



**Questions and Answers in reference to:
National School District
Financial Advisory Services RFQ 21-22-300**

Question #1 Although we see that the RFQ requires that proposals be submitted via regular mail, would the District would consider allowing proposals to be submitted via email?

Answer #1 Proposals must be submitted as put forth in the documents. Regular mail can include any shipping company such as FedEx or UPS.

Question #2 Could you please provide a copy of the Bond Issuance Agreement for the 2020 Bonds (this document is referenced in the attached District resolution)? This will provide important details about the 2020 Bonds that are important for a proposal.

Answer #2 Please see the subsequent pages.

Question #3 Do the back and front covers of a proposal document count against the page limit?

Answer #3 No

Question #4 Given that the District worked with Dale Scott on both planning for the 2016 Measure HH election and the bond sale in 2020, and that there is \$27 million of remaining Measure HH bonding authorization, what is the District's the motivation for an RFQ for financial advisor services at this time (instead of just continuing to work with Dale Scott)? Related to this, can the District confirm that its contract with Dale Scott allows it to utilize a different financial advisor for work on the existing Measure HH as well as future work?

Answer #4 Our motivation is the regular and routine practice of conducting requests for qualification for professional services. The District is not bound by contractual obligations to use a specific financial advisor for Measure HH and future work.

NATIONAL SCHOOL DISTRICT
CHILD NUTRITION SERVICES • PURCHASING • WAREHOUSE
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Question #5 The RFQ states "Interview of Finalist(s) if necessary Week of October 25, 2021". We do not mean to presume that we would be invited to interview, but does the District currently have any more information about interviews, such as potential dates during that week, format (in person or video), etc. so that we can hold days in our calendar?

Answer #5 We are unable to predict that at this time. Remote presentations would be possible if needed.

BOND ISSUANCE AGREEMENT

made by the

NATIONAL ELEMENTARY SCHOOL DISTRICT

dated as of November 1, 2020

relating to the

\$3,000,000

**National Elementary School District
San Diego County, California
General Obligation Bond
Election of 2016, Series A**

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BOND ISSUANCE AGREEMENT

The BOND ISSUANCE AGREEMENT (the "Agreement"), dated as of November 1, 2020, is made by the NATIONAL ELEMENTARY SCHOOL DISTRICT (the "District"), a school district duly organized and existing under and by virtue of the Constitution and laws of the State of California, for the benefit of the owners from time to time of the bond issued hereunder.

RECITALS

1. The District is a school district duly organized under the laws of the State of California.

2. At a duly called election held in the District on November 8, 2016, the requisite fifty-five percent (55%) vote of the District's qualified electors approved the following measure for incurring bonded indebtedness (the "2016 Authorization"):

"To repair and rebuild aging classrooms and facilities throughout the District; meet handicapped access requirements, increase student access to computers/technology; repair roofs; and improve campus security and student loading zones for increased safety; shall the National School District be authorized to issue \$30 million of bonds with interest rates below the legal limits, annual audits, independent citizens' oversight, no money for administrative salaries and all funds spent locally and not taken by the State and used elsewhere?"

3. The Governing Board of the District (the "Board") has determined that it is necessary and desirable to issue and sell its first series of general obligation bonds pursuant to the 2016 Authorization as a single bond to be designated the "National Elementary School District, San Diego County, California, General Obligation Bond, Election of 2016, Series A," in an aggregate principal amount not to exceed \$3,000,000 (the "Bond"), pursuant to the terms of Chapter 3 of Part I of Section 2 of Title 5 sections 53506 et seq. of the Government Code, according to the terms and in the manner hereinafter set forth.

4. The Board has found and determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement.

AGREEMENT

In order to secure the payment of the Bond and the performance and observance by the District of all the covenants, agreements and conditions herein and in the Bond contained, the District hereby agrees and covenants with the owners from time to time of the Bond, as follows:

ARTICLE I DEFINITIONS AND GENERAL PROVISIONS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.1 shall, for all purposes hereof and of any amendment hereof or supplement hereto and of the Bond and of any certificate, opinion, request or other document mentioned herein or therein, have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

Agreement means this agreement made by the District.

Board means the Governing Board of the District.

Board of Supervisors means the Board of Supervisors of the County of San Diego.

Bond means the National Elementary School District, San Diego County, California, General Obligation Bond, Election of 2016, Series A issued hereunder.

Bond Issuance Agreement means the agreement, dated as of November 1, 2020, made by the District for the benefit of the Owner of the Bond.

Building Fund means the “National School District, Election of 2016, Building Fund,” with the Series A Building Account therein, which shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit the proceeds of the sale of the Bond (except any premium or accrued interest received from the sale).

