

BOARD OF TRUSTEES
PERALTA COMMUNITY COLLEGE DISTRICT
COUNTY OF ALAMEDA, STATE OF CALIFORNIA

RESOLUTION NO. 15/16-42

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$50,000,000 OF GENERAL OBLIGATION BONDS OF THE PERALTA COMMUNITY COLLEGE DISTRICT BY NEGOTIATED SALE; PRESCRIBING THE TERMS OF SAID BONDS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT, A PAYING AGENT AGREEMENT, AN OFFICIAL STATEMENT RELATING TO SAID BONDS, AND A CONTINUING DISCLOSURE CERTIFICATE; AND AUTHORIZING THE EXECUTION OF NECESSARY CERTIFICATES AND DOCUMENTS RELATING TO SAID BONDS AND THE TAKING OF CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, this Board of Trustees of Peralta Community College District (the "District"), located in the County of Alameda, California (the "County"), duly called an election, and an election was regularly held, in the District on June 6, 2006, for a bond measure known locally as Measure A, at which election a proposition summarized as follows was submitted to the electors of the District:

"Shall Peralta Community College District, which includes Laney and Merritt Colleges in Oakland, Berkeley City College (Vista), and the College of Alameda, issue \$390 million of bonds at the lowest legal interest rates to repair, renovate, construct, acquire, and equip classrooms, educational buildings and college campuses so long as spending is annually reviewed by an independent citizens' oversight committee, no funds are used for administrative salaries, and funds are spent locally and cannot be transferred to the State?"

and

WHEREAS, as required by the laws under which such election was conducted, at least 55% of the votes cast on said proposition were in favor of issuing said bonds, and the proposition was declared approved; and

WHEREAS, the District has heretofore issued, or caused the County to issue on its behalf, its "Peralta Community College District General Obligation Bonds, Election of 2006, Series A" in the original principal amount of \$75,000,000 on August 31, 2006; and

WHEREAS, the District has heretofore issued, or caused the County to issue on its behalf, its “Peralta Community College District 2007 General Obligation Bonds, Election of 2006, Series B” in the original principal amount of \$100,000,000 on November 27, 2007; and

WHEREAS, the District has heretofore issued, or caused the County to issue on its behalf, its “Peralta Community College District 2009 General Obligation Bonds, 2006 Election, Series C” in the original principal amount of \$100,000,000 on September 15, 2009; and

WHEREAS, a community college district is authorized by Sections 53506 and following of the Government Code of the State (the “Government Code”) to issue and sell its bonds at public or private sale; and

WHEREAS, this Board of Trustees of the District (the “Board of Trustees”) deems it necessary and desirable to authorize the sale of said bonds by a negotiated (or private) sale to Citigroup Global Markets Inc., RBC Capital Markets, LLC, Siebert Brandford Shank & Co., LLC and Backstrom McCarley Berry & Co., LLC, as underwriters (the “Underwriters”) pursuant to one or more Bond Purchase Contracts (the “Bond Purchase Contract”), and pursuant to Section 15146 of the Education Code, has found and determined the following reasons therefor: (1) provide more flexibility in the timing of the sale of the Bonds; (2) provide more flexibility in the debt structure; (3) allow the District to work with participants familiar with the District; and (4) increase the opportunity to pre-market the Bonds for sale to local residents and other investors; and

WHEREAS, Section 53508.7 of the Government Code provides that a private sale is limited to bonds sold pursuant to Sections 15140 or 15146 of the Education Code; and

WHEREAS, in accordance with Education Code Section 15146, estimates of the costs associated with the issuance of said bonds are attached hereto as Exhibit A; and

WHEREAS, Section 15140(b) of the Education Code provides that the board of supervisors of a county may authorize the board of trustees of a community college district over which the county superintendent of schools has jurisdiction to issue and sell its own bonds without the further action of the board of supervisors or officers of the county if said community college district has not received a qualified or negative certification in its most recent interim report; and

WHEREAS, the Superintendent of Schools of the County has jurisdiction over the District; and

WHEREAS, in accordance with Section 15140(b), the District now wishes to request the County to adopt a resolution permitting the District to sell bonds on its own behalf; and

WHEREAS, Orrick, Herrington & Sutcliffe LLP serves as bond counsel to the District (“Bond Counsel”) and disclosure counsel to the District (“Disclosure Counsel”) and will serve in such capacities in connection with the bonds authorized hereby; and

