

RESOLUTION NO. 15/16-08

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE
POTTER VALLEY COMMUNITY UNIFIED SCHOOL DISTRICT
PRESCRIBING THE TERMS AND AUTHORIZING THE ISSUANCE OF A SERIES OF
BONDS OF THE DISTRICT; APPROVING FORMS OF AND AUTHORIZING
EXECUTION AND DELIVERY OF A PAYING AGENT AGREEMENT, A BOND
PURCHASE AGREEMENT, AND A CONTINUING DISCLOSURE CERTIFICATE, ;
AUTHORIZING DISTRIBUTION OF THE SALE DOCUMENTS; AND AUTHORIZING
EXECUTION OF NECESSARY CERTIFICATES AND RELATED ACTIONS**

WHEREAS, pursuant to a resolution and order of the Board of Trustees (the "Board") of Potter Valley Community Unified School District (the "District"), an election was held in the District on November 3, 2015, and the returns were thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite vote of the qualified electors of the District the following measure for incurring bonded indebtedness:

MEASURE T: To modernize and improve Potter Valley schools, upgrade outdated electrical infrastructure, create classrooms with improved climate control and the capacity to use today's instructional technology, and make other basic repairs, shall the Potter Valley Community Unified School District be authorized to issue up to \$3,100,000 in bonds at legal interest rates, with an Independent Citizens' Oversight Committee and annual audits to ensure funds are ONLY spent improving LOCAL classrooms and facilities, and NOT for administrator salaries or any other purpose?

WHEREAS, the Board has established and appointed a Citizens' Oversight Committee 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 Bonds authorized by the electors, such series of the Bonds to be designated generally the "Potter Valley Community Unified School District General Obligation Bonds, Election of 2015, Series 2016" (the "Series 2016 Bonds"), in an aggregate principal amount set forth 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 2016 Bonds of the District; and

WHEREAS, the indebtedness of the District, including the proposed issuance of the Series 2016 Bonds, is within all limits prescribed by law.

NOW, THEREFORE, be it resolved by the Board of Trustees of Potter Valley Community Unified School District, as follows:

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

Section 2. Series 2016 Bonds; Issue Authorized. The Board hereby authorizes the issuance of the Series 2016 Bonds in an aggregate principal amount not to exceed \$3,100,000. The estimated costs of issuance of the Series 2016 Bonds (including estimates of compensation for the underwriter but excluding costs of municipal bond insurance) are estimated to be \$130,000. The District is issuing the Series 2016 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). Other terms and conditions of the Series 2016 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. The Board hereby authorizes the use of municipal bond insurance for the Series 2016 Bonds.

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 a paying agent to be selected by the District (the "Paying Agent"), as presented to this meeting and on file with the Secretary of the Board. The President and Secretary of the Board, the Superintendent, and the other officers 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 Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation ("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 2016 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 the form of the Bond Purchase Agreement (the "Bond Purchase Agreement") between the District and an underwriter to be selected by the District (the "Underwriter"), as presented at this meeting and on file with the Secretary of the Board. The Board hereby further authorizes the sale of the Series 2016 Bonds to the Underwriter, pursuant to the Bond Purchase Agreement. The Board hereby determines that the sale of the Series 2016 Bonds by negotiation will likely result in an overall lower cost to the District and result in an improved repayment plan through the benefit of access to the Underwriter's research and public finance personnel. The Designated Officers are hereby authorized and directed to negotiate with the Underwriter the final terms of the sale and its timing. Such terms shall provide that (a) the Underwriter's discount shall not exceed 1.25% of the principal amount of the Series 2016 Bonds; (b) the maximum true interest cost on the Series 2016 Bonds shall not exceed the maximum interest rate permitted by law; and (c) the final maturity shall not extend beyond the fiscal year 2044-45.

Section 5. Approval of Continuing Disclosure Certificate. The Board hereby approves the form of the Continuing Disclosure Certificate relating to the Series 2016 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. Preparation of Official Statement. The Board hereby authorizes the preparation of an official statement to be presented and approved at a subsequent meeting and prior to the issuance of the Series 2016 Bonds.

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 2016 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 2016 Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit of the District are hereby pledged for the timely payment of the principal and interest on the Series 2016 Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series 2016 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 2016 Bonds the fees and expenses payable to the Paying Agent.

Section 9. Building Fund and Tax Collection Fund. (A) **Building Fund.** The District hereby requests that the Mendocino County Treasurer-Tax Collector (the "Treasurer") establish and create and/or maintain the "Potter Valley Community Unified School District General Obligation Bonds, Election of 2015, Series 2016 Building Fund" (the "Building Fund") and keep the fund separate and distinct from all other District and County funds. The District hereby further requests that the Treasurer deposit the proceeds of the sale of the Series 2016 Bonds (except any premium or accrued interest received from the sale) into the 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 costs of issuance of the Series 2016 Bonds.

(B) **Tax Collection Fund.** The District hereby requests that the Treasurer establish and create and/or maintain the "Potter Valley Community Unified School District General Obligation Bonds, Election of 2015, Series 2016 Tax Collection Fund" (the "Series 2016 Tax Collection Fund"), and keep the fund separate and distinct from all other District and County funds. The District hereby further requests that the Treasurer deposit any premium received from the sale of the Series 2016 Bonds into the Series 2016 Tax Collection Fund. The District hereby further requests that the Treasurer withdraw from the Series 2016 Tax Collection Fund and transfer to the Paying Agent at the times requested by the District the amounts required to pay debt service on the Series 2016 Bonds, and to pay the fees and expenses of the Paying Agent.

Section 10. Identification of Professionals Involved. The Board hereby approves the firm of Eastshore Consulting, LLC to act as financial advisor and the firm of Kronick, Moskovitz,

Tiedemann & Girard, a Professional Corporation, to act as bond counsel to the District, with respect to the sale and delivery of the Series 2016 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, in order to complete the sale, issuance, and delivery of the Series 2016 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 on February 10, 2016 by the Board of Trustees of Potter Valley Community Unified School District, by the following vote:

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| AYES | <u>5</u> |
| NOES | <u>0</u> |
| ABSENT | <u>0</u> |
| ABSTAIN | <u>0</u> |

**POTTER VALLEY COMMUNITY
UNIFIED SCHOOL DISTRICT**

By: 
President of the Board of Trustees

ATTEST:

By: 
Secretary of the Board of Trustees