

RESOLUTION NO. 2021-26

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$5,000,000 AGGREGATE PRINCIPAL AMOUNT OF COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN) SPECIAL TAX BONDS, SERIES 2020, APPROVING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INDENTURE, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE AND THE PREPARATION OF AN OFFICIAL STATEMENT AND OTHER MATTERS RELATED THERETO

**Community Facilities District No. 98-1A
of the Capistrano Unified School District (Pacifica San Juan)**

WHEREAS, the Board of Trustees (the “Board”) of the Capistrano Unified School District (“CUSD”) has formed Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the “Community Facilities District”) under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”);

WHEREAS, the Community Facilities District is authorized under the Act to levy special taxes (the “Special Taxes”) to pay for the costs of certain public facilities (the “Facilities”) and to issue bonds payable from the Special Taxes;

WHEREAS, the Facilities are specified in that Second Amended and Restated Joint Community Facilities Agreement by and among CUSD, the Community Facilities District, the City of San Juan Capistrano, and Pacific Point Development Partners LLC, dated as of March 1, 2016, relating to the Community Facilities District and Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan);

WHEREAS, in order to provide funds to finance a portion of the Facilities, the Community Facilities District previously issued \$6,375,000 aggregate principal amount of its Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016 (the “Series 2016 Bonds”) pursuant to an Indenture, dated as of July 1, 2016 (the “Original Indenture”), by and between the Community Facilities District and U.S. Bank National Association, as trustee (the “Trustee”);

WHEREAS, in order to provide funds to finance an additional portion of the Facilities, the Community Facilities District previously issued \$8,670,000 aggregate principal amount of its Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2018 (the “Series 2018 Bonds”) pursuant to the Original Indenture as supplemented and amended by a First Supplemental Indenture, dated as of May 1, 2018, (as supplemented and amended, the “Indenture”), by and between the Community Facilities District and the Trustee;

WHEREAS, in order to provide funds to finance an additional portion of the Facilities, the Community Facilities District desires to provide for the issuance of additional bonds payable from the Special Taxes on a parity with the Series 2016 Bonds and the Series 2018 Bonds, provided that said issuance is in accordance with the Act and the Indenture, to be designated Community Facilities District No. 98-1A

of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2020 (the “Bonds”), in the aggregate principal amount of not to exceed \$5,000,000;

WHEREAS, concurrently herewith, Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan) is seeking the approval of the Board for the issuance of its Special Tax Bonds, Series 2020 (the “CFD 98-1B Bonds”) in the aggregate principal amount of not to exceed \$8,000,000 to finance a portion of the Facilities;

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured, and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District proposes to enter into a Second Supplemental Indenture with the Trustee (such Second Supplemental Indenture, in the form presented to this meeting, with such changes, insertions, and omissions as are made pursuant to this Resolution, being referred to herein as the “Second Supplemental Indenture”);

WHEREAS, on April 25, 2018, the Board adopted Board Policy 3461 (the “Debt Management Policy”), that complies with California Government Code Section 8855(i) as the debt management policy for the Community Facilities District, and the Community Facilities District’s sale and issuance of the Bonds as contemplated by this Resolution is in compliance with the Debt Management Policy;

WHEREAS, Hilltop Securities Inc. (the “Underwriter”) has presented the Community Facilities District with a proposal, in the form of a Bond Purchase Agreement, to purchase the Bonds from the Community Facilities District (such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Purchase Agreement”);

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Bonds, the Underwriter must have reasonably determined that the Community Facilities District or an obligated person has undertaken in a written agreement or contract for the benefit of the holders of the Bonds to provide disclosure of certain financial and operating data and certain material events on an ongoing basis;

WHEREAS, in order to assist in providing for the satisfaction of such requirement, the Community Facilities District desires to enter into a Continuing Disclosure Certificate (such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Certificate”);

WHEREAS, a Preliminary Official Statement to be used in connection with the offering and sale of the Bonds and the CFD 98-1B Bonds has been prepared (such Preliminary Official Statement in the form presented to this meeting, with such changes, insertions and omissions with respect to the Community Facilities District and the Bonds as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”);

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Second Supplemental Indenture;
- (b) the Purchase Agreement;
- (c) the Continuing Disclosure Certificate; and

(d) the Preliminary Official Statement;

WHEREAS, the Board desires to authorize the issuance of the Bonds and the execution and delivery of such documents and the performance of such acts by or on behalf of the Community Facilities District as may be necessary or desirable to effect the offering, sale and issuance of the Bonds and the execution and delivery of such documents;

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the Board obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with SB 450, the Board has obtained from the Underwriter and Government Financial Strategies inc., Sacramento, California, as Municipal Advisor to the School District and the Community Facilities District (the “Municipal Advisor”), the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the Capistrano Unified School District as follows:

Section 1. The issuance of the Bonds, in an aggregate principal amount of not to exceed \$5,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Second Supplemental Indenture, is hereby authorized and approved. The Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form, and shall be as otherwise provided in the Second Supplemental Indenture, as the same shall be completed as provided in this Resolution.

