

NATOMAS UNIFIED SCHOOL DISTRICT FINANCING CORPORATION

RESOLUTION NO. 17-01

RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE DEFEASANCE OF THE NATOMAS UNIFIED SCHOOL DISTRICT'S OUTSTANDING CERTIFICATES OF PARTICIPATION (2015 FINANCING PROJECT) AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

The following RESOLUTION was duly passed by the Board of Directors of the Natomas Unified School District Financing Corporation, at a regular meeting held on the 19th of July 2017, by the following roll call vote:

B. Teri Burns	_____
Scott Dosick	_____
Micah Grant	_____
Susan Heredia	_____
Lisa Kaplan	_____

Signed and approved by me after its passage:

Lisa Kaplan
President of the Corporation

Attest:

Chris Evans,
Secretary of the Corporation

Attest:

William C. Young,
Treasurer – CFO of the Corporation

RESOLVED, by the Board of Directors (the "Board") of the Natomas Unified School District Financing Corporation (the "Corporation"), as follows:

WHEREAS, the Natomas Unified School District (the "District"), with the assistance of the Corporation, has previously caused the execution of certificates of participation in 2015 (the "2015 Certificates") to finance the construction of a new elementary school (the "2015 Project");

WHEREAS, the 2015 Certificates are currently outstanding in the principal amount of \$8,995,000;

WHEREAS, the District has determined that it is in the best interests of the District at this time to terminate the District's obligation to make the 2015 Lease Payments under the 2015 Lease and, as a result thereof, to provide for the defeasance of the 2015 Certificates and, to that end, the District proposes to apply a portion of the proceeds of its \$39,000,000 Natomas Unified School District (Sacramento County, California) General Obligation Bonds, Election of 2014, Series 2017, for such purposes;

WHEREAS, it is in the public interest and for the public benefit that the Corporation authorize and direct execution of certain other documents in connection therewith;

WHEREAS, the document below specified shall be filed with the Corporation and the members of the Board, with the aid of its staff, shall review said documents.

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. A termination agreement, by and among the District, the Corporation and MUFG Union Bank, N.A., as trustee for the 2015 Certificates, whereby the District, the Corporation and the Trustee agree to terminate the documents relating to the 2015 Certificates, in the form on file with the Secretary, be and are hereby approved, and the President, the Executive Director or the Chief Financial Officer, or the designee thereof, are hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by such officials, and the Secretary is hereby authorized and directed to attest to such official's signature.

Section 2. The President, the Executive Director, the Chief Financial Officer, the Secretary and any and all other officers of the District are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the financing herein authorized.

Section 3. This Resolution shall take effect upon its adoption by this Board.

Section 4. The Secretary shall certify to the adoption of this Resolution and provide for appropriate distribution thereof.

* * * * *

AFTER RECORDATION RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

TERMINATION AGREEMENT

Dated as of July 1, 2017

by and among the

NATOMAS UNIFIED SCHOOL DISTRICT,

the

NATOMAS UNIFIED SCHOOL DISTRICT FINANCING CORPORATION,

and

MUFG UNION BANK, N.A. as Trustee

Certificates of Participation
(2015 Financing Project)
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
NATOMAS UNIFIED SCHOOL DISTRICT

TERMINATION AGREEMENT

This TERMINATION AGREEMENT is dated as of July 1, 2017, and is by and among the NATOMAS UNIFIED SCHOOL DISTRICT (the "District"), the NATOMAS UNIFIED SCHOOL DISTRICT FINANCING CORPORATION (the "Corporation") and MUFG UNION BANK, N.A., as trustee (the "2015 Trustee").

WITNESSETH:

WHEREAS, the District and the Corporation have heretofore entered into a lease agreement, dated as of September 1, 2015 (the "2015 Lease"), pursuant to which the Corporation and the District entered into a transaction for the lease financing of certain facilities (the "Facilities"), including the site thereof, more fully described in Exhibit A attached hereto (the "Site" and, with the Facilities, the "2015 Property"), and the District agreed to make certain lease payments (the "2015 Lease Payments") to the Corporation;

WHEREAS, pursuant to an assignment agreement, dated as of September 1, 2015 (the "2015 Assignment Agreement"), by and between the Corporation and the 2015 Trustee, the Corporation assigned to the 2015 Trustee, among other things, its rights to receive 2015 Lease Payments from the District under the 2015 Lease and the right to exercise such rights and remedies conferred on the Corporation under the 2015 Lease to enforce payment of the 2015 Lease Payments;

