

RESOLUTION NO.: \_\_\_\_\_

Dated: \_\_\_\_\_

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AUTHORIZING THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT TO ISSUE AND SELL THE 2021 GENERAL OBLIGATION BONDS (ELECTION OF 2012, SERIES E), APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT AGREEMENT AND INVESTMENT MANAGEMENT AGREEMENT, DIRECTING THE COUNTY AUDITOR AND CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL, AND AUTHORIZING THE EXECUTION OF NECESSARY CERTIFICATES RELATING TO SAID BONDS**

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RECITALS:

WHEREAS, an election was duly called and regularly held in the San Dieguito Union High School District, County of San Diego, California (herein called the “District”), on November 6, 2012, pursuant to Section 15100 and following of the Education Code of the State of California (the “Education Code”), at which a bond proposition (“Proposition AA”) summarized as follows was submitted to the electors of the District:

*“To provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, constructing and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities, shall San Dieguito Union High School District issue \$449 million in bonds with independent oversight, no money for administrator salaries, and all money staying local?”; and*

WHEREAS, passage of Proposition AA required a 55% affirmative vote of the votes cast thereon, and at least 55% of the votes cast on Proposition AA were in favor of issuing bonds as described therein; and

WHEREAS, on April 11, 2013, a series of said bonds designated the “San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series A-1 (Taxable)” in an aggregate principal amount of \$2,320,000 and the “San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series A-2 (Tax-Exempt)” (collectively, the “Series 2013 Bonds”) in an aggregate principal amount of \$157,680,000 were issued and sold; and

WHEREAS, on April 29, 2015, a series of said bonds designated the “San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-1 (Taxable)” in an aggregate principal amount of \$7,010,000 and the “San Dieguito Union High School District

2015 General Obligation Bonds (Election of 2012), Series B-2 (Tax-Exempt)” (collectively, the “Series 2015 Bonds”) in an aggregate principal amount of \$110,030,000 were issued and sold; and

WHEREAS, on July 14, 2016, a series of said bonds designated the “San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-1 (Taxable)” in an aggregate principal amount of \$795,000 and the “San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-2 (Tax-Exempt)” (collectively, the “Series 2016 Bonds”) in an aggregate principal amount of \$61,205,000 were issued and sold; and

WHEREAS, on May 31, 2018, a series of said bonds designated the “San Dieguito Union High School District 2018 General Obligation Bonds (Election of 2012), Series D-1 (Taxable)” in an aggregate principal amount of \$3,100,000 and the “San Dieguito Union High School District 2018 General Obligation Bonds (Election of 2012), Series D-2 (Tax-Exempt)” (collectively, the “Series 2018 Bonds”) in an aggregate principal amount of \$21,900,000 were issued and sold; and

WHEREAS, the Superintendent of Schools of the County of San Diego, California has jurisdiction over the District; and

WHEREAS, Sections 53506 *et seq.* of the Government Code of the State of California (the “Government Code”), including Section 53508.7 thereof, provide that a school district may issue and sell bonds on its own behalf at a private or competitive sale pursuant to Section 15140 or 15146 of the Education Code of the State of California (the “Education Code”); and

WHEREAS, Section 15140(b) of the Education Code provides that the Board of Supervisors of a county may authorize a school district over which the County Superintendent of Schools has jurisdiction, and which has not received a qualified or negative certification in its most recent interim report, to issue and sell bonds on its own behalf without further action of the Board of Supervisors or officers of the county; and

WHEREAS, the District has advised the County that it has not received a qualified or negative interim financial report for its most recent interim financial report; and

WHEREAS, the Governing Board of the District has heretofore adopted a resolution (the “District Resolution”), an electronic copy of which has been filed with the Clerk of this Board of Supervisors, providing for the issuance by the District of its San Dieguito Union High School District 2021 General Obligation Bonds (Election of 2012), Series E-1 (Taxable) and Series E-2 (Tax-Exempt), or as otherwise designated in the Bond Purchase Agreement (as defined herein), in the aggregate principal amount not to exceed \$84,960,000 (collectively, the “Series 2021 Bonds”) pursuant to Section 53506 *et seq.* of the Government Code and additionally providing for the competitive or negotiated sale thereof; and

