

RESOLUTION NO. JSFA 18/19-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE WILLIAM S. HART JOINT SCHOOL FINANCING AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF LEASE REVENUE BONDS, SERIES 2018 IN THE NOT-TO-EXCEED AMOUNT OF \$24,000,000, APPROVING THE FORMS AND EXECUTION AND DELIVERY OF A TRUST AGREEMENT, SITE LEASE, LEASE AGREEMENT, ASSIGNMENT AGREEMENT AND AGENCY AGREEMENT, BOND PURCHASE AGREEMENT, OTHER AGREEMENTS AND DOCUMENTS, AND FURTHER APPROVING AND AUTHORIZING DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT FOR SALE OF THE SERIES 2018 BONDS, AND MAKING CERTAIN FINDINGS AND AUTHORIZING OTHER RELATED ACTIONS

WHEREAS, the William S. Hart Joint School Financing Authority (“Authority”) is a joint powers agency organized and operating pursuant to Government Code 6500 *et seq.* and pursuant to the “Joint Exercise of Powers Agreement Creating the William S. Hart Joint School Financing Authority” dated November 9, 1994, executed by and between the William S. Hart Union High School District (“District”) and Community Facilities District No. 88-4 of the William S. Hart Union High School District;

WHEREAS, the Authority and District propose to finance various school facilities projects of the District (“Project”) through the issuance of lease revenue bonds;

WHEREAS, in order to accomplish the financing for the Project and provide funding for additional school facilities, the Board of Directors of the Authority (“Board”) will authorize the issuance of the William S. Hart Joint School Financing Authority Lease Revenue Bonds, Series 2018 (“2018 Bonds”) in the aggregate principal amount not to exceed \$24,000,000 to be issued pursuant to a Trust Agreement (“Trust Agreement”) between the Authority and ZB, National Association dba Zions Bank (“Trustee”) and the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 *et seq.* of the California Government Code (“Bond Law”);

WHEREAS, the District will lease certain real property and the improvements thereto, (collectively, the “Site”), to the Authority pursuant to a Site Lease (“Site Lease”) and sublease the Site back from the Authority pursuant to a Lease Agreement (“Lease Agreement”);

WHEREAS, the Authority will assign certain of its interests in the Lease Agreement for the benefit of the owners of the 2018 Bonds to the Trustee pursuant to an Assignment Agreement (“Assignment Agreement”), and will authorize the District to utilize a portion of the proceeds of the 2018 Bonds for the Project pursuant to an Agency Agreement (“Agency Agreement”);

WHEREAS, pursuant to the requirements of the California Education Code, the Authority and the District have provided the Los Angeles County Office of Education (“LACOE”) and certain Los Angeles County offices with required information, and have requested that LACOE make findings and determinations with respect to the 2018 Bonds, and the Board has received the required determination from LACOE pursuant to Education Code Section 42133 as further described herein;

WHEREAS, the Board determines that it is appropriate to provide, with the concurrence and authorization of the District, for the sale of the 2018 Bonds to be conducted by way of a negotiated sale process to Stifel, Nicolaus & Company, Incorporated, as underwriter (“Underwriter”), and the Underwriter has submitted a Bond Purchase Agreement (“Purchase Agreement”) for the Underwriter’s proposed purchase of all the 2018 Bonds from the Authority, subject to the conditions and terms set forth in this Resolution and set forth in District Resolution No. 18/19-1 (“District Resolution”);

WHEREAS, pursuant to the Authority’s obligations under federal securities laws and the issuance and sale of the 2018 Bonds, it is necessary for the Authority to enter into a Continuing Disclosure Certificate, which shall be signed on the Authority’s behalf by the District (“Continuing Disclosure Certificate”);

WHEREAS, the Board has been presented with the proposed forms of the Trust Agreement, Site Lease, Lease Agreement, Assignment Agreement, Agency Agreement, Purchase Agreement, and Continuing Disclosure Certificate at this meeting, and has examined and approved each document in form and will authorize and direct the execution of such documents;

WHEREAS, a form of the Preliminary Official Statement (“Preliminary Official Statement”) to be distributed in connection with the public offering of the 2018 Bonds has been prepared, the Board hereby determines that the discussion and information contained therein is true and correct, that the Preliminary Official Statement should be approved, and that the preparation and delivery of a final Official Statement (“Official Statement”) should also be approved and authorized;