WHEREAS, pursuant to a trust agreement, dated as of September 1, 2015, by and among the District, the Corporation and the 2015 Trustee, the 2015 Trustee agreed, among other matters, to execute and deliver certificates of participation (the "2015 Certificates") representing undivided fractional interests of the owners thereof to receive 2015 Lease Payments made by the District;

WHEREAS, the 2015 Lease provides that in the event that the District deposits, or causes the deposit on its behalf of moneys for the prepayment of the 2015 Lease Payments, then all of the obligations of the District under the 2015 Lease and all of the security provided by the District for such obligations, excepting only the obligation of the District to make the 2015 Lease Payments from said deposit, shall cease and terminate, and unencumbered title to the 2015 Property shall be vested in the District without further action by the District or the Corporation;

WHEREAS, the District has determined that, as a result of favorable financial market conditions and for other reasons, it is in the best interests of the District at this time to refinance the District's obligation to make the 2015 Lease Payments under the 2015 Lease and, as a result thereof, to provide for the defeasance of the 2015 Certificates and, to that end, the District proposes to apply a portion of the proceeds of its \$39,000,000 Natomas Unified School District (Sacramento County, California) General Obligation Bonds, Election of 2014, Series 2017 (the "2017 Bonds"), for such purposes;

WHEREAS, upon deposit of a portion of the proceeds of the 2017 Bonds for prepayment of the 2015 Lease Payments, the 2015 Lease and the agreements related thereto need not be maintained (except as otherwise provided below), and the parties hereto now desire to provide for the termination of such documents as provided herein;

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree (as to the agreements to which such party is party) :

Section 1. Termination.

(a) By virtue of the deposit of a portion of the proceeds of the 2017 Bonds for prepayment of the 2015 Lease Payments, all obligations of the District under the 2015 Lease shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all payments from such deposit and title to the 2015 Property shall vest in the District on the date of said deposit automatically and without further action by the District or the Corporation. Said deposit and interest earnings thereon shall be deemed to be and shall constitute a special fund for the prepayment of the 2015 Lease Payments.

(b) In accordance with the foregoing, the following agreements (including any option to purchase contained therein), are hereby terminated and are of no further force or effect (except for the provisions which, by their terms, survive but which do not affect real property):

(i) Site and Facility Lease, dated as of September 1, 2015, by and between the District and the Corporation, recorded on September 29, 2015, in Book 20150929, Page 0152, Sacramento County Records;

(ii) 2015 Lease, recorded by memorandum on September 29, 2015, in Book 20150929, Page 0153, Sacramento County Records; and

(iii) 2015 Assignment Agreement, recorded on September 29, 2015, in Book 20150929, Page 0154, Sacramento County Records.

(c) From and after the date hereof, none of the parties shall have any further rights or obligations thereunder, except for such right and obligations that survive under the agreements set forth in Section 1(b) hereof.

Section 3. Execution in Counterparts. This Termination Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 4. Governing Law. This Termination Agreement shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have duly executed this Termination Agreement.

NATOMAS UNIFIED SCHOOL DISTRICT

By _____
William C. Young
Deputy Superintendent

ATTEST:

By _____
Micah Grant
Clerk of the Board

NATOMAS UNIFIED SCHOOL DISTRICT
FINANCING CORPORATION

By _____
William C. Young
Chief Financial Officer

ATTEST:

By _____
Chris Evans
Secretary

MUFG UNION BANK, N.A., as 2015
Trustee

By _____
Keith Sevigny
Vice President

NOTARY ACKNOWLEDGMENTS TO BE INSERTED

EXHIBIT A

DESCRIPTION OF THE SITE

All that certain real property situated in Sacramento County, State of California, described as follows:

PARCEL C, AS SHOWN ON THE PARCEL MAP ENTITLED "MASTER PARCEL MAP OF NORTHPOINT PARK PHASE 1", FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, CALIFORNIA ON NOVEMBER 23, 1998 IN BOOK 152 OF PARCEL MAPS, MAP NO. 13.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND AND REAL PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREINAFTER DISCOVERED, INCLUDING BUT NOT LIMITED TO THE RIGHTS TO EXPLORE FOR, DEVELOP AND REMOVE SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS WITHOUT, HOWEVER ANY RIGHT TO USE THE SURFACE OF SUCH LAND AND REAL PROPERTY OR ANY OTHER PORTION THEREOF ABOVE A DEPTH OF 500 FEET FROM THE SURFACE OF SUCH LAND AND REAL PROPERTY FOR ANY PURPOSE WHATSOEVER.

APN: 225-1060-009