WHEREAS, KNN Public Finance serves as financial advisor (the “Financial Advisor”) to the District and will serve in such capacity in connection with the bonds authorized hereby; and

WHEREAS, U.S. Bank National Association serves as Paying Agent (the “Paying Agent”) for the District and will serve in such capacity in connection with the bonds authorized hereby; and

WHEREAS, there have been submitted and are on file with the Secretary of the Board of Trustees proposed forms of a Bond Purchase Contract, a Preliminary Official Statement describing said bonds, a Continuing Disclosure Certificate, and a Paying Agent Agreement providing for the terms of issuance and payment of said bonds; and

WHEREAS, the District desires that the Auditor-Controller of the County (the “County Auditor-Controller”) annually establish tax rates on taxable property within the District for payment of said bonds, pursuant to Sections 29100-29103 of the Government Code, and that the Board of Supervisors of the County (the “County Board of Supervisors”) annually approve the levy of such tax, and that the Treasurer-Tax Collector of the County (the “County Treasurer”) annually collect such tax and apply the proceeds thereof to the payment of principal of and interest on the bonds when due, all pursuant to Sections 15250 and 15251 of the Education Code;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE PERALTA COMMUNITY COLLEGE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Authority for Issuance. The bonds described herein are hereby authorized to be issued pursuant to Section 15140 and following of the Education Code, and other applicable provisions of law, and shall be issued in an aggregate principal amount not to exceed \$50,000,000.

Section 3. Designation of Bonds. The bonds shall be sold in one or more series, to be provisionally designated the “Peralta Community College District 2016 General Obligation Bonds, 2006 Election, Series D” (herein called the “Bonds”), with such additional designations as may be necessary to distinguish between Bonds of different payment mechanisms or features, as authorized hereby.

Section 4. Method of Sale of Bonds. (a) Authority to Sell Bonds by Negotiated Sale: The Bonds or any portion thereof shall be sold by negotiated sale to the Underwriters. The County Board of Supervisors has been requested to authorize the District to sell its Bonds at a negotiated sale pursuant to Education Code Sections 15140(b) and 15146 without further action by the County Board of Supervisors or officers of the County. No bonds shall be sold by the District until such authorization is granted.

(b) Negotiated Sale of Bonds; Bond Purchase Contract: The President of the Board, the Chancellor, the Vice Chancellor, Finance and Administration, or such other officer of the District designated by the President of the Board, the Chancellor, the Vice Chancellor, Finance and Administration for the purpose (each an “Authorized District Representative”), is hereby authorized, upon consultation with the Financial Advisor, to sell the Bonds to the Underwriters on terms consistent with this Resolution. The Bond Purchase Contract, in substantially the form on file with the Secretary of the Board of Trustees, is hereby approved, and each Authorized

District Representative is hereby authorized and directed to execute and deliver one or more Bond Purchase Contracts to the Underwriters, subject to such changes or revisions therein as may be acceptable to such Authorized District Representative, and the District's approval of all such changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Contract. The Bond Purchase Contract shall provide: (i) that the aggregate purchase price of the Bonds sold thereunder shall be no less than the principal amount of such Bonds; (ii) that the Underwriter's discount shall not exceed 1.0% of the aggregate principal amount of the Bonds sold; and (iii) that the Bonds sold thereunder shall otherwise conform to the limitations specified in this Resolution, including specifically those terms prescribed by Section 5 hereof.

Section 5. Terms of the Bonds and Interest Payment. The Bonds shall be issued in the form of current interest Bonds as provided in this section.

(a) Maturity: No Bond shall mature prior to August 1, 2016, nor later than August 1, 2041.

(b) Maximum Rate of Interest: The Bonds shall bear interest or accrue in value at a nominal annual rate not to exceed the statutory limit of 8.0% per year, and shall yield no more than such limit per year to maturity.

(c) The maximum true interest cost for the Bonds shall not be in excess of 6.0%.

(d) The Bonds shall bear interest computed on the basis of a 360-day year of twelve 30-day months payable on such initial and periodic interest payment dates as shall be set forth in the Bond Purchase Contract or other sale document, until maturity or prior redemption.

(e) Recital of Terms of Bonds: The Bond Purchase Contract shall recite the terms of the Bonds sold under such document in accordance with this section as determined in the sale thereof, and such terms shall be memorialized in the Paying Agent Agreement described in Section 7 hereof.

