

RESOLUTION NO. 18-04-01

RESOLUTION OF THE BOARD OF TRUSTEES OF THE BONSTALL UNIFIED SCHOOL DISTRICT AUTHORIZING THE REFINANCING OF CERTAIN LEASE AGREEMENTS AND THE EXECUTION AND DELIVERY OF DOCUMENTS RELATING TO THE SALE AND DELIVERY OF A LEASE/PURCHASE AGREEMENT, AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Bonsall Unified School District (the “District”), as successor to the Bonsall Union School District, is a unified school district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “State”); and

WHEREAS, the District desires to refinance the Lease Agreement dated as of May 1, 2008, by and between the District and Public Property Financing Corporation of California (the “Prior Lease”) for the purpose of prepaying the Bonsall Union School District Certificates of Participation, Series 2008; and

WHEREAS, in order to refinance the Prior Lease, the District will lease certain real property, known as Bonsall Community Center, and improvements thereto (the “Property”), to the Local Facilities Finance Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State (the “Corporation”) pursuant to a Site Lease (the “Site Lease”) and lease the Property back from the Corporation pursuant to a Lease/Purchase Agreement (the “Lease/Purchase Agreement”); and

WHEREAS, the Corporation will assign, among other rights, all rights to receive Lease Payments (as defined in the Lease/Purchase Agreement) to JPMorgan Chase Bank, N.A. (the “Purchaser”) in exchange for the amount of advance rental payable by the Corporation under the Site Lease pursuant to the terms of that certain Assignment Agreement (the “Assignment Agreement”) by and between the Corporation and the Purchaser; and

WHEREAS, pursuant to Section 17150.1(a) of the California Education Code (the “Education Code”), the District has previously provided to the County of San Diego Superintendent of Schools and to the County of San Diego Auditor-Controller notice of this Board’s intention to refinance the Prior Lease and enter into the Site Lease and Lease/Purchase Agreement; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing 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 financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, it is resolved by the Board of Trustees (the “Board”) of the Bonsall Unified School District as follows:

Section 1. Findings. The Board hereby specifically finds and declares that the actions authorized hereby constitute lawful acts of the District in furtherance of its public purposes, and that

the statements, findings and determinations of the District set forth in the preambles of the documents approved herein are true and correct.

Section 2. Authorization of Lease/Purchase Agreement. The Board hereby expresses its intention to refinance the Prior Lease through the execution and delivery of the Site Lease and Lease/Purchase Agreement and the assignment of certain rights thereunder pursuant to and to the extent set forth in the Assignment Agreement.

Section 3. Legal Documents. The form of the Lease/Purchase Agreement between the District and the Corporation, dated as of June 1, 2018, and on file with the Clerk to the Board (the "Clerk"), is hereby approved. The form of the Site Lease, dated as of June 1, 2018, between the Corporation and the District, and on file with the Clerk, is hereby approved. The form of the Escrow Agreement is between the District and U.S. Bank National Association, dated as of June 1, 2018 and on file with the Clerk is hereby approved. The President of the Board of Trustees, the Superintendent, and the Assistant Superintendent, Business and Administrative Services, or such other officer of the District as the Superintendent or Assistant Superintendent, Business and Administrative Services may designate (collectively, the "Authorized Officers"), each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver each of the above mentioned documents in substantially said form, with such changes therein as such officer or person or persons may require or approve (including with respect to the Assignment Agreement, the District's acknowledgment of and consent to the assignment thereunder), such approval to be conclusively evidenced by the execution and delivery thereof. The execution and delivery of the Lease/Purchase Agreement is subject to the limitation that the interest rate with respect to the interest component of the lease payments shall not exceed twelve percent (12%) per annum and the aggregate principal component of the lease payments due under the Lease/Purchase Agreement shall not exceed \$1,500,000.

Section 4. Bank Qualified Obligation. The District hereby determines that the Lease/Purchase Agreement is a qualified tax exempt obligation pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended, and finds that the reasonably anticipated amount of qualified tax exempt obligations which will be issued by the District and all of its subordinate entities during calendar year 2018 will not exceed \$10,000,000.

Section 5. Appointment of Special Counsel and Municipal Advisor. The Board hereby approves the appointment of Stradling Yocca Carlson & Rauth, a Professional Corporation, as special counsel to the District with respect to the execution and delivery of the Site Lease and Lease/Purchase Agreement and Isom Advisors, a Division of Urban Futures, Inc., as municipal advisor, with respect to the sale of the Lease/Purchase Agreement. The Authorized Officers are authorized to execute contracts with respect to such services so long as any payment thereunder is contingent upon the successful sale of the Lease/Purchase Agreement.

Section 6. Attestations. The Clerk or persons as may have been designated by the Superintendent are hereby authorized and directed to attest the signature of the Authorized Officers or of such other person or persons as may have been designated by the Superintendent, 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/Purchase Agreement.

Section 7. Other Actions. The Authorized Officers and officials and 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 documents which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the Lease/Purchase Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution and the Lease/Purchase Agreement including the execution and delivery of a termination agreement for the purpose of evidencing the termination of the Prior Lease. Such officers or designees are further authorized and directed to provide to the County of San Diego Superintendent of Schools any additional information required by Section 17150.1(a) of the Education Code. Such actions as described in this Section 6 heretofore taken by such officers or designees are hereby ratified, confirmed and approved.

Section 8. Recitals. All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

Section 9. Effect. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 12th day of April, 2018, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

President, Board of Trustees
Bonsall Unified School District

Attest:

Clerk to the Board of Trustees
Bonsall Unified School District

CLERK'S CERTIFICATE

I, Richard Olson, Clerk to the Board of Trustees of the Bonsall Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on April 12, 2018, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

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: April 12, 2018

Clerk