



**CAMBRIAN SCHOOL DISTRICT
BOARD OF TRUSTEES**

RESOLUTION NUMBER: 20-21-13

**PRESCRIBING THE TERMS AND AUTHORIZING THE SALE AND
ISSUANCE OF MEASURE R BONDS, AND RELATED ACTIONS**

WHEREAS, pursuant to California Education Code sections 5304, 5322 and 15264 et seq., Article XIII A, Section 1(b), and Article XVI, Section 18(b), of the California Constitution, the Board of Trustees (the “Board”) of the Cambrian School District (the “District”) adopted its Resolution No. 20-21-01 on August 6, 2020 (the “Election Resolution”), ordering a school bond election, which was then regularly held in the District on November 3, 2020;

WHEREAS, the measure for incurring bonded indebtedness (the “2020 Authorization”), which was fully described in the Election Resolution, was submitted to the voters at the election and abbreviated on the ballot as follows:

MEASURE R: “To repair/ upgrade aging classrooms, science labs, school facilities, and instructional technology to support student achievement in math, science, engineering, technology, and arts, repair deteriorating roofs, plumbing, electrical, remove asbestos/ lead pipes where needed, and upgrade classrooms/ computers to keep pace with technology, shall the Cambrian School District measure authorizing \$88,000,000 in bonds at legal rates be adopted, levying 3 cents/ \$100 assessed value (\$5,080,000 annually) while bonds are outstanding, with citizen oversight/ all money staying local?”

BONDS-YES

BONDS-NO

WHEREAS, the returns of the election were thereafter canvassed pursuant to law, the Certificate of Election received from the Registrar of Voters of Santa Clara County (the “Registrar”) authenticated that more than 55% (the amount required for passage) of the votes cast were in favor of issuing the general obligation bonds (the “Measure R Bonds”), the Board entered that fact upon its minutes on December 17, 2020, and thereafter certified the election proceedings to the Board of Supervisors (“Board of Supervisors”) of Santa Clara County (the “County”);

WHEREAS, the Board has established and appointed a Citizens’ Oversight Committee for the Measure R Bonds in accordance with Education Code Section 15278;

WHEREAS, the Board has determined that it is necessary and desirable to issue and sell the first series of the Measure R Bonds pursuant to the 2020 Authorization, such series of the Measure R Bonds to be designated generally the “Cambrian School District (Santa Clara County, California) General Obligation Bonds, Election of 2020, Series 2021” (the “Series 2021 Bonds”), in an aggregate principal amount set for the below, according to the terms and in the manner hereinafter set forth;

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of the Series 2021 Bonds of the District; and

WHEREAS, the indebtedness of the District, including the proposed issuance of the Series 2021 Bonds, is within all limits prescribed by law.

NOW, THEREFORE, be it resolved by the Board of Trustees of the Cambrian School District, as follows:

Section 1. **Recitals.** The Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. **Series 2021 Bonds; Issue Authorized.** The Board hereby authorizes the issuance of the Series 2021 Bonds in an aggregate principal amount not to exceed \$15,000,000. The District is issuing the Series 2021 Bonds pursuant to the terms of Article 4.5, Chapter 3, Part 1, Division 1, Title 1 of the California Government Code (commencing with Section 53506). The costs of issuance of the Series 2021 Bonds (including estimates of compensation for the underwriter and premium for bond insurance) are estimated to be \$322,500. Bond insurance is not expected to be purchased; however, it may be purchased by the underwriter of the Series 2021 Bonds at the underwriter's option and expense only if financially efficient. Other terms and conditions of the Series 2021 Bonds and their execution, issuance, and sale, not prescribed by Article 4.5 referred to above, shall be governed by the relevant provisions of the Government Code and Education Code.

Section 3. **Approval of Paying Agent Agreement.** The Board hereby approves the form of the Paying Agent Agreement (the "Paying Agent Agreement") between the District and Zions Bancorporation, National Association (the "Paying Agent"), as presented to this meeting and on file with the Secretary of the Board. The President, Vice President, Clerk, and Secretary of the Board, and the Superintendent and the Chief Financial Officer of the District (the "Designated Officers"), or their designees, and each of them individually, are hereby authorized for and in the name of and on behalf of the District, to execute and deliver to the Paying Agent, the Paying Agent Agreement in substantially that form, with such changes therein as the Designated Officer or Officers executing the Paying Agent Agreement, with the advice of Parker & Covert LLP ("Bond Counsel"), may require or approve. The execution of the Paying Agent Agreement by a Designated Officer or Officers shall constitute conclusive evidence of such officer's or officers' and the Board's approval of such changes. The date, respective principal amounts of each maturity, the interest rates, interest payment dates, denominations, form, registration privileges, place or places of payment, terms of redemption, and other terms of the Series 2021 Bonds shall be as provided in the Paying Agent Agreement, as finally executed.