WHEREAS, in order to carry out and complete the financing of the Project, the Board desires to authorize certain Authority Officer(s) to take various actions;

WHEREAS, the Board has examined and desires to approve each of the aforesaid documents and hereby authorizes and directs the execution of such documents and the consummation of the transactions contemplated therein, in accordance with the directions set forth in this Resolution; and

WHEREAS, all acts, conditions, and things required by the State laws to exist, to have happened, and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE WILLIAM S. HART JOINT SCHOOL FINANCING AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals; Definitions. Each of the above recitals is true and correct and is adopted by the Board. Capitalized terms used in this Resolution which are not otherwise defined in this Resolution shall have the meaning(s) as set forth in the Trust Agreement in the form presented at this meeting and being approved by this Resolution.

Section 2. Authority for Issuance of Bonds. The 2018 Bonds shall be issued and sold pursuant to the Bond Law and this Resolution and shall be subject to the terms and conditions set forth in the Trust Agreement and the terms of the Purchase Agreement. The issuance of the 2018 Bonds in an aggregate principal amount not to exceed \$24,000,000 is authorized in accordance with the terms and conditions set forth in this Resolution.

Section 3. Certain Findings.

(a) Pursuant to Education Code Section 42133, LACOE has provided the Authority and the District with a written finding, which is on file with the District, that the repayment of the 2018 Bonds is probable.

(b) Pursuant to the requirements of Education Code Sections 17150 and 17150.1, the Authority and the District furnished LACOE, and certain offices of the County of Los Angeles (“County”), with information concerning the issuance, sale and repayment of the 2018 Bonds. This information was provided no less than thirty (30) days prior to the date of adoption of this Resolution.

Section 4. Municipal Advisor. Cooperative Strategies, LLC, as Municipal Advisor, is authorized and directed to assist the Authority with the proceedings for the issuance and sale of the 2018 Bonds.

Section 5. Designated Representatives. The President, Vice-President, Secretary, Chief Executive Officer and the Treasurer/Chief Financial Officer of the Authority, and any of the designees of the foregoing officers and employees, are individually or collectively referred to in this Resolution as the “Authority Officer(s).”

Section 6. Bond Purchase Agreement; Authorized Pricing Parameters and Conditions for Issuance. The 2018 Bonds shall mature on the dates, and pay interest at the rates, set forth in the Purchase Agreement, subject to the terms and conditions set forth in this Section 6 and this Resolution, and otherwise shall be substantially in the form set forth in the Trust Agreement. All other provisions of the 2018 Bonds shall be governed by the terms and conditions set forth in the Trust Agreement. The Board approves the form of the Purchase Agreement among the Authority, the District and the Underwriter, submitted at this meeting. The Authority Officer(s) are authorized and directed to execute and deliver the Purchase Agreement, with such changes as the Authority Officer(s) executing and delivering the Purchase Agreement may approve upon the advice of the Municipal Advisor and/or Bond Counsel, and in consultation with the District, such approval to be conclusively evidenced by the execution and delivery of the Purchase Agreement, but subject to the following terms, directions and conditions:

(1) The Authority Officer(s), upon advice of the Municipal Advisor as they deem necessary, are authorized and directed to act on behalf of the Authority to establish and determine for the 2018 Bonds: (i) the final aggregate principal amount, which amount shall not exceed \$24,000,000; (ii) the final amounts of the various maturities, with the last maturity of the 2018 Bonds to be no later than 2048; (iii) the redemption terms for the 2018 Bonds; (iv) the true interest cost, with the true interest cost not-to-exceed five percent (5.00%); (v) the maximum underwriting discount, which shall not exceed one percent (1%) of the principal amount of the 2018 Bonds (excluding any original issue discount/premium); and, (vi) the time for the issuance, sale and delivery of the 2018 Bonds.

“True interest cost” for purposes of this section means that nominal interest rate that, when compounded semiannually and used to discount the debt service payments on the bonds to the dated date(s) of such bonds, results in an amount equal to the purchase price of the applicable bonds, excluding interest accrued to the date of delivery, if any.

(2) If the Authority Officer(s) in consultation with the Municipal Advisor determine that it is in the best interests of the Authority and District to acquire municipal bond insurance and/or a surety reserve policy, the Authority Officer(s) may so provide in the Purchase Agreement.