Business Day means any day of the week other than a Saturday or a Sunday or a day on which banks in both the State and the state of New York are not required or authorized to remain closed and on which the New York Stock Exchange is open for business.

Closing Date means November 16, 2020.

Code means the Internal Revenue Code of 1986, as the same shall be hereafter amended, and any regulations heretofore issued or that shall be hereafter issued by the United States Department of the Treasury thereunder.

Costs of Issuance means items of expense payable or reimbursable directly or indirectly by the District and related to the authorization, sale, delivery and issuance of the Bond, which items of expense shall include, but not be limited to, costs of reproducing and binding documents; closing costs; filing and recording fees; fees of the California Debt and Investment Advisory Commission; fees and charges for professional services, including fees of Bond Counsel, counsel to the Original

Purchaser, and the financial advisor; and other costs, charges and fees in connection with the foregoing.

County means the County of San Diego, State of California.

Depository or DTC means The Depository Trust Company, New York, New York, and its successors and assigns.

District means the National Elementary School District.

Interest and Sinking Fund means the “National School District Election of 2016, Interest and Sinking Fund,” which fund shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit any premium or accrued interest received from the sale of the Bond. The Interest and Sinking Fund is held by the Treasurer for the payment of debt service on the District’s Bond.

Interest Payment Date means February 1 and August 1 of each year. The first Interest Payment Date shall be February 1, 2022.

Law means Chapter 3 of Part I of Section 2 of Title 5 sections 53506 et seq. of the Government Code, and other applicable law.

Opinion of Counsel means a written opinion of counsel experienced in the field of law relating to municipal bonds, appointed and paid by the District.

Owner means the person in whose name any Bond shall be registered.

Paying Agent means initially, the Treasurer or any financial institution appointed by the District to make payments of principal of and interest on the Bond to the Owner pursuant to the Paying Agent Agreement. The Paying Agent will also act as registrar of the Bond.

Paying Agent Agreement means a paying agent agreement entered into between the District and the Paying Agent.

Record Date means the 15th day of the month preceding any Interest Payment Date.

State means the State of California.

Tax Certificate means the Tax Certificate concerning certain matters pertaining to the use of proceeds of the Bond, executed and delivered by the District on the date of issuance of the Bond, including all exhibits attached thereto, as such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

Treasurer means the Treasurer-Tax Collector of the County.

Section 1.2. Effect of Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be

solely for convenience of reference and shall not affect the meaning, construction, or effect of this Agreement.

Section 1.3. Successors and Assigns. Whenever in this Agreement the District is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the District shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 1.4. Benefits of Agreement. Nothing in this Agreement or in the Bond expressed or implied is intended or shall be construed to give to any person other than the District and the Owner of the Bond, any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the District and the Owner of the Bond.

Section 1.5. Payments/Actions Otherwise Scheduled on Non-Business Days. Except as specifically set forth in a supplemental agreement, any payments or transfers that would otherwise become due on any day that is not a Business Day shall become due or shall be made on the immediately preceding Business Day. When any other action is provided for herein to be done on a day named or within a specified time period and the day named or the last day of the specified period falls on a day other than a Business Day, such action shall be performed on the next succeeding Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 1.6. No Personal Liability for Debt Service. No Board member, officer, agent, or employee of the County or the District shall be individually or personally liable for the payment of the principal of or interest on the Bond or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent, or employee of the County or the District from the performance of any official duty provided by law or by this Agreement.

Section 1.7. County Immunities. The District acknowledges that the County, including its Board of Supervisors, officers, officials, agents, and employees, shall retain all of their respective constitutional and statutory privileges, immunities, rights, and defenses in carrying out their statutory duties referred to herein.

Section 1.8. Severability Clause. If any one or more of the provisions contained in this Agreement or in the Bond shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement and such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issuance of the Bond pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid, or unenforceable.

Section 1.9. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State.

Section 1.10. Counterparts. This Agreement may be signed in several counterparts, each of which will constitute an original, but all of which shall constitute one and the same instrument.

Section 1.11. Notices. Unless otherwise specified herein, all notices, statements, orders, requests or other communications hereunder by any party to another shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, or if given by fax, electronically, or other means of written communication and confirmed by mail:

If to the District: National Elementary School District
 1500 N. Avenue
 National City, CA 91950
 Attn: Superintendent

If to the County: Office of the Treasurer-Tax Collector
 Count of San Diego
 1600 Pacific Highway, Room 152
 San Diego , CA 92101
 Attn: Treasurer-Tax Collector

ARTICLE II THE BOND

Section 2.1. Authorization and Title. The District hereby authorizes the issuance of a bond in the aggregate principal amount of \$3,000,000. The title of the Bond shall be “National Elementary School District, San Diego County, California, General Obligation Bond, Election of 2016, Series A.” At any time after the execution and delivery of this Agreement, the District may execute and deliver the Bond.