Section 4. **Approval of Method of Sale and Bond Purchase Agreement.** The Board hereby approves and authorizes Government Financial Strategies inc. (the "Municipal Advisor") to conduct a negotiated sale of the Series 2021 Bonds following a competitive bidding process to select, with the approval of a Designated Officer, a firm to underwrite the Series 2021 Bonds. The Board hereby further authorizes the sale of the Series 2021 Bonds with an underwriter's discount, net of the cost of bond insurance, if any, in an amount not to exceed 2.0% of the principal amount of the Series 2021 Bonds. The method of sale described above has been selected by the Board since it offers greater flexibility than a public sale process in setting and changing the time and terms of the sale.

The Board hereby further approves the form of the Bond Purchase Agreement relating to the Series 2021 Bonds (the “Bond Purchase Agreement”) between the District and the underwriter to be designated in the Bond Purchase Agreement (the “Underwriter”), in the form as presented to this meeting, and on file with the Secretary of the Board. The Designated Officers, or their designees, and each of them individually, are hereby authorized for and in the name of and on behalf of the District, to negotiate the final terms of the sale of the Series 2021 Bonds with the Underwriter, selected by such Designated Officers, upon the recommendation of the District’s Municipal Advisor, and based on a competitive bidding process conducted by the Municipal Advisor. Further, the Designated Officers, or their designees, and each of them individually, are hereby authorized for and in the name of and on behalf of the District, to sell the Series 2021 Bonds pursuant to the Bond Purchase Agreement, and to execute and deliver to the Underwriter, the Bond Purchase Agreement in substantially that form, with such changes therein as the Designated Officer or Officers executing the Bond Purchase Agreement, with the advice of Bond Counsel, may require or approve. The execution of the Bond Purchase Agreement by a Designated Officer or Officers shall constitute conclusive evidence of such officer’s or officers’ and the Board’s approval of such changes.

Section 5. **Approval of Continuing Disclosure Certificate.** The Board hereby approves the form of the Continuing Disclosure Certificate relating to the Series 2021 Bonds (the “Continuing Disclosure Certificate”), as presented to this meeting and on file with the Secretary of the Board. The Designated Officers, or their designees, and each of them individually, are hereby authorized for and in the name of and on behalf of the District, to execute and deliver to the other parties thereto, the Continuing Disclosure Certificate in substantially that form, with such changes therein as the Designated Officer or Officers executing the Continuing Disclosure Certificate, with the advice of Bond Counsel, may require or approve. The execution of the Continuing Disclosure Certificate by a Designated Officer or Officers shall constitute conclusive evidence of such officer’s or officers’ and the Board’s approval of such changes.

Section 6. **Official Statement.** The Board hereby approves the form of the Preliminary Official Statement relating to the Series 2021 Bonds (the “Preliminary Official Statement”), with such additions, changes, and deletions as permitted hereunder and under applicable law (the “Official Statement”), presented to this meeting and on file with the Secretary of the Board. The Designated Officers, or their designees, and each of them individually, are hereby authorized and directed to execute the Official Statement in substantially that form, with such changes as the Designated Officer or Officers, upon the advice of the Municipal Advisor, may require or approve. The execution of the Official Statement by a Designated Officer or Officers shall constitute conclusive evidence of such officer’s or officers’ and the Board’s approval of such changes. The Board hereby authorizes and directs the Municipal Advisor to distribute copies of the Preliminary Official Statement to underwriters, who in turn may distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Series 2021 Bonds, and authorizes and directs the Underwriter to deliver copies of the final Official Statement to all purchasers of the Series 2021 Bonds. The Board hereby authorizes and directs the Designated Officer or Officers to deliver to the Underwriter certification to the effect that the Board deems the Preliminary Official Statement, with such changes approved by the Designated Officer or Officers, to be final and complete as of its date, except for certain final pricing and related information that may be omitted pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

Section 7. **Valid Obligations.** The Board hereby determines that all acts and conditions necessary to be performed by the District or to have been met precedent to and in the issuing of the Series 2021 Bonds in order to make them legal, valid, and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series 2021 Bonds have been performed and have been met, in regular and due form as required by law, including compliance with Government Code section 5852.1 (with good faith estimates set forth in Exhibit A attached hereto); that the full faith and credit of the District are hereby pledged for the timely payment of the principal and interest on the Series 2021 Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series 2021 Bonds.

Section 8. **Paying Agent's Fees.** In accordance with Education Code section 15232, the District hereby requests the Board of Supervisors of the County to include within the annual tax levy for the Series 2021 Bonds the fees and expenses payable to the Paying Agent.

