



CAMBRIAN SCHOOL DISTRICT

Board of Trustees

Resolution No. 24-25-02

**PRESCRIBING THE TERMS AND AUTHORIZING THE SALE AND
ISSUANCE OF SERIES 2024 MEASURE R BONDS AND RELATED ACTIONS**

WHEREAS, the Board of Trustees (the “Board”) of the Cambrian School District (the “District”) duly ordered 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”) 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, and the Registrar of Voters of Santa Clara County 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”);

WHEREAS, the District issued its first series of the Measure R Bonds on April 8, 2021, in the aggregate principal amount of \$15,000,000, designated the “Cambrian School District (Santa Clara County, California) General Obligation Bonds, Election of 2020, Series 2021”;

WHEREAS, the District issued its second series of the Measure R Bonds on August 4, 2022, in the aggregate principal amount of \$38,680,000, designated the “Cambrian School District (Santa Clara County, California) General Obligation Bonds, Election of 2020, Series 2022”;

WHEREAS, the Board has determined that it is necessary and desirable to issue and sell the third 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 2024” (the “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 Bonds of the District; and

WHEREAS, the indebtedness of the District, including the proposed issuance of the 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. **Bonds; Issue Authorized.** The Board hereby authorizes the issuance of the Bonds in an aggregate principal amount not to exceed \$29,320,000. The District is issuing the 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 estimated costs of issuance of the Bonds (including estimates of compensation for the underwriter) are set forth in Exhibit A, attached hereto, as the finance charge. If financially efficient, the underwriter may purchase bond insurance for the Bonds at its own option and expense. Other terms and conditions of the 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 Second Supplemental Paying Agent Agreement.** The Board hereby approves the form of the Second Supplemental Paying Agent Agreement (the “Second Supplemental Paying Agent Agreement”) between the District and Zions Bancorporation, National Association (the “Paying Agent”), supplementing the Paying Agent Agreement dated April 1, 2021 and the First Supplemental Paying Agent Agreement dated as of August 1, 2022, between the District and the Paying Agent (altogether with the Second Supplemental Paying Agent Agreement, the “Paying Agent Agreement”), 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 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 Services Joint Powers Authority (the “Public Finance Consultant”) to conduct a negotiated sale of the Bonds following a competitive bidding process to select, with the approval of a Designated Officer, a firm or firms to underwrite the Bonds. The Board hereby further authorizes the sale of the 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 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 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 Bonds with the Underwriter, selected by such Designated Officers, upon the recommendation of the District’s Public Finance Consultant, and based on a competitive bidding process conducted by the Public Finance Consultant. 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 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 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 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 Public Finance Consultant, 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 Public Finance Consultant 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 Bonds, and authorizes and directs the Underwriter to deliver copies of the final Official Statement to all purchasers of the 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 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 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 Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 8. **Paying Agent's Fees.** In accordance with Education Code section 15232, the District hereby requests the Board of Supervisors of Santa Clara County (the "County") to include within the annual tax levy for the 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 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 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 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 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 Services Joint Powers Authority to act as Public Finance Consultant; Zions Bancorporation, National Association to act as Paying Agent; and the firm of Parker & Covert LLP, to act as Bond Counsel and disclosure counsel to the District, with respect to the sale and delivery of the Bonds.

Section 11. **Official Intent.** The District intends to undertake the construction, repair and acquisition of school facilities and equipment, described in the bond measure approving the 2020 Authorization, to serve the District (the "Improvements"). The

District intends to use the proceeds of its Bonds described in this Resolution to finance the Improvements. The District expects to pay certain capital expenditures (the “Reimbursement Expenditures”) in connection with the Improvements prior to the issuance by it of the indebtedness for the purpose of financing the costs of the Improvements on a long-term basis. The District reasonably expects that the Bonds debt obligations will be issued by it for the purpose of financing the cost of the Improvements on a long-term basis, and that certain of the proceeds of such debt obligations will be used to reimburse the District for the Reimbursement Expenditures.

The Board hereby declares the District’s official intent to use a portion of the proceeds of the proposed indebtedness to reimburse the District for the Reimbursement Expenditures. The foregoing statement is a declaration of official intent that is made under and only for the purpose of establishing compliance with the requirements of Treasury Regulations section 1.150-2 and Section 54A(d)(2)(D) of the Internal Revenue Code of 1986, as amended.

Section 12. **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, in order to complete the sale, issuance, and delivery of the 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 13. **Effective Date.** This Resolution shall take effect immediately upon its passage.

APPROVED, PASSED, AND ADOPTED on August 15, 2024, by the Cambrian School District Board of Trustees, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Jarod Middleton, Board President

ATTEST:

Kristi Schwiebert, Secretary to Board

EXHIBIT A

GOOD FAITH ESTIMATES (California Government Code section 5852.1)

General Obligation Bonds Election of 2020, Series 2024

Supplemental to the terms and conditions of the Bonds set forth in this Resolution, the good faith estimates set forth in this Exhibit A are provided with respect to the Bonds in compliance with California Government Code section 5852.1. Such good faith estimates have been provided to the District by Government Financial Services Joint Powers Authority, the District's Public Finance Consultant (as identified in Section 4 of this Resolution), acting as the District's financial advisor under Education Code section 15146(b)(1)(C).

True Interest Cost of the Bonds. The Public Finance Consultant has informed the District that, assuming the estimated principal amount not to exceed \$29,320,000 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 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 Bonds, is 4.28%.

Finance Charge of the Bonds. The Public Finance Consultant has informed the District that, assuming the estimated principal amount not to exceed \$29,320,000 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 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$480,000.

Amount of Proceeds to Be Received. The Public Finance Consultant has informed the District that, assuming the estimated principal amount not to exceed \$29,320,000 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 Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$28,840,000.

Total Payment Amount. The Public Finance Consultant has informed the District that, assuming the estimated principal amount not to exceed \$29,320,000 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 Bonds, plus the finance charges for the Bonds, as described above, not paid with proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$52,945,536.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the 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 Bonds being different than

the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the estimated principal amount, (c) the actual amortization of the 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 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 Bonds and the actual principal amount of 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 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 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.