Section 2. The Second Supplemental Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. Each of the President of the Board of Trustees, and such other member of the Board of Trustees as the President may designate, the Superintendent of CUSD, the Deputy Superintendent, Business and Support Services, of CUSD, and such other officer or employee of CUSD as the Superintendent may designate (the “Authorized Officers”), is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Second Supplemental Indenture in the form submitted to this meeting, with such changes, insertions, and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Second Supplemental Indenture by such Authorized Officer; provided, however, that such changes, insertions, and omissions shall not authorize an aggregate principal amount of Bonds in excess of \$5,000,000, shall not result in a final maturity date of the Bonds later than September 1, 2044, and shall not result in a true interest cost for the Bonds in excess of 5.00%.

Section 3. The Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Purchase Agreement in the form presented to this meeting, with such changes, insertions, and omissions as the Authorized Officer of the

Community Facilities District executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions, and omissions shall not result in an aggregate underwriter's discount (not including any original issue discount) from the principal amount of the Bonds in excess of 2.00% of the aggregate principal amount of the Bonds. The Board hereby finds and determines that the sale of the Bonds at negotiated sale as contemplated by the Purchase Agreement will result in a lower overall cost.

Section 4. The Continuing Disclosure Certificate, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Continuing Disclosure Certificate in the form presented to this meeting, with such changes, insertions, and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate by such Authorized Officer.

Section 5. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes therein as may be approved by an Authorized Officer, be and the same is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to certify to the Underwriter that the Preliminary Official Statement (excluding information with respect to Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan) and the CFD 98-1B Bonds) has been "deemed final" for purposes of Rule 15c2-12.

Section 6. The preparation and delivery of a final Official Statement (the "Official Statement"), and its use in connection with the offering and sale of the Bonds, be and the same is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions, and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute the final Official Statement and any amendment or supplement thereto.

Section 7. The assessed values of the property within the Community Facilities District are set forth in the Preliminary Official Statement and the value-to-lien information with respect thereto is set forth therein and, based thereon, the Board of Trustees, for purposes of Section 53345.8 of the Act, hereby finds and determines that the value of the real property that would be subject to the Special Tax to pay debt service on the Bonds will be at least three times the principal amount of the Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Community Facilities District or a special assessment levied on property within the Community Facilities District.

Section 8. With the passage of this Resolution, the Board hereby certifies that the Debt Management Policy complies with Government Code Section 8855(i), and that the Bonds authorized to be issued pursuant to this Resolution are consistent with such policy, and instructs Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, on behalf of the Community Facilities District, with respect to the Bonds issued pursuant to this Resolution, (a) to cause notices of the proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to

Government Code Section 8855, and (b) to check, on behalf of the Community Facilities District, the “Yes” box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

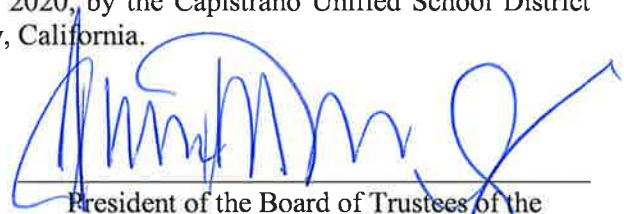
Section 9. In accordance with SB 450, good faith estimates of the following have been obtained from the Underwriter and the Municipal Advisor and are set forth on Exhibit A attached hereto: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds.

Section 10. The Authorized Officers and the officers and employees of CUSD are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to do any and all things, and to execute and deliver any and all other documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution including, without limitation, negotiating the terms of a bond insurance policy to secure the timely payment of the principal of and interest on the Bonds, and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution.

Section 11. All actions heretofore taken by the officers and employees of CUSD with respect to the issuance of the Bonds, or in connection with or related to any of the agreements or documents referred to herein, are hereby approved, confirmed, and ratified.


Section 12. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED this November 18, 2020, by the Capistrano Unified School District Board of Trustees, San Juan Capistrano, Orange County, California.



President of the Board of Trustees of the
Capistrano Unified School District

ATTEST:



Clerk of the Board of Trustees of the
Capistrano Unified School District

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Community Facilities District by Hilltop Securities Inc., Cardiff by the Sea, California, as underwriter on the Bonds, and Government Financial Strategies Inc., Sacramento, California, as Financial Advisor to the School District and the Community Facilities District (the "Municipal Advisor"), with respect to the Bonds.

Principal Amount. The Municipal Advisor has informed the Community Facilities District that, based on the Community Facilities District's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$3,110,000 (the "Estimated Principal Amount").

True Interest Cost of the Bonds. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Bonds 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 3.42%.

Finance Charge of the Bonds. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Bonds 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 \$240,724.72.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Bonds 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 Community Facilities 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 \$2,862,868.88.

Total Payment Amount. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Bonds 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 Community Facilities District will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$4,981,135.00.

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 Community Facilities 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 Community

Facilities District based on the timing of the need for proceeds of the Bonds 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 Community Facilities District.

CLERK'S CERTIFICATE

I, Gila Jones, Clerk of the Board of Trustees of the Capistrano Unified School District, hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly adopted at a regular meeting of said Board of Trustees duly and regularly held on November 18, 2020, of which meeting all of the members of said Board of Trustees had due notice and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES	(7)
NOES	(0)
ABSENT	(0)
ABSTAIN	(0)

An agenda of said meeting was posted at least 72 hours before said meeting at 33122 Valle Road, San Juan Capistrano, California, a location freely accessible to members of the public, and a brief general description of said Resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing Resolution is a full, true, and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: November 18, 2020



Clerk of the Board of Trustees of the
Capistrano Unified School District