



RESOLUTION NO. 18-19-41

AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE, A LEASE AGREEMENT, A TRUST AGREEMENT, AN ESCROW AGREEMENT, A CERTIFICATE PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT WITH RESPECT TO THE EXECUTION AND DELIVERY OF SAN JACINTO UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION (2020 REFUNDING), AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH CERTIFICATES EVIDENCING PRINCIPAL IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$37,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, in order to refinance the costs of the acquisition, construction, installation, improvement and equipping of certain schools and other capital facilities (the "Projects"), the San Jacinto Unified School District (the "District") caused to be executed and delivered the San Jacinto Unified School District Certificates of Participation (2010 Refunding) (the "Prior Certificates");

WHEREAS, the Prior Certificates were executed and delivered pursuant to the Trust Agreement, dated as of February 1, 2010 (the "Prior Trust Agreement"), by and among U.S. Bank National Association, as trustee (the "Prior Trustee"), the San Jacinto Unified School District School Facilities Corporation (the "Corporation") and the District;

WHEREAS, the Prior Certificates evidence direct, fractional undivided interests of the owners thereof in certain base rental payments to be made by the District pursuant to the Lease Agreement, dated as of February 1, 2010 (the "Prior Lease Agreement"), by and between the District and the Corporation;

WHEREAS, in order to achieve certain savings, the District desires to refinance the Projects by exercising its option to prepay the base rental payments payable pursuant to the Prior Lease Agreement in order to cause the Prior Certificates to be prepaid;

WHEREAS, in order to finance the prepayment of the Prior Certificates, the District will lease certain real property owned by the District and the improvements thereto (the "Property") to the Corporation pursuant to 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");

WHEREAS, the District will sublease the Property back from the Corporation pursuant to 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");

WHEREAS, the District and the Corporation have determined that it would be in the best interests of the District and the Corporation to provide a portion of the funds necessary to prepay the Prior Certificates through the execution and delivery, pursuant to a Trust Agreement, by and among U.S. Bank National Association, as trustee (the "Trustee"), the Corporation and the District, of the San Jacinto Unified School District Certificates of Participation (2020 Refunding) (the "Certificates"), evidencing direct, fractional undivided

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Monte Vista Middle School

San Jacinto Leadership Academy

Mountain View High School/
Mountain Heights Academy

San Jacinto High School

interests in the base rental payments to be made by the District under the Lease Agreement (such Trust 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 "Trust Agreement");

WHEREAS, in connection with the execution and delivery of the Trust Agreement, the Corporation proposes to assign substantially all of its rights in the Ground Lease and Lease Agreement to the Trustee pursuant to an assignment agreement;

WHEREAS, the moneys to prepay the Prior Certificates will be applied to such purpose pursuant to an Escrow Agreement by and between the District and U.S. Bank National Association, as Prior Trustee and as escrow bank (such Escrow 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 "Escrow Agreement");

WHEREAS, Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"), has submitted to the District a proposal to purchase the Certificates, on a forward delivery basis with the Certificates expected to be delivered on or about June 4, 2020, in the form of a Certificate Purchase Agreement (such Certificate Purchase 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 "Certificate Purchase Agreement");

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell the Certificates, the underwriter thereof must have reasonably determined that the District has undertaken in a written agreement or contract for the benefit of the holders of the Certificates to provide disclosure of certain financial information and certain enumerated events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the District desires to enter into a Continuing Disclosure Agreement with the Trustee (such Continuing Disclosure 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 "Continuing Disclosure Agreement");

WHEREAS, a form of the Preliminary Official Statement (the "Preliminary Official Statement") to be distributed in connection with the public offering of the Certificates has been prepared;

WHEREAS, Assured Guaranty Municipal Corp. has issued its commitment (the "Bond Insurance Commitment") to provide its insurance policy guaranteeing the scheduled payment of the principal and interest evidenced by the Certificates when due and its commitment (the "Reserve Policy Commitment") to issue its reserve insurance policy relating to the Certificates;

WHEREAS, the District has determined that obtaining said insurance policy and reserve insurance policy would be economically advantageous and, therefore, the District has caused to be incorporated into the Ground Lease, the Lease Agreement, the Assignment Agreement and the Trust Agreement the provisions required to be included therein pursuant to the Bond Insurance Commitment and the Reserve Policy Commitment;

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

- (a) the Ground Lease;
- (b) the Lease Agreement;
- (c) the Trust Agreement;

