

San Dieguito

Union High School
District

710 Encinitas Blvd.
Encinitas, CA 92024-3357
(760) 753-6491
www.sduhsd.net

Board of Trustees:

Joyce Dalessandro
Linda Friedman
Barbara Groth
Beth Hergesheimer
Deanna Rich

Acting Superintendent

Terry King
(760) 943-3501 FAX

Canyon Crest Academy
Carmel Valley MS
Diegueno MS
Earl Warren MS
La Costa Canyon HS
North Coast Alternative HS
Oak Crest MS
San Dieguito Adult Education
San Dieguito HS Academy
Sunset HS
Torrey Pines HS

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

BOARD OF TRUSTEES SAN DIEGUITO PUBLIC FACILITIES AUTHORITY SPECIAL MEETING

AGENDA

THURSDAY, MAY 1, 2008

IMMEDIATELY FOLLOWING THE SDUHSD REGULAR BOARD MEETING

DISTRICT OFFICE BOARD ROOM 101 710 ENCINITAS BLVD., ENCINITAS, CA. 92024

A Special Meeting of the San Dieguito Public Facilities Authority of San Dieguito Union High School District has been scheduled for Thursday, May 1, 2008, at the above location.

1. CALL TO ORDER

DISCUSSION / ACTION ITEMS

2. APPROVAL OF THE MINUTES OF THE APRIL 17, 2008 SDPFA MEETING

Motion by _____, second by _____, to approve the Minutes of the April 17, 2008, San Dieguito Public Facilities Authority Meeting, as written.

3. ADOPTION OF RESOLUTION

Adopt the attached resolution considering approving entering into an Installment Purchase Agreement with Community Facilities District No. 03-1 ("CFD 03-1") of the San Dieguito Union High School District or increasing the principal amount of the CFD 03-1 Loan as may be necessary or desirable in connection with the restructuring and remarketing of the San Dieguito Public Facilities Authority \$91,125,000 Revenue Refunding Bonds, Series 2006 (the "Bonds") and to finance the acquisition, construction and/or installation of certain school facilities. The Board will also consider approving amending the Indenture and Loan Agreement entered into in connection with the Bonds to provide for such loan modification or to provide that the payments under any such Installment Purchase Agreement shall be used to make payments on the Bonds, that such Installment Purchase Agreement or loan modification shall be a "Parity Obligation" as defined in the Loan Agreement and that any conditions contained in the Loan Agreement with respect to conditions to incurring a Parity Obligation are waived in this instance. In addition, the Board will consider designating the Superintendent and/or the Associate Superintendent of Business Services to take all actions necessary or desirable in connection with increasing the principal amount of the CFD 03-1 Loan, entering into any such Installment Purchase Agreement or amending such documents.

Motion by _____, second by _____, to adopt the attached resolution, as shown in the attached supplement.

4. ADJOURNMENT OF MEETING

San Dieguito

Union High School
District

710 Encinitas Blvd.
Encinitas, CA 92024-3357
(760) 753-6491
www.sduhsd.net

Board of Trustees:

Joyce Dalessandro
Linda Friedman
Barbara Groth
Beth Hergesheimer
Deanna Rich

Acting Superintendent

Terry King
(760) 943-3501 FAX

Canyon Crest Academy
Carmel Valley MS
Diegueno MS
Earl Warren MS
La Costa Canyon HS
North Coast Alternative HS
Oak Crest MS
San Dieguito Adult Education
San Dieguito HS Academy
Sunset HS
Torrey Pines HS

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

BOARD OF TRUSTEES SAN DIEGUITO PUBLIC FACILITIES AUTHORITY SPECIAL MEETING

MINUTES

THURSDAY, APRIL 17, 2008

THURSDAY, APRIL 17, 2008
3:00 PM

DISTRICT OFFICE BOARD ROOM 101
710 ENCINITAS BLVD., ENCINITAS, CA. 92024

A Special Meeting of the San Dieguito Public Facilities Authority of San Dieguito Union High School District took place on Thursday, April 17, 2008, at the above location.

Board Members in Attendance

Ms. Groth was not in attendance; all other Board Members were present.

District Administrators in Attendance

Ken Noah, Superintendent (Incoming)
Terry King, Interim Superintendent / Assoc. Supt, Human Resources
Steve Ma, Associate Superintendent, Business
Rick Schmitt, Associate Superintendent, Educational Services
John Addleman, Financial Planning Analyst
Eric Dill, Executive Director, Business Services
Joann Schultz, Executive Assistant, Business
Becky Banning, Recording Secretary / Executive Assistant to the Superintendent

Guests in Attendance

Glen Casterline, Bond Logistix
Ralph Holmes, De La Rosa & Co
Chris Lynch, Jones Hall (Via teleconference)
Masood Sohaili, Manatt (Via teleconference)
Lauren Spiegel, Manatt Phelps Phillips (Via teleconference))
Seth Taft, De La Rosa & Co (Via teleconference)