Section 7. Sale of Bonds. The Board approves the sale of the 2018 Bonds to the Underwriter by negotiated sale pursuant to the Purchase Agreement, and subject to the terms of Section 6. The form of the Purchase Agreement as so executed and delivered is incorporated in this Resolution as of its date by this reference.

Section 8. Trust Agreement. The form of the Trust Agreement has been presented to the Board at this meeting, and is approved by the Board. The Trust Agreement to be entered into between the Authority and the Trustee generally provides for (i) the issuance of the 2018 Bonds under the Trust Agreement, (ii) the terms of the 2018 Bonds, including the payment date and redemption terms, (iii) the establishment and maintenance by the Trustee of additional accounts for the benefit of the Authority, the District and the owners of the 2018 Bonds, and (iv) the performance of other duties by the Trustee. The Authority Officer(s) are each authorized and directed, for and in the name of and on behalf of the Authority, to execute and deliver the Trust Agreement with such changes as such officer or person may approve, such approval to be conclusively evidenced by execution and delivery. The form of the Trust Agreement as so executed and delivered is incorporated in this Resolution as of its date by this reference.

Section 9. Site Lease and Lease Agreement. The forms of the Site Lease and Lease Agreement have each been presented to this Board at this meeting, and the forms of the Site Lease and the Lease Agreement are hereby approved. These agreements will be entered into between the District and the Authority, and together provide generally for: (i) the lease by the District of the Site (as improved) to the Authority; (ii) the lease-back by the Authority to the District of the Site (as improved); and (iii) the payment by the District to the Authority of Lease Payments in amounts which will be sufficient to pay the principal of, and interest represented by, the 2018 Bonds. The Authority Officer(s) are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute, acknowledge and deliver the Site Lease and Lease Agreement, with changes that the Authority Officer(s) or any of them may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. Assignment Agreement, Agency Agreement. The forms of the Authority Assignment Agreement and the Agency Agreement have each been presented to the Board at this meeting, and said forms are approved. The Assignment Agreement will be entered into between the Authority and the Trustee, and provides for the assignment by the Authority of certain of its rights under the Lease Agreement, including the right to receive Lease Payments to be made by the District to the Trustee for the benefit of the owners of the 2018 Bonds. Pursuant to the terms of the Agency Agreement entered into by and between the Authority and the District, the Authority delegates authority to the District to apply the 2018 Bond proceeds to construct the Project. The Authority Officer(s) are authorized and directed to execute and deliver the Assignment Agreement and the Agency Agreement, with such changes as such officers or persons approves, such approval to be conclusively evidenced by execution and delivery. The forms of such updated agreements as so executed and delivered are incorporated in this Resolution as of their dates by this reference.

Section 11. Continuing Disclosure. The Authority covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below). Notwithstanding any other provision of this Resolution, failure of the Authority to comply with the provisions of the Continuing Disclosure Certificate shall not be considered a default by the Authority under this Resolution, the Trust Agreement or under the 2018 Bonds; however, the Underwriter or any bond owner may take such actions as may be necessary and appropriate to compel performance, including specific performance by court order.

For purposes of this Section, “Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate executed by the District on behalf of itself and the Authority in connection with the sale of the 2018 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Board approves the Continuing Disclosure Certificate as presented to the Board with this Resolution. The Authority Officer(s) are authorized and directed to execute, acknowledge and deliver the Continuing Disclosure Certificate, with such changes as such officer or person may approve upon advice of the Municipal Advisor or Disclosure Counsel, such approval to be conclusively evidenced by execution and delivery thereof. The form of the Continuing Disclosure Certificate as so executed and delivered is incorporated in this Resolution as of its date by this reference.