WHEREAS, the District, through the District Resolution, has requested that this Board of Supervisors of the County of San Diego (the “County”) authorize the District to issue the Series 2021 Bonds on its own behalf and sell the Series 2021 Bonds at a competitive or negotiated sale, all pursuant to Sections 53506 *et seq.* of the Government Code and Section 15140(b) of the Education Code, and has represented and warranted to this Board of Supervisors that it has not received a qualified or negative certification in its most recent interim report; and

WHEREAS, Fieldman, Rolapp & Associates, Inc. has been engaged by the District to act as municipal advisor (the “Municipal Advisor”) to the District, Orrick, Herrington & Sutcliffe LLP has been engaged as bond counsel (“Bond Counsel”) to the District and Stradling Yocca Carlson & Rauth, a Profession Corporation, has been engaged as disclosure counsel (“Disclosure Counsel”) to the District, with respect to the Series 2021 Bonds; and

WHEREAS, the District has requested the County through the office of the Treasurer-Tax Collector of the County (the “Treasurer-Tax Collector”) to serve as paying agent for the Series 2021 Bonds, pursuant to a Paying Agent Agreement (the “Paying Agent Agreement”), by and between the District and the County; and

WHEREAS, the County through the office of the Treasurer-Tax Collector will manage the investment of proceeds of the Series 2021 Bonds pursuant to an Investment Management Agreement (the “Investment Management Agreement”), by and between the District and the County; and

WHEREAS, Senate Bill 1029 (2016) (“SB1029”) was signed by the California Governor on September 12, 2016 and places additional responsibilities on any issuer of public debt, including adopting debt management policies that meet certain criteria; and

WHEREAS, the District represents that it is in compliance with SB1029 pre-issuance requirements and will comply with all post-issuance requirements of SB1029; and

WHEREAS, the Governing Board of the District has requested that the County levy the necessary taxes each year to pay the Series 2021 Bonds as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AS FOLLOWS:

**Section 1.     Recitals.** On information and belief, all of the above recitals are true and correct.

**Section 2.     District Resolution Received.** This Board of Supervisors (the “County Board”) hereby acknowledges receipt of an electronic copy of the District Resolution.

**Section 3.     Authorization of District Issuance and Sale.** The County Board hereby authorizes the issuance and sale of the Series 2021 Bonds by the District on its own behalf, pursuant to the terms determined by the District and authorized by Section 15140 and 15146 of the Education Code, as permitted by Section 53508.7 of the Government Code.

**Section 4.     Purpose.** The purpose of this action is to permit the District to sell its Series 2021 Bonds in the manner that the District determines is in its best interests and the best interests of its taxpayers.

**Section 5.     District Responsibilities.** Pursuant to Section 15140(c) of the Education Code, the Governing Board of the District has transmitted the District Resolution to the County and shall, forthwith after the sale of the Series 2021 Bonds, transmit a copy of the final debt service schedule for the Series 2021 Bonds, reflecting the principal amounts and interest rates of the Series

2021 Bonds as determined upon the sale thereof, to the County Auditor and Controller and Treasurer-Tax Collector, in order to permit the County to establish tax rates and necessary funds or accounts for the Series 2021 Bonds.

**Section 6. County Responsibilities.**

(a) The County, including the officers thereof and the County Board, assumes no responsibility for any of the proceedings following the adoption of this Resolution which involve or result in the sale and issuance of the Series 2021 Bonds.

(b) The County shall levy and collect taxes, sufficient to pay principal of and interest on behalf of the District on the Series 2021 Bonds when due, and hold the bond proceeds and tax levy for bonds that have been duly issued and sold by the District as otherwise required by law.

(c) The County, including the officers thereof and the County Board, assumes no responsibility for establishing a tax rate for any of the Series 2021 Bonds in any year in which the information required by Section 5 hereof to be delivered to the County Auditor and Controller and Treasurer-Tax Collector is delivered later than the deadline established by such officers in order to permit compliance with Government Code Section 29100 and following.

