

# HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT

## AGENDA



**FOR THE SPECIAL MEETING OF THE  
BOARD OF TRUSTEES  
OF THE FINANCING CORPORATION**

**February 9, 2016**

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT  
FINANCING CORPORATION

Special Meeting  
February 9, 2016  
(Immediately Following HBUHSD Board Meeting)

Place of Meeting: Huntington Beach Union High School District Board Room  
5832 Bolsa Avenue  
Huntington Beach, California

1. Approval of Minutes:

Annual Meeting, December 8, 2015

2. RESOLUTION – AUTHORIZING A CHANGE IN INTEREST RATE MODE FOR THE CERTIFICATES OF PARTICIPATION (2012 SCHOOL FACILITY BRIDGE FUNDING PROGRAM):
- Superintendent's Comments: Approval is recommended to adopt the resolution of the Board of Trustees of the Huntington Beach Union High School District Financing Corporation authorizing a change in interest rate mode with respect to its Certificates of Participation (2012 School Facility Bridge Funding Program), and authorizing and directing certain actions in connection therewith.
- (Action)

- RESOLUTION – AUTHORIZING THE DEPOSIT OF A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY FOR THE CERTIFICATES OF PARTICIPATION (2010 FINANCING – ADULT EDUC PROJECT):
- Superintendent's Comments: Approval is recommended to adopt the resolution of the Board of Trustees of the Huntington Beach Union High School District Financing Corporation authorizing the deposit of a municipal bond debt service reserve insurance policy with respect to its Certificates of Participation (2010 Financing – Adult Education Project), and authorizing and directing certain actions in connection therewith.
- (Action)

3. New Business:

None

4. Adjournment

UNADOPTED MINUTES

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT  
FINANCING CORPORATION

MINUTES OF ANNUAL MEETING OF THE BOARD OF DIRECTORS  
HELD DECEMBER 8, 2015

BOARD MEMBERS  
PRESENT:

Bonnie Castrey  
Duane Dishno  
Susan Henry  
Kathleen Iverson  
Michael Simons

BOARD MEMBERS  
ABSENT:

None

ADMINISTRATIVE  
PERSONNEL PRESENT:

Gregory Plutko, Superintendent  
Carolee Ogata, Deputy Superintendent, Human Resources  
Carrie Delgado, Assistant Superintendent, Business Services  
Owen Crosby, Assistant Superintendent, Educational Services  
Carole Thomas, Executive Assistant

ADMINISTRATIVE  
PERSONNEL ABSENT:

None

PLACE AND DATE OF  
MEETING

District Office  
Tuesday, December 8, 2015

CALL TO ORDER:

The meeting was called to order at 9:23 p.m. by the President, Dr. Dishno.

APPROVAL OF  
MINUTES:

It was moved by Ms Castrey, seconded by Mrs. Henry, to approve the minutes of the Annual Meeting held December 9, 2014.

Motion unanimously carried.

ANNUAL MEETING  
REPORT:

Ms Delgado announced that the purpose of the meeting was to report the status of all the district's Certificates of Participation through June 30, 2015. Also included was the audited financial statement from the district's independent auditor which identifies the position of each of our debt service payments. It was announced that there was a correction to item 2(3), item 1 which reads "interest payments are current from 12-1-14". This should read "12-1-15".

There was no new business.

ADJOURNMENT:

It was moved by Ms Castrey, seconded by Mrs. Iverson, to adjourn the meeting at 9:25 p.m.

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Clerk

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Secretary

**HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT FINANCING CORPORATION**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT FINANCING CORPORATION AUTHORIZING A CHANGE IN INTEREST RATE MODE WITH RESPECT TO THE HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION (2012 SCHOOL FACILITY BRIDGE FUNDING PROGRAM), THE AMENDMENT OF THE TRUST AGREEMENT FOR SUCH CERTIFICATES, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Huntington Beach Union High School District Financing Corporation is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation") with the authority to assist in the financing or refinancing of capital improvements on behalf of the Huntington Beach Union High School District (the "District"); and

WHEREAS, in order to refinance certain then-outstanding certificates of participation, the District previously caused to be sold the Huntington Beach Union High School District Certificates of Participation (2012 School Facility Bridge Funding Program), evidencing principal in an amount equal to \$17,300,000 (the "Certificates"); and

WHEREAS, such Certificates were executed and delivered pursuant that certain Trust Agreement, dated as of March 1, 2012 (the "Trust Agreement"), by and among the District, Corporation and U.S. Bank National Association (in such capacity, the "Trustee"); and

WHEREAS, pursuant to a Certificate Purchase Agreement dated as of March 20, 2012, U.S. Bank National Association (in such capacity, the "Owner"), purchased all of the Certificates from the District;

WHEREAS, under and pursuant to the Trust Agreement, the Certificates were executed and delivered in an Initial Mode, and are to continue in such Mode through and including March 1, 2016 (the "Change Date"); and

WHEREAS, the Trust Agreement provides that, on such Change Date, the District may effect a Change in Mode as provided therein; and

WHEREAS, the District desires to effect such a Change in Mode for the Certificates to the Unenhanced Extended Rate Mode on the Change Date; and

WHEREAS, the Trust Agreement provides mechanisms to effect such a Change in Mode, one of which requires that all owners of all the Outstanding Certificates have consented to such Change in Mode; and

WHEREAS, U.S. Bank National Association continues to be the Owner of all the Outstanding Certificates and has indicated to the District that it intends to so consent, subject to the negotiation and agreement with the District of the applicable Adjusted Interest Rate to be evidenced by the Certificates and certain other matters; and

WHEREAS, such agreement shall be evidenced by an written owner's consent, by and between the District and the Owner (the "Owner's Consent"); and