Section 9. **Building Fund and Debt Service Fund.**

- (a) **2020 Building Fund.** The District hereby requests that the Santa Clara County Director of Finance (the "Director of Finance") establish and create and/or maintain the "Cambrian School District General Obligation Bonds, Election of 2020 Building Fund" (the "Election 2020 Building Fund"), and keep the fund separate and distinct from all other District funds. The District shall deposit the proceeds of the sale of the Series 2021 Bonds (except any premium or accrued interest received from the sale) into the Election 2020 Building Fund for use by the District to pay the costs of the school facilities described in the bond measure approved by the voters of the District, and to pay costs of issuance of the Series 2021 Bonds. The District hereby authorizes the Director of Finance to rename the Election 2020 Building Fund as necessary to effectuate the purposes of this Resolution.
- (b) **Debt Service Fund.** The District hereby requests that the Director of Finance establish and create the "Cambrian School District General Obligation Bonds Debt Service Fund," or maintain similar debt service funds previously created by the Director of Finance on behalf of the District, (the "Debt Service Fund"), and keep each fund separate and distinct from all other District funds. The District hereby further requests that the Director of Finance deposit any premium received from the sale of the Series 2021 Bonds into the Debt Service Fund. The District hereby further requests that the Director of Finance withdraw from the Debt Service Fund and transfer to the Paying Agent at the times requested by the District the amounts required to pay debt service on the Series 2021 Bonds, and to pay the fees and expenses of the Paying Agent. The District hereby authorizes the Director of Finance to establish and create additional funds and/or rename the Debt Service Fund as necessary to effectuate the purposes of this Resolution.

Section 10. **Identification of Professionals Involved.** The Board hereby approves the firm of Government Financial Strategies inc. to act as Municipal Advisor; Zions Bancorporation, National Association to act as Paying Agent; and the firm of Parker & Covert LLP, to act

as bond counsel to the District, with respect to the sale and delivery of the Series 2021 Bonds.

Section 11. Authorization of Officers to Execute Documents. The Board hereby authorizes and directs the Designated Officers or their respective designees, and each of them individually, to do any and all things, to take any and all actions, and to execute and deliver any and all documents that they may deem necessary or advisable, including the preparation of an escrow agreement or similar document, and including the application for and purchase of a municipal bond insurance policy, in order to complete the sale, issuance, and delivery of the Series 2021 Bonds, and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution. All actions heretofore taken by such officers and staff that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed, and approved in all respects.

Section 12. Effective Date. This resolution shall take effect immediately upon its passage.

APPROVED, PASSED, AND ADOPTED by the Board of Trustees of Cambrian School District, this 21st day of January 2021, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jarod Middleton
President Board of Trustees

Attested:

Dr. Andrews
Secretary Board of Trustees

EXHIBIT A

GOOD FAITH ESTIMATES (California Government Code section 5852.1)

General Obligation Bonds Election of 2020, Series 2021

Supplemental to the terms and conditions of the Series 2021 Bonds set forth in this Resolution, the good faith estimates set forth in this Exhibit A are provided with respect to the Series 2021 Bonds in compliance with California Government Code section 5852.1. Such good faith estimates have been provided to the District by Government Financial Strategies inc., as the District's financial advisor under Education Code section 15146(b)(1)(C) (as identified in Section 13 of this Resolution) and as Municipal Advisor under Section 15B of the Securities and Exchange Act of 1934 (the "Municipal Advisor").

True Interest Cost of the Series 2021 Bonds. The Municipal Advisor has informed the District that, assuming the estimated principal amount not to exceed \$15,000,000 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 Series 2021 Bonds, 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 Series 2021 Bonds, is 2.44%.

Finance Charge of the Series 2021 Bonds. The Municipal Advisor has informed the District that, assuming the estimated principal amount not to exceed \$15,000,000 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 Series 2021 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2021 Bonds), is \$322,500.

Amount of Proceeds to Be Received. The Municipal Advisor has informed the District that, assuming the estimated principal amount not to exceed \$15,000,000 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 sale of the Series 2021 Bonds, less the finance charge of the Series 2021 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Series 2021 Bonds, is \$14,677,500.

Total Payment Amount. The Municipal Advisor has informed the District that, assuming the estimated principal amount not to exceed \$15,000,000 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 on the Series 2021 Bonds, plus the finance charges for the Series 2021 Bonds, as described above, not paid with proceeds of the Series 2021 Bonds, calculated to the final maturity of the Series 2021 Bonds, is \$21,433,420.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Series 2021 Bonds issued 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 Series 2021 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Series 2021 Bonds sold being different from the estimated principal amount not to exceed \$15,000,000, (c) the actual amortization of the Series 2021 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Series 2021 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the Series 2021 Bonds and the actual principal amount of Series 2021 Bonds sold will be determined by the District based on the need for project funds and other factors. The actual interest rates borne by the Series 2021 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Series 2021 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.