Section 6. Tax Treatment of Bonds. All or any portion of the Bonds may be issued as exempt from federal income tax, as an Authorized District Representative shall determine upon consultation with the Financial Advisor, and according to the terms and conditions Bond Counsel to the District shall advise are appropriate to and necessary for the issuance of tax-exempt bonds.

Section 7. Approval of Paying Agent Agreement. The Paying Agent Agreement relating to the Bonds between the District and the Paying Agent, in substantially the form on file with the Secretary of the Board of Trustees, including the form of Bonds included therein, is hereby approved. Each Authorized District Representative is hereby authorized to execute and deliver one or more instruments in substantially said form, completed with the terms of the Bonds determined upon the sale thereof, and with such other changes thereto as an Authorized District Representative may require or approve, and the District's approval of the Paying Agent Agreement shall be conclusively evidenced by the execution and delivery thereof.

Section 8. Approval of Official Statement. The Official Statement relating to the Bonds, in substantially the form on file with the Secretary of the Board of Trustees, is hereby approved

with such changes, additions and corrections as an Authorized District Representative may hereafter approve. Each Authorized District Representative is hereby authorized to certify on behalf of the District that the preliminary form of the Official Statement was deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by said Rule). The Underwriters are hereby authorized to distribute copies of such Official Statement in preliminary form to persons who may be interested in purchasing the Bonds. Each Authorized District Representative is hereby authorized and directed to sign said Official Statement in its final form, including the final pricing information, and the Underwriters are hereby authorized and directed to deliver copies of such Official Statement in final form to subsequent purchasers of the Bonds. Each Authorized District Representative is authorized to deliver one or more Official Statements, as may be necessary or desirable.

Section 9. Approval of Continuing Disclosure Certificate. The Continuing Disclosure Certificate relating to the Bonds, in substantially the form on file with the Secretary of the Board of Trustees, is hereby approved. Each Authorized District Representative is hereby authorized on behalf of the District to execute and deliver one or more Continuing Disclosure Certificates in substantially said form, with such changes thereto as deemed necessary in order to permit the Underwriters to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate as finally executed and delivered.

Section 10. Request for Tax Levy. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds as provided by law and in the Paying Agent Agreement pursuant to Education Code Section 15252. The District hereby requests the County Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Bonds, and to pay the principal thereof, redemption premium, if any, and interest thereon as and when the same become due, and to provide for any mandatory sinking fund payments or set-asides that may be required, and which may provide for a reserve to avoid fluctuating tax levies as permitted by Education Code Section 15250, all as Bond Counsel shall advise. Each Authorized District Representative is hereby authorized and directed to request the County to establish a reserve to avoid fluctuating tax levies pursuant to Education Code Section 15250, if an Authorized District Representative determines such a reserve is necessary or desirable in consultation with Bond Counsel and the Financial Advisor. Such request may be set forth by an Authorized District Representative in a certificate of the District or in such other form as an Authorized District Representative may determine, and an Authorized District Representative may deliver such request to the County at such time as such Authorized District Representative may deem appropriate, and such request may indicate the desired tax rate to be levied by the County to establish such reserve.

Section 11. Pledge of Tax Revenues. The District hereby pledges all revenues from the property taxes collected from the levy by the County Board of Supervisors for the payment of the Bonds and any outstanding bonds of the District heretofore or hereafter issued pursuant to voter-approved measures of the District, including any refunding bonds thereof (for the purpose of this pledge, hereinafter collectively referred to as the "District Bonds") and amounts on deposit in the

interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the District Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the District Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund of the District to secure the payment of the District Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act.

The pledge is an agreement between the District and the bondholders to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds and each of the other District Bonds secured by the pledge are or were issued to finance or refinance one or more of the projects specified in the applicable voter-approved measure.

Section 12. Appointments. KNN Public Finance is hereby appointed as financial advisor with respect to the Bonds and Orrick, Herrington & Sutcliffe LLP is hereby appointed as bond counsel and disclosure counsel with respect to the Bonds.

Section 13. Approval of Actions. (a) Bond Counsel, Disclosure Counsel, and the Financial Advisor are hereby authorized and directed to continue to prepare the necessary legal documents and to take such other actions as may be necessary and desirable in order to accomplish the issuance of the Bonds, at the direction of an Authorized District Representative.