**Section 7. Approval of Paying Agent Agreement.** The Paying Agent Agreement relating to the Series 2021 Bonds, between the District and the Treasurer-Tax Collector, as paying agent/registrar and transfer agent or such other entity specified therein as paying agent (the “Paying Agent”), in substantially the form submitted to and on file with the Clerk of this Board of Supervisors, is hereby approved. The Treasurer-Tax Collector, or a deputy or officer thereof (an “Authorized Officer”), is hereby authorized to execute and deliver an instrument or instruments in substantially said form, including supplements thereto, completed with the terms of the Series 2021 Bonds determined upon the sale thereof, and with such other changes thereto as an Authorized Officer may require or approve, and the Treasurer-Tax Collector’s approval of the Paying Agent Agreement and any supplements thereto shall be conclusively evidenced by the execution and delivery thereof by an Authorized Officer.

**Section 8. Deposit and Investment of Proceeds and Approval of the Investment Management Agreement.** Except as otherwise provided by law, the proceeds of sale of the Series 2021 Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury to the credit of the building fund of the District and may be used for any authorized purpose, including, without limitation, the payment of issuance costs, pursuant to the terms and conditions of the District Resolution and of the Paying Agent Agreement. Any premium and accrued interest received by the District shall be deposited upon receipt in the interest and sinking fund of the District within the County treasury as further described in the District Resolution.

The Investment Management Agreement, between the District and the County, in substantially the form on file with the Clerk of this Board of Supervisors, is hereby approved. The Treasurer-Tax Collector or any deputy thereof, or his or her designee, on behalf of the County is hereby authorized to execute and deliver the Investment Management Agreement in substantially said form, and with such other changes thereto as the Treasurer-Tax Collector executing the same

may require or approve, and the County's approval of the Investment Management Agreement shall be conclusively evidenced by the execution and delivery thereof by the Treasurer-Tax Collector.

Any funds invested outside the County Investment Pool are the sole responsibility of the District. The Treasurer-Tax Collector takes no responsibility for investments outside of the County Investment Pool, including the selection, on-going management, and accounting of such funds.

**Section 9. Tax Covenants.** The County acknowledges and relies upon the fact that the District will represent and has covenanted in the District Resolution that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Series 2021 Bonds that are issued on a tax-exempt basis (the "Tax-Exempt Bonds") under Section 103 of the Internal Revenue Code of 1986 (the "Code"), and that it will comply with the requirements of the Tax Certificate of the District with respect to the Tax-Exempt Bonds, to be entered into by the District as of the date of issuance of the Tax-Exempt Bonds, and further that such representation and covenant shall survive payment in full or defeasance of the Tax-Exempt Bonds. The County hereby covenants that neither it nor the officers of the County shall take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Bonds under Section 103 of the Code.

**Section 10. Limited Responsibility for Official Statement.** Neither the County Board nor any officer of the County has prepared or reviewed any official statement of the District describing the Series 2021 Bonds (each, an "Official Statement"), and the County Board and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District held by the Treasurer-Tax Collector, the Treasurer-Tax Collector is hereby authorized and directed to prepare and review such information for inclusion in any Official Statement and in a preliminary form of any Official Statement, and to certify in writing to the District prior to or upon the issuance of the Series 2021 Bonds that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

**Section 11. Limited Liability.** Notwithstanding anything to the contrary contained herein, the Series 2021 Bonds or in any other document mentioned herein, neither the County nor the County Board of Supervisors shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby and the Series 2021 Bonds shall be payable solely from the monies of the District available therefor as set forth in the District Resolution and herein.

**Section 12. Approval of Actions.** The Chair, the Clerk, the County Auditor and Controller, the County Counsel, and the Treasurer-Tax Collector, and the deputies and designees of any of them, are hereby authorized and directed to execute and deliver any and all agreements, certificates and representations, as may be acceptable to County Counsel, including signature

certificates, no-litigation certificates, debt capacity certificates, and other certificates or documents proposed to be executed in connection with the issuance and sale of the Series 2021 Bonds by the District, necessary and desirable to accomplish or administer the transactions authorized herein.

**Section 13. Effective Date.** This resolution shall take effect from and after its adoption.

APPROVED AS TO FORM AND LEGALITY  
COUNTY COUNSEL

By: RACHEL H. WITT, CHIEF DEPUTY