

## **RESOLUTION NO. 17/18-11**

### **A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CENTRAL UNIFIED SCHOOL DISTRICT AUTHORIZING PROCEEDINGS TO REFUND OUTSTANDING 2007 CERTIFICATES OF PARTICIPATION AND APPROVING RELATED DOCUMENTS AND ACTIONS**

**WHEREAS**, the Central Unified School District has previously financed and refinanced certain capital improvements to its educational facilities with the proceeds of the following Certificates of Participation (the "Prior Certificates"):

- 2007 Certificates of Participation delivered on November 28, 2007 in the original principal amount of \$20,350,000, a portion of which provided funds to advance refund a portion of 1998 Refunding Certificates of Participation; and

**WHEREAS**, the Prior Certificates each represent interests in lease payments ("Prior Lease Payments") to be made by the District to the California School Boards Association Finance Corporation pursuant to a lease agreement executed in connection the Prior Certificates; and

**WHEREAS**, on May 12, 2016, the District refinanced a portion of the Prior Lease Payments and a corresponding portion of the Prior Certificates with a portion of the proceeds of a Lease and Sublease Agreement (2016 Refinancing) dated as of May 12, 2016 and delivered in the principal amount of \$13,668,513; and

**WHEREAS**, the District has been advised that it can realize interest rate savings at this time by refinancing all remaining outstanding maturities of the Prior Certificates; and

**WHEREAS**, in order to realize said savings, the District has determined at this time to authorize the execution and delivery of a Lease and Sublease Agreement in the aggregate principal amount of not to exceed \$7,400,000, the proceeds of which will be applied to the prepayment of the Prior Certificates;

**WHEREAS**, the Board of Trustees wishes at this time to approve the proceedings described herein to refinance all or a portion of the Prior Certificates and to approve all related documents and actions;

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the Board of Trustees of the Central Unified School District as follows:

**Section 1. Recitals.** The foregoing recitals are true and correct.

**Section 2. Approval of Refinancing Proceedings.** The Board of Trustees hereby approves the refinancing of the Prior Certificates and the Prior Lease Payments. To that end, the Board of Trustees hereby approves each of the following financing documents in substantially the respective forms on file with the Clerk of the Board, together

with any changes therein or additions thereto approved by the President of the Board, the Superintendent or the Assistant Superintendent, Chief Business Officer (each, an "Authorized Officer"), provided that the execution thereof by an Authorized Officer shall be conclusive evidence of such approval:

- Lease and Sublease Agreement (2017 Refinancing) between the District and Public Property Financing Corporation of California (the "Corporation"), whereby the District leases the Leased Property (defined below) to the Corporation in consideration of the agreement by the Corporation to provide funds to refinance the Prior Certificates and the Prior Lease Payments as described in this Resolution, and the Corporation subleases the Leased Property back to the District in consideration of the payment of semiannual lease payments by the District as rental for the Leased Property.
- Assignment of Lease Agreement between the Corporation and a bank to be selected by the Superintendent following a request for proposal process (the "Lender"), as consented to the District, whereby the Corporation assigns its rights under the Lease Agreement to the Lender in consideration of the agreement by the Lender to provide funds to refinance the Prior Certificates and the Prior Lease Payments and pay related financing costs.
- Escrow Agreement between the District and U.S. Bank National Association, as the trustee for the Prior Certificates (the "Prior Trustee"), whereby the Prior Trustee agrees to establish irrevocable escrow funds to be held for the purpose of prepaying the Prior Certificates on the earliest prepayment date for which sufficient legal notice of prepayment can be provided.
- Costs of Issuance Custodian Agreement between the District and the Prior Trustee, as custodian, relating to the deposit and administration of funds to pay financing costs relating to the transactions described in this Resolution.
- Placement Agent Agreement between the District and Stifel, Nicolas & Company, Incorporated, as placement agent (the "Placement Agent"), relating to the Placement Agent's identification of the Lender.

The real property and related facilities to serve as the subject of the Lease and Sublease Agreement shall be Central High School West Campus (the "Leased Property"); provided, however, an Authorized Officer is hereby authorized to identify additional or other District-owned real property in order to accomplish the financing plan described herein, which shall be particularly described in the foregoing documents.

An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the District to execute the final form of each of the foregoing documents, and the Clerk of the Board is hereby authorized and directed to attest to the final form of each of the foregoing documents.

**Section 3. Material Terms of Lease Agreement.** The aggregate principal amount of the lease payments shall not exceed \$7,400,000, the interest components of the new lease payments shall be computed at an interest rate not to exceed 6.0% per annum, and the final payment date shall not be extended as a result of this refinancing.

**Section 4. Payment of Financing Costs.** All costs and expenses of professional and legal services in connection with the financing plan described herein are contingent upon the successful refinancing of the Prior Certificates. Such costs and expenses, together with all other financing costs relating to the transactions described in this Resolution, shall be paid as provided in Costs of Issuance Custodian Agreement approved under Section 2. Dale Scott & Co. shall serve as the District's financial advisor, and Jones Hall, A Professional Law Corporation, shall serve as the District's special counsel, in connection with the proceedings described herein. The terms of such engagement are pursuant to the forms on file with the Assistant Superintendent, Chief Business Officer. Stifel, Nicolas & Company, Incorporated shall serve as the District's Placement Agent and an Authorized Officer is authorized to execute the Placement Agent Agreement approved in Section 2.

**Section 5. Official Actions.** The President of the Board, the Vice President of the Board, the Superintendent, the Assistant Superintendent, Chief Business Officer, the Clerk of the Board, the written designees of such officials, and all other officers of the Board of Trustees and the District are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants, terminations 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, including but not limited to documentation selecting and identifying the Lender, and the execution of any such documents and certifications that may be required in order to clean title to the Leased Property or obtain a title insurance policy with respect thereto. 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.

\* \* \* \* \*

PASSED AND ADOPTED this 26th day of September, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTION:

---

Cesar Granda, President of the Board

COUNTERSIGNED:

---

Rama Dawar, Clerk of the Board