1. CALL TO ORDER – President Hergesheimer called the meeting to order at 3:00 PM.

DISCUSSION / ACTION ITEMS

1. APPROVAL OF THE MINUTES OF THE MARCH 12, 2008 SDPFA MEETING

It was moved by Ms. Dalessandro, seconded by Ms. Friedman, to approve the Minutes of the March 12, 2008, San Dieguito Public Facilities Authority Meeting, as written. **Motion carried.** (4 ayes; 0 nays; 1 absent)

2. ADOPTION OF RESOLUTION

Adopt the attached resolution considering approval of a restructuring of the San Dieguito Public Facilities Authority \$91,125,000 Revenue Refunding Bonds, Series 2006, which restructure will include changing the interest rate mode payable with respect to the bonds and remarketing a senior, subordinate and, if determined necessary or desirable, a super-subordinate series of bonds. In connection with such restructuring, consider approving amending the Indenture and Loan Agreement, Installment Purchase Agreements and other documents executed in connection with the issuance of the bonds.

In addition, consider approving a remarketing agreement and remarketing memo and the designation of the Superintendent and/or the Associate Superintendent of Business Services to take all actions necessary or desirable in connection with the conversion of the interest rate mode, including but not limited to, approving and signing consents, supplemental indentures or other documents necessary or desirable to change the interest rate mode on the bonds, to otherwise amend the bond indenture and to retain remarketing agents, lawyers and other consultants in connection with the restructuring.

It was moved by Ms. Rich, seconded by Ms. Friedman, to adopt the resolution as presented.
Motion carried. (4 ayes; 0 nays; 1 absent)

3. ADJOURNMENT OF MEETING - The meeting was adjourned at 3:35 PM.

Linda Friedman, Board Clerk

Date

Terry King, Interim Superintendent

Date

San Dieguito Public Facilities Authority

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: April 24, 2008

BOARD MEETING DATE: May 1, 2008

PREPARED BY: Stephen G. Ma
Associate Superintendent, Business

SUBMITTED BY: Terry King
Acting Superintendent

SUBJECT: ADOPTION OF RESOLUTION

EXECUTIVE SUMMARY

The bond team continues to move forward with the remarketing of the 2006 Revenue Refunding Bonds into a fixed rate mode. One of the reasons the team is able to remarket the bonds to a fixed rate mode is because of the growth in special taxes. The Community Facilities District with the largest growth since 2006 is CFD 03-1. In order, to take advantage of this growth relative to the other community facilities districts, our underwriter, EJ De La Rosa, feels that it may be necessary to revise the individual community facilities districts loan agreements to align with the current special tax collections and each districts future amortization. This would include increasing the principal amount of the CFD 03-1 loan or to have CFD 03-1 enter into an Installment Purchase Agreement with the San Dieguito Public Facilities Authority as necessary or desirable.

RECOMMENDATION:

Adopt the attached resolution considering approving entering into an Installment Purchase Agreement with Community Facilities District No. 03-1 ("CFD 03-1") of the San Dieguito Union High School District or increasing the principal amount of the CFD 03-1 Loan as may be necessary or desirable in connection with the restructuring and remarketing of the San Dieguito Public Facilities Authority \$91,125,000 Revenue Refunding Bonds, Series 2006 (the "Bonds") and to finance the acquisition, construction and/or installation of certain school facilities. The Board will also consider approving amending the Indenture and Loan Agreement entered into in connection with the Bonds to provide for such loan modification or to provide that the payments under any such Installment Purchase Agreement shall be used to make payments on the Bonds, that such Installment Purchase Agreement or loan modification shall be a "Parity Obligation" as defined in the Loan Agreement and that any conditions contained in the Loan Agreement with respect to conditions to incurring a Parity Obligation are waived in this instance. In addition, the Board will consider designating the Superintendent and/or the Associate Superintendent of Business Services to take all actions necessary or desirable in connection with increasing the principal amount of the CFD 03-1 Loan, entering into any such Installment Purchase Agreement or amending such documents.

js
Attachments

**RESOLUTION
OF THE BOARD OF DIRECTORS
OF THE SAN DIEGUITO PUBLIC FACILITIES AUTHORITY AUTHORIZING
THE AUTHORITY TO ENTER INTO AN INSTALLMENT PURCHASE
AGREEMENT; AUTHORIZING AN INCREASE OF THE PRINCIPAL
AMOUNT OF THE CFD 03-1 LOAN AND TAKING CERTAIN OTHER
ACTIONS RELATED THERETO**

WHEREAS, the San Dieguito Union High School District (the “**School District**”) has formed nine separate community facilities districts pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Chapter 2.5 of Division 2 of Title 5 (commencing with Section 53311) of the Government Code of the State of California (each a “**District**” and collectively, the “**Districts**”) in order to finance and reimburse the acquisition and construction of various public facilities within such Districts;