- (d) the Escrow Agreement;
- (e) the Certificate Purchase Agreement;
- (f) the Continuing Disclosure Agreement; and
- (g) the Preliminary Official Statement;

WHEREAS, Section 42133(a) of the California Education Code (the “Education Code”) provides that a school district that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, unless the county superintendent of schools determines, pursuant to criteria established by the Superintendent of Public Instruction of the State of California, that the repayment of that indebtedness by the school district is probable;

WHEREAS, in the fiscal year ended June 30, 2018, and in the fiscal year ending June 30, 2019, the District did not file and does not expect to file a qualified or negative certification and the Riverside County Superintendent of Schools (the “County Superintendent”) did not and is not expected to classify the District’s certifications for either such fiscal year to be qualified or negative;

WHEREAS, Section 17150.1(a) of the Education Code provides that (a) no later than 30 days before the approval by the governing board of a school district to proceed with the issuance of certificates of participation, the school district shall notify the county superintendent of schools and the county auditor, and (b) the superintendent of the school district shall provide information necessary to assess the anticipated effect of the debt issuance, including the repayment schedules for that debt obligation, the evidence of the ability of the school district to repay that obligation, and the delivery costs, to the county auditor, the county superintendent of schools, the governing board and the public;

WHEREAS, in accordance with Education Code Section 17150.1(a), no later than 30 days before the date hereof, the District caused notice of the proposed execution and delivery of the Certificates to be provided to the County Superintendent and the Riverside County Auditor Controller (the “County Auditor Controller”);

WHEREAS, in accordance with Education Code Section 17150.1(a), the Superintendent of the District caused to be provided information necessary to assess the anticipated effect of the execution and delivery of the Certificates, including the repayment schedules for the base rental payments evidenced by the Certificates, evidence of the ability of the District to repay such base rental payments, and the delivery costs of the Certificates, to the County Auditor Controller, the County Superintendent, the Board of Trustees of the School (the “Board of Trustees”) and the public;

WHEREAS, Section 5852.1 of the California Government Code (the “Government Code”) requires that the Board of Trustees obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the execution and delivery of the Certificates, good faith estimates of (a) the true interest cost of the Certificates, (b) the sum of all fees and charges paid to third parties with respect to the Certificates, (c) the amount of proceeds of the Certificates 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 Certificates, and (d) the sum total of all debt service payments to be evidenced by the Certificates calculated to the final payment date evidenced by the Certificates plus the fees and charges paid to third parties not paid with the proceeds of the Certificates;

WHEREAS, in compliance with California Government Code Section 5852.1, the Board of Trustees has obtained from Fieldman, Rolapp & Associates, Inc., as the District’s municipal advisor, in consultation with the Underwriter, the required good faith estimates and such estimates are disclosed and set forth in Exhibit A attached hereto;

WHEREAS, the District desires to proceed to deliver the Certificates and to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and delivery of the Certificates; and

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

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the San Jacinto Unified School District, as follows:

Section 1. The foregoing recitals are true and correct, and the Board of Trustees so finds and determines.

Section 2. The form of the Ground Lease, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved. Each of the President of the Board of Trustees, the Clerk of the Board of Trustees, and such other member of the Board of Trustees as the President may designate, the Superintendent of the District, the Assistant Superintendent, Business Services of the District, the Executive Director of Business Services of the District, and such other officer or employee of the District as the Superintendent may designate (the "Authorized Officers") is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the District, to execute and deliver the Ground Lease in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Ground Lease by such Authorized Officer.

Section 3. The form of the Lease Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the District, to execute and deliver the Lease Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Lease Agreement by such Authorized Officer; provided, however, that the aggregate amount of the principal components of the base rental payments payable under the Lease Agreement shall not exceed \$37,000,000, the term of the Lease Agreement shall not terminate later than September 1, 2040 (provided that such term may be extended as provided therein) and the true interest cost applicable to the interest components of the base rental payments evidenced by the Certificates shall not exceed 5.50% per annum.

Section 4. The form of the Trust Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the District, to execute and deliver the Trust Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Trust Agreement by such Authorized Officer.

Section 5. The execution and delivery of the Certificates evidencing principal in an aggregate amount not to exceed \$37,000,000, payable in the years and in the amounts, and evidencing interest as specified in the Trust Agreement as finally executed, and with such additional or other series designations as may be approved by an Authorized Officer, are hereby authorized and approved.

Section 6. The form of the Escrow Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the District, to execute and deliver the Escrow Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Escrow Agreement by such Authorized Officer.

