid with the proceeds of the financing, calculated to the final term of the Lease Agreement, is \$1,517,011.03.

The foregoing estimates constitute good faith estimates only. The actual aggregate sum of principal components of the Rental Payments, the true interest cost thereof, the Finance Charges, the amount of proceeds received through the financing, and the total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of financing being different than the date assumed for purposes of such estimates, (b) the actual aggregate sum of the principal components of the Rental Payments being different from the Estimated Principal Amount, (c) the actual amortization of the Rental Payments being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of financing different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District’s financing plan, or a combination of such factors. The actual date of the financing and the actual aggregate sum of the principal components of the Rental Payments will be determined by the District based on market conditions and other factors.

The actual interest rates will depend on market interest rates at the time of financing. The actual amortization of the Rental Payments will also depend, in part, on market interest rates at the time of financing. Market interest rates are affected by economic and other factors beyond the control of the District.