WHEREAS, in addition to effecting a Change in Mode with respect to the Certificates, the District has determined that it would be in its best interests at this time to amend the Trust Agreement to eliminate the debt service reserve fund established for the Certificates (the "Reserve Fund"), and instruct the Trustee to transfer all proceeds of the Certificates on deposit therein to the District; and

WHEREAS, in order to facilitate such amendments to the Trust Agreement, it shall be necessary to secure the consent of the Owner, and the Owner has indicated to the District that it intends to so consent; and

WHEREAS, such amendments to the Trust Agreement shall be accomplished by the execution and delivery of the First Supplement to Trust Agreement described herein, the form of which has been presented to the Board of Directors of the Corporation (the "Board"); and

WHEREAS, the Corporation desires to enter into and deliver the First Supplement to Trust Agreement, substantially in the form of which is on file with Secretary to the Board;

NOW, THEREFORE, the Board of Directors of the Corporation does hereby resolve as follows:

SECTION 1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Trust Agreement.

SECTION 2. Change In Mode. The President, Vice President, Secretary, Treasurer or Executive Director of the Corporation, or the designee of each (the "Authorized Officers" and each, an "Authorized Officer"), each alone, are hereby authorized and directed, jointly and severally, for and on behalf of the Corporation, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the Change in Mode described herein, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 3. Reserve Fund; First Supplement to Trust Agreement. The Authorized Officers, each alone, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the amendment of the Trust Agreement to eliminate the Reserve Fund and transfer proceeds of the Certificates on deposit therein to the District, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 4. Certificate Documents. The form of that certain First Amendment to Trust Agreement, dated as of March 1, 2016 (the "First Supplement to Trust Agreement"), on file with the Secretary is hereby approved. The Authorized Officers, each alone, are hereby authorized and directed to execute and deliver said agreement. The agreement shall be executed in substantially the form hereby approved, with such additions thereto and changes therein as are recommended or approved by counsel to the Corporation and approved by such officers of the Corporation executing the documents, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. Other Actions. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the delivery of the Owner's Consent and the First Supplement to Trust Agreement, and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 6. Effect. This Resolution shall take effect from and after its date of adoption.

ADOPTED AND APPROVED this 9th day of February, 2016, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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President of the Board of Directors  
Huntington Beach Union High School District  
Financing Corporation

I hereby certify that the foregoing resolution was duly introduced, passed and adopted at the time and place and by the vote as noted above.

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Secretary  
Board of Directors  
Huntington Beach Union High School  
District Financing Corporation

**HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT FINANCING CORPORATION**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT FINANCING CORPORATION AUTHORIZING THE DEPOSIT OF A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY WITH RESPECT TO THE HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION (2010 FINANCING – ADULT EDUCATION PROJECT), AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Huntington Beach Union High School District (the “District”) is a school district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “State”); and

WHEREAS, in order to finance certain capital improvements, the District previously caused to be sold the Huntington Beach Union High School District Certificates of Participation (2010 Financing – Adult Education Project), evidencing principal in an amount equal to \$7,875,000 (the “Certificates”); and

WHEREAS, such Certificates were executed and delivered pursuant that certain Trust Agreement, dated as of April 1, 2010 (the “Trust Agreement”), by and among the District, the Huntington Beach Union High School District Financing Corporation (the “Corporation”) and U.S. Bank National Association (the “Trustee”); and

WHEREAS, the scheduled payment of principal and interest with respect to the Certificates was insured pursuant to a municipal bond insurance policy issued by Assured Guaranty Municipal Corp. (the “Insurer”); and

WHEREAS, a debt service reserve fund (the “Reserve Fund”) was established under the Trust Agreement, into which a portion of proceeds of the Certificates were deposited, to be available to pay principal and interest with respect to the Certificates in the event of a deficiency in the amount of base rental payments made by the District;

WHEREAS, pursuant to the Trust Agreement, the District may, with the consent of the Insurer, substitute a line of credit, letter of credit, insurance policy, surety bond or other credit source for all or a portion of the funds on deposit in the Reserve Fund; and

WHEREAS, the District now desires to substitute an insurance policy for all funds on deposit in the Reserve Fund; and

WHEREAS, the Insurer has indicated that it intends to consent to such a substitution, and has issued to the District an insurance commitment for the purchase by the District of a municipal bond debt service reserve insurance policy (the “Reserve Policy”) for deposit into the Reserve Fund; and

WHEREAS, in connection with securing the Reserve Policy, it will be necessary for the District to make certain amendments to the Trust Agreement;



NOW, THEREFORE, the Board of Directors of the Corporation does hereby resolve as follows:

SECTION 1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Trust Agreement.

SECTION 2. Substitution of Funds on Deposit in the Reserve Fund. The substitution of the Reserve Policy for funds on deposit in the Reserve Fund is hereby approved. The President, Vice President, Secretary, Treasurer or Executive Director of the Corporation, or the designee of each (the "Authorized Officer"), each alone, are hereby authorized, for and on behalf of the Corporation, to deliver such Written Certificates or other instruments as may be required by the Trust Agreement to effectuate the incorporation of any additional provisions into the Trust Agreement in connection with securing the Reserve Policy.

SECTION 3. Other Actions. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

[REMAINDER OF PAGE LEFT BLANK]

SECTION 4. Effect. This Resolution shall take effect from and after its date of adoption.

ADOPTED AND APPROVED this 9th day of February, 2016, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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President of the Board of Directors  
Huntington Beach Union High School District  
Financing Corporation

I hereby certify that the foregoing resolution was duly introduced, passed and adopted at the time and place and by the vote as noted above.

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Secretary  
Board of Directors  
Huntington Beach Union High School  
District Financing Corporation