

RESOLUTION NO. 2022-31

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY
OF A LEASE AGREEMENT AND SITE LEASE AND AUTHORIZING
AND DIRECTING CERTAIN ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Phelan Pinon Hills Community Services District (the "District") is a community services district duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, the District desires to provide for financing in an amount not to exceed \$6,500,000.00 for the acquisition and construction of an administrative facility (the "Project"); and

WHEREAS, Municipal Finance Corporation (the "Corporation"), as consultant to the CSDA Lease Finance Program, has proposed a cost-effective twenty year lease financing arrangement at a 4.75% interest rate; and

WHEREAS, in accordance with Government Code Section 5852.1, the Board of Directors has obtained and disclosed the information set forth in Appendix A hereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Phelan Pinon Hills Community Services District as follows:

SECTION 1. Lease Agreement and Site Lease. The President of the Board, the General Manager or a designee (each, an "Authorized Officer") is hereby authorized to enter into a Lease Agreement and Site Lease with the Corporation or its nominee to finance the Project, subject to approval as to form by the District's legal counsel.

SECTION 2. Project Fund Agreement. An Authorized Officer is hereby authorized to enter into a Project Fund Agreement with the Corporation and US Bank National Association, as project fund custodian, subject to approval as to form by the District's legal counsel.

SECTION 3. Attestations. The Secretary of the Board or other appropriate District officer is hereby authorized and directed to attest the signature of an Authorized Officer or of such other person or persons as may have been designated by an Authorized Officer, 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 Lease Agreement, the Site Lease and the Project Fund Agreement.

SECTION 4. Other Actions. An Authorized Officer and other 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 agreements, documents and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution, the Lease Agreement, the Site Lease and the Project Fund Agreement. Such actions are hereby ratified, confirmed and approved.

SECTION 5. Qualified Tax-Exempt Obligations. The Lease Agreement is hereby designated as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The District, together with all subordinate entities of the District, do not reasonably expect to issue during the calendar year

in which the Lease Agreement is issued more than \$10,000,000 of obligations which it could designate as "qualified tax-exempt obligations" under Section 265(b) of the Code.

SECTION 6. Reimbursement of Prior Expenditures. The District declares its official intent to be reimbursed from the proceeds of the Lease approved hereby for a maximum principal amount of \$6,000,000.00 of expenditures occurring no earlier than sixty days prior to the adoption of this Resolution. All reimbursed expenditures will be capital expenditures as defined in Section 1.150-1(b) of the Federal Income Tax Regulations.

SECTION 7. Effect. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 16th day of November 2022, by the following vote:

AYES: Hoffman, Kujawa, Philips Roberts

NOES:


ABSTENTIONS:

ABSENT:



President of the Board

I hereby certify that the foregoing resolution was duly introduced, passed and adopted by the vote as noted above.



Secretary of the Board

APPENDIX A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the Corporation, which have been provided to the District in good faith:

- (A) True interest cost of the Lease: 4.75%
 - (B) Finance charge of the Lease (sum of all costs of issuance and fees/charges paid to third parties): \$40,000.00
 - (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$6,000,000.00
 - (D) Total payment amount through maturity: \$9,846,198.37
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