Section 12. Preliminary Official Statement; Official Statement. The Preliminary Official Statement relating to the 2018 Bonds in substantially the form presented to the Board at this meeting is approved. The Underwriter is authorized to distribute the Preliminary Official Statement (inclusive of any changes deemed necessary by the Underwriter and approved by Disclosure Counsel prior to its mailing) in connection with the marketing of the 2018 Bonds at such time as the Preliminary Official Statement is deemed final as of its date as indicated by a certificate executed by the Authority Officer(s), except for the omission of certain information as provided in and pursuant to Rule 15c2-12, promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule”). The Board hereby authorizes and directs the Authority Officer(s) to deliver to the Underwriter a certificate to the effect that the Authority deems the Preliminary Official Statement, in the form approved by the Authority Officer(s), in consultation with Disclosure Counsel and the Underwriter, to be final as of its date, within the meaning of the Rule (except for the omission of certain final pricing, rating, and related information as permitted under the Rule). The Authority Officer(s) are authorized and directed to execute and deliver the final Official Statement in connection with the 2018 Bonds with

such additions to the Official Statement and changes therein as are recommended or approved by the Municipal Advisor, Disclosure Counsel and the Underwriter and such representative(s), such approval to be conclusively evidenced by execution and delivery.

Section 13. Conformance with Debt Issuance and Management Policy. The Board finds and determines that the issuance and sale of the 2018 Bonds are consistent with the Authority's Debt Issuance and Management Policy currently in effect (as set forth in the Authority's policies and guidelines).

Section 14. Trustee. The proposal of the Trustee to provide trustee services in connection with the issuance of the 2018 Bonds is accepted. The Trustee is authorized to take any and all actions designated within the Trust Agreement to be taken by the Trustee. The Authority Officer(s) are authorized to enter into a custodial services agreement with the Trustee.

Section 15. Payment and Delivery. Upon payment of the purchase price for the 2018 Bonds, the Trustee is authorized and directed, pursuant to the Trust Agreement, to deliver the 2018 Bonds to the purchaser thereof in the amounts, maturities and denominations as provided in the Trust Agreement.

Section 16. Form of 2018 Bonds. The form of the 2018 Bonds as set forth in the Trust Agreement is approved as to form, subject to final changes as may be approved by Authority Officer(s) in consultation with Bond Counsel. The Trustee is authorized to issue the 2018 Bonds in an aggregate principal amount as set forth in the Trust Agreement, and to apply and expend the proceeds as specified in the Trust Agreement. The 2018 Bonds shall be executed on behalf of the Authority by manual or facsimile signature of the President or Vice-President, or in their absence any other Board member, and attested with the manual or facsimile signature of the Secretary.

Section 17. Covenants. The covenants set forth in the Trust Agreement to be executed in accordance with Section 8 above are hereby approved, and shall be deemed to be covenants of the Board, and shall be complied with by the Authority and its officers. The Trust Agreement shall constitute a contract between the Authority and the owners of the 2018 Bonds as further set out in the Trust Agreement.

Section 18. Requisitions. The Authority Officer(s) are authorized and directed to execute one or more requisitions authorizing the Trustee to pay the costs of issuing the 2018 Bonds from the proceeds of the 2018 Bonds pursuant to the Trust Agreement.

Section 19. Consultants/Underwriter. The Board confirms and ratifies the following appointments and related retention contracts relative to the 2018 Bonds: the firm of Cooperative Strategies, LLC to act as Municipal Advisor, Dissemination Agent and Special Tax Consultant; the firm of Atkinson, Andelson, Loya, Ruud & Romo, A Professional Corporation to act as Bond Counsel; and the firm of Jones Hall, A Professional Law Corporation, to act as Disclosure Counsel. The Board intends to utilize the services of the firm of Stifel, Nicolaus & Company, Incorporated to provide underwriting services, as set out in the Bond Purchase Agreement.

The Board previously approved the retention contracts for the Municipal Advisor and Bond Counsel, and the Board approves the retention contracts for the other consultants on file with the Treasurer and authorizes execution by the Treasurer. The Authority Officer(s) are authorized and directed to take any actions and execute and deliver any and all documents and agreements as necessary to accomplish the issuance, sale and delivery of the 2018 Bonds, and related matters under the financing plan in accordance with the provisions and directives of this Resolution.

Section 20. Disclosure of Financial Information Referenced in Government Code Section 5852.1. The Board has received from the Municipal Advisor and Underwriter good faith estimates of certain information referenced in Government Code Section 5852.1 regarding the 2018 Bonds. These good faith estimates with respect to the 2018 Bonds are set forth in Exhibit “A” hereto.