Section 7. The form of the Certificate Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the District, to execute and deliver the Certificate Purchase Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Certificate Purchase Agreement by such Authorized Officer; provided, however, that the underwriter's discount for the sale of the Certificates shall not exceed 0.70% of the aggregate amount of principal evidenced by such Certificates.

Section 8. The form of the Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the District, to execute and deliver the Continuing Disclosure Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by such Authorized Officer.

Section 9. The Preliminary Official Statement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Certificates is hereby authorized and approved. Each of the Authorized Officers is hereby authorized to certify on behalf of the District that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 10. The preparation and delivery of a final Official Statement (the "Official Statement"), and its use in connection with the offering and sale of the Certificates, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of and on behalf of the District, to execute the final Official Statement and any amendment or supplement thereto.

Section 11. The officers of the District are, and each of them is, hereby authorized and directed, for and in the name of the District, to do any and all things and to execute and deliver any and all documents and certificates 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, including entering into necessary termination agreements with respect to the termination of the Prior Lease Agreement and related agreements, obtaining title insurance with respect to the Property and entering into an agreement to indemnify and hold the title insurance company harmless with respect to

encumbrances recorded against the Property between the last title continuation as set forth in such agreement and the recording of the documents (or notice thereof) herein approved.

Section 12. All actions heretofore taken by the officers and agents of the District with respect to the Certificates, or in connection with or related to any of the agreements or documents referred to herein, are hereby approved, confirmed and ratified.

Section 13. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Trustees of the San Jacinto Unified School District on May 14, 2019.

John I. Norman
Board President

ATTEST:

Willie Hamilton
Board Clerk

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Certificates in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the District by Fieldman, Rolapp & Associates, Inc., as the District's municipal advisor (the "Municipal Advisor"), in consultation with Stifel, Nicolaus & Company, Incorporated, as underwriter.

Principal Amount. The Municipal Advisor has informed the District that, based on the District's refinancing plan and current market conditions, its good faith estimate of the aggregate principal amount evidenced by the Certificates to be sold is \$30,985,000 (the "Estimated Principal Amount"), which excludes approximately \$3,672,790.20 of net premium estimated to be generated based on current market conditions.

True Interest Cost of the Certificates. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount evidenced by the Certificates is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Certificates, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Certificates, is 3.76%.

Finance Charge of the Certificates. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount evidenced by the Certificates is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Certificates, which means the sum of all fees and charges paid to third parties (or costs associated with the Certificates), is \$803,973.19.

Amount of Proceeds to be Received. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount evidenced by the Certificates is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the District for the sale of the Certificates, less the finance charge of the Certificates, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Certificates, is \$36,719,909.38.

Total Payment Amount. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount evidenced by the Certificates is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service evidenced by the Certificates, plus the finance charge for the Certificates, as described above, not paid with the proceeds of the Certificates, calculated to the final payment date evidenced by the Certificates, is \$49,327,359.58.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount evidenced by the Certificates executed and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Certificates being different than the date assumed for purposes of such estimates, (b) the actual principal amount evidenced by the Certificates sold being different from the Estimated Principal Amount, (c) the actual amortization of debt service

evidenced by the Certificates being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Certificates being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District's refinancing plan, or a combination of such factors. The actual date of sale of the Certificates and the actual principal amount evidenced by the Certificates sold will be determined by the District based on the timing of the need for proceeds of the Certificates and other factors. The actual interest rates evidenced by the Certificates will depend on market interest rates at the time of sale thereof. The actual amortization of debt service evidenced by the Certificates will also depend, in part, on market interest rates and market conditions at the time of sale thereof. Market interest rates and market conditions are affected by economic and other factors beyond the control of the District.

CLERK'S CERTIFICATE

I, Willie Hamilton, Clerk of the Board of Trustees of the San Jacinto Unified School District, hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted at a regular meeting of said Board of Trustees duly and regularly held on May 14, 2019, of which meeting all of the members of said Board of Trustees had due notice and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES:	BOARD MEMBERS:
NOES:	BOARD MEMBERS:
ABSENT OR NOT VOTING:	BOARD MEMBERS:

An agenda of said meeting was posted at least 72 hours before said meeting at 2045 South San Jacinto Avenue, San Jacinto, California, a location freely accessible to members of the public, and a brief general description of said 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 my office; that 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: _____, 2019

Willie Hamilton
Clerk of the Board of Trustees of the
San Jacinto Unified School District