

**BOARD OF EDUCATION  
SCOTTS VALLEY UNIFIED SCHOOL DISTRICT**

**RESOLUTION NO 18-005**

**RESOLUTION AUTHORIZING PROCEEDINGS TO ENTER INTO  
A LEASE-LEASEBACK ARRANGEMENT TO RAISE FUNDS TO  
REFINANCE 2007 LEASE PAYMENTS AND 2007  
CERTIFICATES OF PARTICIPATION, AND APPROVING  
RELATED DOCUMENTS AND ACTIONS**

**WHEREAS**, the Scotts Valley Unified School District (the "District") has previously refinanced the construction of improvements to the Scotts Valley High School from the proceeds of its 2007 Certificates of Participation (2007 Refinancing Project) which were delivered in the aggregate original principal amount of \$4,190,000 (the "2007 Certificates"); and

**WHEREAS**, the 2007 Certificates evidence direct, undivided fractional interests in lease payments (the "2007 Lease Payments") which are payable by the District under a Lease Agreement dated as of January 1, 2007 (the "2007 Lease Agreement"), between the District and the Scotts Valley Schools Financing Corporation, under which the Scotts Valley Schools Financing Corporation has leased to the District the land and improvements which constitute a gymnasium and multi-purpose room at the Scotts Valley High School (the "Leased Property"); and

**WHEREAS**, the 2007 Certificates are currently subject to prepayment at the option of the District on any date, and the District has been advised that due to favorable interest rate conditions that exist in the tax-exempt bond market, the District can realize annual debt service savings which will benefit the District's general fund by refinancing the 2007 Lease Payment and the outstanding 2007 Certificates; and

**WHEREAS**, in order to provide funds to refinance the 2007 Lease Payments and the 2007 Certificates, the District has proposed to lease and lease back the Leased Property under a Lease Agreement between the District and the Local Facilities Finance Corporation (the "Corporation"), in consideration of the agreement by the District to make semiannual lease payments (the "Lease Payments"); and

**WHEREAS**, the District has complied with Education Code Section 17150 *et seq.* in connection with the refinancing of the 2007 Lease Agreement and the 2007 Certificates by providing the required notices to the Auditor-Controller and Superintendent of Schools of the County of Santa Cruz; and

**WHEREAS**, the Board of Education wishes at this time to authorize and approve all proceedings for the refinancing of the 2007 Lease Payments and the 2007 Certificates, and all related documents and actions, in furtherance of the public purposes of the District;

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the Board of Education of the Scotts Valley Unified School District as follows:

**Section 1. Approval of Financing Plan and Related Documents.** The Board of Education hereby approves the financing plan outlined above with respect to the refinancing of the 2007 Lease Payments and the 2007 Certificates. To that end, the Board of Education hereby approves each of the following financing documents in substantially the respective forms on file with the Clerk of the Board of Education together with any changes therein or additions thereto deemed advisable by the Superintendent or the Chief Business Officer (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of such approval:

- Lease Agreement between the District, as lessor and sublessee, and the District, as lessee and sublessor, under which the District leases the Leased Property to the Corporation in consideration of the payment of an amount which is sufficient to provide for the refinancing of the 2007 Lease Payments and the 2007 Certificates, and the District leases the Leased Property back from the Corporation in consideration of the payment by the District of semiannual Lease Payments.
- Escrow Agreement, between the District and U.S. Bank National Association, as escrow bank and as trustee for the 2007 Certificates, relating to the deposit, investment and administration of funds to prepay the 2007 Lease Payments and the 2007 Certificates.

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

**Section 2. Material Terms of Lease Agreement.** The Lease Payments shall payable over a term ending not later than September 1, 2036. The aggregate principal components of the Lease Payments shall not exceed \$4,500,000. The aggregate total amount of Lease Payments shall be less than the remaining 2007 Lease Payments coming due and payable under the 2007 Lease.

**Section 3. Assignment to Lender.** The Board hereby approves the assignment by the Corporation of certain of its rights under the Lease Agreement, including the right to receive and enforce the payment of the Lease Payments, to a bank or other financial institution which is selected by an Authorized Officer upon the advice of the District's financial advisor and placement agent (the "Lender"), pursuant to an assignment agreement to be entered into between the Corporation and the Lender, under which the Lender will provide funds to refinance the 2007 Lease Payments and the 2007 Certificates.

**Section 4. Engagement of Professional Services.** The District hereby approves the engagement of the following firms to provide the following professional services in connection with the transactions described in this Resolution: (a) the firm of Jones Hall, A Professional Law Corporation, is hereby approved to serve as bond counsel; (b) the firm of Isom Advisors a Division of Urban Futures, Inc. is hereby approved to serve as financial advisor; and (c) the firm of RBC Capital Markets is hereby approved to serve as placement agent. The Authorized Officers are each individually authorized to execute an agreement between the District and each of said firms, with

respect to those firms which have not previously been engaged. Payment of the costs of such services shall be made from a portion of the proceeds of the transaction which are provided by the Lender.

**Section 5. Official Actions; Authorized Documents.** The Authorized Officers and all other officers of 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 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, without limitation, a cost of issuance custody agreement for the payment of the professional services and other costs related to the transactions described in this Resolution. 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 on and after its adoption.

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I hereby certify that the foregoing Resolution was passed and adopted by the Board of Education of the Scotts Valley Unified School District at a regular meeting thereof duly held on September 12, 2017, by a majority vote of all of its members.

Adopted by the following votes:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

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Michael Shulman  
President of the Board of Education  
Scotts Valley Unified School District

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Tanya Krause, Superintendent  
Secretary to the Board of Education  
Scotts Valley Unified School District