Section 21. Modification. The approval of the Site Lease, Lease Agreement, Assignment Agreement, Agency Agreement, Trust Agreement, Purchase Agreement, Continuing Disclosure Certificate, Preliminary Official Statement, final Official Statement, and any other documents under this Resolution shall apply to any modification or amendment thereof which is approved by the Authorized Officer(s) as being necessary or desirable to carry out the provisions thereof and the authorizations contained in this Resolution.

Section 22. Attestations. The Board Secretary, or other appropriate Authority Officer(s), are hereby authorized and directed to attest the signature of the President of the Board or of such other person or persons as may have been designated by the President of the Board or Authority Officer(s) as may be required or appropriate in connection with the execution and delivery of the Trust Agreement, Lease Agreement and Site Lease and other documents required to be executed and delivered in connection with the issuance of the 2018 Bonds.

Section 23. Additional Services. The Authority Officer(s) are authorized to provide for all services necessary for the issuance of the 2018 Bonds and any other actions for the financing plan described in this Resolution. Such services shall include, but not be limited to, printing the Preliminary Official Statement and final Official Statement, and any other services deemed appropriate by the Authority Officer(s).

Section 24. Prior Actions Ratified. All actions previously taken by the officers, consultants, agents and representatives of the Authority with respect to the transactions set forth above, or the issuance of the 2018 Bonds, are approved, confirmed and ratified.

Section 25. Other Actions. The Authority Officer(s) and the other officers and staff members of the Authority are authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with the staff, the Municipal Advisor, Bond Counsel, Special Tax Counsel, and Disclosure Counsel they may deem necessary or advisable in order to complete the issuance of the 2018 Bonds, including, but not limited to, actions or agreements necessary to effectuate the purposes of this Resolution.

Section 26. Effective Date. This Resolution shall take effect upon adoption.

ADOPTED, SIGNED AND APPROVED this 18th day of July, 2018.

**BOARD OF DIRECTORS OF THE WILLIAM S.
HART JOINT SCHOOL FINANCING
AUTHORITY**

By: _____
President, Board of Directors of the William S.
Hart Joint School Financing Authority

ATTEST:

Secretary, Board of Directors of the William S. Hart
Joint School Financing Authority

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Robert N. Jensen, Jr., Secretary, Board of Directors of the William S. Hart Joint School Financing Authority, do hereby certify that the foregoing was duly adopted by the Governing Board of such District at a regular meeting of said Board held on the 18th day of July, 2018, at which a quorum of such Board was present and acting throughout and for which notice and an agenda was prepared and posted as required by law and at which meeting all of the members of such Board had due notice and that at such meeting the attached resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary, Board of Directors of the William S. Hart
Joint School Financing Authority

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Robert N. Jensen, Jr., Secretary of the Board of Directors of the William S. Hart Joint School Financing Authority, do hereby certify that the foregoing is a true and correct copy of Resolution No. JSFA 18/19-1, which was duly adopted by the Board of Directors of the William S. Hart Joint School Financing Authority at a meeting thereof on the 18th day of July, 2018.

Secretary, Board of Directors of the William S. Hart
Joint School Financing Authority

EXHIBIT “A”

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the Underwriter and the Municipal Advisor, which each has provided to the Authority in good faith:

The following information has been presented to the Board as part of its consideration of Resolution No. JSFA 18/19-1*

1. True Interest Cost of the 2018 Bonds (Estimated): 4.12%
2. Finance charge of the 2018 Bonds, being the sum of all fees and charges paid to third parties, in the amount of approximately \$585,000. Such amount consists of costs of issuing the 2018 Bonds in the amount of approximately \$230,000 together with estimated underwriter’s compensation (discount) in the amount of approximately \$195,000 and credit enhancements, including bond insurance and reserve fund surety, in an estimated amount of \$160,000.
3. Proceeds of the 2018 Bonds expected to be received by the District, net of proceeds for (i) Costs of Issuance in (2) above, (ii) capitalized interest and (iii) Reserve Fund deposit from the principal amount of the 2018 Bonds (Estimated): \$20,000,000.
4. Total Payment Amount for the 2018 Bonds, being the sum of all debt service to be paid on the 2018 Bonds to final maturity (Estimated): \$36,500,000.

**All amounts and percentages are estimates, and are made in good faith as provided to the District based on information available as of the date of adoption of Resolution No. JSFA 18/19-1. Estimates include certain assumptions regarding tax-exempt rates as of July 2, 2018.*