(b) The President of the Board, the Chancellor, the Vice Chancellor, Finance and Administration, the General Counsel or Acting General Counsel, as applicable, or such other officer of the District to whom authority is delegated by the President of the Board, the Chancellor, the Vice Chancellor, Finance and Administration, or the General Counsel or Acting General Counsel, as applicable, for the purposes of the Bonds, are hereby authorized and directed to execute and deliver any and all certificates and representations, including signature certificates, no-litigation certificates, certificates concerning the contents of Official Statements, representation letters to The Depository Trust Company, tax certificates and any other certificates proposed to be distributed in connection with the sale of the Bonds, and to enter into any agreements, including depository agreements, commitment letters and agreements with bond insurers, agreements providing for payment of costs of issuance of the Bonds, agreements necessary to obtain paying agent services with respect to the Bonds, and any other agreements, letters, or representations, which any of them deem necessary or desirable to accomplish the transactions authorized herein. If in order to sell the Bonds in separate series, the District is required to prepare and deliver additional official statements, paying agent agreements, bond purchase agreements, official notices of sale, continuing disclosure certificates, or other authorized documents, preparation and delivery of such additional documents substantially in the forms presented herewith and subject to the terms set forth herein is hereby authorized. Actions of an Authorized District Representative heretofore taken to accomplish the purposes of this Resolution and consistent herewith are hereby ratified.

Section 14. Filing with County. Each Authorized District Representative is hereby authorized and directed to report to the County Auditor-Controller the final terms of sale of the Bonds, and to file with the County Auditor-Controller and with the County Treasurer a copy of this Resolution, and the schedule of amortization of the principal of and payment on the Bonds, and this Resolution shall serve as the notice required to be given by Section 15140(c) of the Education Code and as the District's request to the County Auditor-Controller and the County Board of Supervisors to propose and adopt in each year a tax rate applicable to all taxable property of the District for payment of the Bonds pursuant to law; and to the other officers of the County to levy and collect said taxes for the payment of the Bonds, to pay in a timely manner to the Paying Agent on behalf of the owners of the Bonds the principal, interest, and premium, if any, due on the Bonds in each year, and to create in the County treasury to the credit of the District a building fund and an interest and sinking fund pursuant to Section 15146 of the Education Code.

Section 15. Indemnification. The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of a resolution by the County Board of Supervisors providing for the issuance and sale of the Bonds, or related to the proceedings for sale, award, issuance and delivery of the Bonds in accordance therewith and herewith. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

Section 16. Effective Date. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 10th day of May 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

President of the Board of Trustees
of the Peralta Community College District

ATTEST:

Secretary of the Board of Trustees
of the Peralta Community College District

EXHIBIT A

ESTIMATES OF COSTS OF ISSUANCE

\$50,000,000*

**PERALTA COMMUNITY COLLEGE DISTRICT
2016 GENERAL OBLIGATION BONDS, 2006 ELECTION, SERIES D**

Costs Related to Bond Issuance*

<u>Costs of Issuance</u>	<u>Consultant</u>	<u>Cost</u>
Bond Counsel	Orrick, Herrington & Sutcliffe LLP	\$60,000.00
Disclosure Counsel	Orrick, Herrington & Sutcliffe LLP	20,000.00
Fitch Opinion	Orrick, Herrington & Sutcliffe LLP	25,000.00
Financial Advisor	KNN Public Finance	15,000.00
Financial Advisor Expenses	KNN Public Finance	0.00
Printing/Posting & Distribution	AVIA Communications	1,250.00
Tax Base Data	California Municipal Statistics, Inc.	0.00
Moody's Rating	Moody's Investor Service	0.00
Fitch Rating	Fitch Ratings	0.00
Paying Agent & COI	U.S. Bank National Association.	1,500.00
Contingency/Expenses	N/A	0.00
Total		\$122,750.00

*Preliminary, subject to change. Assumes prior issuance of general obligation bonds in June 2016.

SECRETARY'S CERTIFICATE

I, the Secretary of the Board of Trustees of the Peralta Community College District, County of Alameda, California, do hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of said District duly and regularly held at the regular meeting place thereof on May 10, 2016, and entered in the minutes thereof, of which meeting all of the members of said Board of Trustees had due notice and at which a quorum thereof was present, and said 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 333 East Eighth Street, Oakland, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office. 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.

WITNESS my hand this ____ day of _____, 2016.

Secretary of the Board of Trustees
Peralta Community College District