WHEREAS, in order to assist the Districts in financing and reimbursing the acquisition and construction of various public facilities, the San Dieguito Public Facilities Authority (the “**Authority**”) previously issued \$40,655,000 aggregate principal amount of its Revenue Bonds, 1998 Series A (Tax-Exempt) (the “**1998A Bonds**”), \$4,005,000 aggregate principal amount of its Revenue Bonds, 1998 Series B (Taxable) (the “**1998B Bonds**”) and \$48,440,000 aggregate principal amount of its Revenue Bonds, Series 2004 (the “**2004 Bonds**” and collectively with the 1998A Bonds and the 1998B Bonds, the “**Prior Bonds**”);

WHEREAS, in order to defease the Prior Bonds and further assist the Districts in financing and reimbursing the acquisition and construction of various public facilities, the Authority issued its Revenue Refunding Bonds, Series 2006 (the “**Bonds**”) pursuant to that certain Indenture of Trust dated as of July 1, 2006 as amended by that certain First Supplemental Indenture of Trust, dated March 17, 2008, as further amended by that certain Second Supplemental Indenture of Trust, dated April 8, 2008 (the “**Indenture**”) by and between the Authority and U.S. Bank National Association (the “**Trustee**”);

WHEREAS, in connection with the issuance of the Bonds, the Districts, the Authority and the Trustee entered into that certain Loan Agreement dated as of July 1, 2006 (the “**Loan Agreement**”);

WHEREAS, the Authority proposes to restructure the Bond financing by converting the interest rate on the Bonds and taking other actions in connection therewith;

WHEREAS, the Authority previously executed certain Resolutions in connection with the restructuring on March 12, 2008 and on April 17, 2008 (the “**Prior Resolutions**”);

WHEREAS, in connection with the Authority’s restructuring and remarketing of the Bonds, it may be necessary or desirable to increase the principal amount of the loan made by the Authority to Community Facilities District No. 03-1 (“**CFD 03-1**”) in the original principal amount of \$8,828,688.80 (the “**CFD 03-1 Loan**”) and/or to cause the Authority to enter into an installment purchase agreement with CFD 03-1 to finance the acquisition, construction and/or installation of certain school facilities (an “**Installment Purchase Agreement**”); and

WHEREAS, the Authority is authorized to undertake all of the above pursuant to applicable laws of the State of California;

NOW, THEREFORE, this Board does find, resolve, determine and order as follows:

Section 1. The Authority hereby approves increasing the principal amount of the CFD 03-1 Loan and/or entering into the Installment Purchase Agreement as may be necessary or desirable in connection with the restructuring and remarketing of the Bonds and to finance the acquisition, construction and/or installation of certain school facilities and taking all actions necessary or desirable in connection therewith.

Section 2. The Authority hereby approves amending the Loan Agreement entered into in connection with the Bonds to provide (a) for the modification to the CFD 03-1 Loan, (b) that the payments under any Installment Purchase Agreement shall be used to make payments on the Bonds, (c) that any Installment Purchase Agreement or loan modification shall be a "Parity Obligation" as defined in the Loan Agreement, and/or (d) that any conditions contained in the Loan Agreement with respect to conditions to incurring a Parity Obligation are waived in this instance.

Section 3. The Superintendent and/or the Associate Superintendent of Business Services are, and each of them acting alone is, hereby authorized and directed for and in the name of, and on behalf of the Authority, to enter into the Installment Purchase Agreement with CFD 03-1, to increase the principal amount of the CFD 03-1 Loan and to execute and deliver an amendment to the Loan Agreement, dated as of July 1, 2006, among the Authority, the Trustee, and the Districts, as may be necessary or as they may approve, in their discretion, as being in the best interests of Authority, in connection with the restructuring of the Bonds, such approval to be evidenced conclusively by the execution and delivery thereof.

Section 4. For the avoidance of doubt, each of the Chairperson of the Authority, the Associate Superintendent of Business Services of the School District (a designee of the Chairperson of the Authority), the Executive Director of Business Services of the School District (a designee of the Chairperson of the Authority), and any other person the Chairperson of the Authority may from time to time designate in writing as designee, is hereby authorized to approve, execute and deliver any documents, certificates and other instruments, as may be necessary to effectuate the purposes of this Resolution including but not limited to, approving and signing consents, supplemental indentures or other documents necessary or desirable to change the interest rate mode on the bonds, to otherwise amend the Indenture and to retain underwriters, lawyers and other consultants in connection with the restructuring.

Section 5. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 6. This Resolution shall take effect immediately upon its passage.

[Remainder of this page intentionally left blank]

The foregoing Resolution was on the 1st day of May, 2008, adopted by the Board of Directors of the San Dieguito Public Facilities Authority.

BOARD OF DIRECTORS OF THE SAN
DIEGUITO PUBLIC FACILITIES AUTHORITY

By: _____
Chairperson

ATTEST:

By: _____
Title: _____