Section 2.2. Terms and Form of Bond. (A) Form and Registration. The Bond shall be issued in the form of a single, fully-registered installment bond in substantially the form attached hereto as Exhibit A. The Bond shall be registered initially in the name of JPMorgan Chase Bank, N.A. (including its successors and assigns, the “Original Purchaser”). Date; Interest Accrual; Interest Rates; Payments. The Bond shall be dated its date of delivery, shall bear interest from its date to August 1, 2026, at the rate of 1.15% per annum until such principal amounts shall be paid in full (the “Tax Exempt Fixed Rate”). The District shall pay installments of principal and interest on the Bond in the following amounts on the following dates, unless such payment date is a Non-Business Day, in which case the payment shall be made on the immediately preceding Business Day:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
February 1, 2022	\$424,000	\$41,687.50	\$465,687.50
August 1, 2022	424,000	14,812.00	438,812.00
February 1, 2023	453,000	12,374.00	465,374.00
August 1, 2023	453,000	9,769.25	462,769.25
February 1, 2024	219,000	7,164.50	226,164.50
August 1, 2024	219,000	5,905.25	224,905.25
February 1, 2025	236,000	4,646.00	240,646.00
August 1, 2025	235,000	3,289.00	238,289.00
February 1, 2026	170,000	1,937.75	171,937.75
August 1, 2026	167,000	960.25	167,960.25

Interest on the Bond shall be calculated on the basis of a 360-day year comprising twelve 30-day months.

C. Principal and Interest Payments. The District shall take all steps required by law and by the County or the Paying Agent to ensure that the principal and interest installments on the Bond is paid in lawful money of the United States of America on each payment date to the Owner thereof at the close of business on the Record Date.

D. Optional Redemption. The Bond is not subject to optional redemption.

E. Provisions Applicable While Bond is Owned by Original Purchaser. Notwithstanding anything herein to the contrary, so long as the Bond is owned by the Original Purchaser: (i) the Paying Agent shall pay principal of and interest on the Bond when due by wire transfer in immediately available funds to the Original Purchaser in accordance with such wire transfer instructions as shall be filed by the Original Purchaser with the Paying Agent from time to time; (ii) payments of principal of the Bond shall be made without the requirement for presentation and surrender of the Bond by the Original Purchaser, provided that principal of the Bond that is payable at final maturity shall be made only upon presentation and surrender of the Bond at the office of the Paying Agent; and (iii) the Paying Agent shall not be required to give notice to the Original Purchaser of the installments of principal of and interest on the Bond under subsection (B) of this Section 2.2 (Terms and Form of Bond).

F. Cessation of Interest Accrual. Interest on any portion of the principal of the Bond shall cease to accrue on the payment date of such portion, provided that there has been irrevocably deposited with the Paying Agent an amount sufficient to pay such principal, plus interest accrued thereon to such date. The Owner shall not be entitled to any other payment. Upon payment of all the principal and interest installments on the Bond, the Bond shall no longer be Outstanding and entitled to the benefits of this Agreement, except for the payment of the principal of and interest on such Bond from moneys held by the Paying Agent for such payment.

G. Unclaimed Monies. Any money held by the Paying Agent for the payment of the principal of or interest on the Bond and remaining unclaimed for two (2) years after all of the principal of the Bond has become due, payable and paid in full shall be transferred to the Interest and Sinking Fund of the District for payment of any other outstanding bonds of the District

payable from that fund, without liability for interest; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

Section 2.3. Execution of Bond. The Bond shall be signed by the manual or facsimile signature of the President or any member of the Board and the Secretary of the Board or his or her designee, provided that at least one such signature shall be manual.

In case any of the officers who shall have signed or countersigned the Bond shall cease to be such officer or officers of the District before the Bond so signed or countersigned shall have been delivered by the District, the Bond may nevertheless be delivered and, upon such delivery, shall be as binding upon the District as though those who signed and countersigned the same had continued to be such officers of the District. The Bond may be signed and countersigned on behalf of the District by such persons as at the actual date of execution of the Bond shall be the proper officers of the District although at the nominal date of the Bond any such person shall not have been such officer of the District.

Section 2.4. Transfer of Bond. The Bond may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.5 (Bond Register) hereof by the person in whose name it is registered, in person or by the duly authorized attorney of such person, upon surrender of the Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever the Bond shall be surrendered for transfer, the designated Paying Agent officials shall execute (as provided in Section 2.3 (Execution of Bond) hereof) and deliver a new Bond. The Paying Agent shall require the payment by the Owner requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of the Bond shall be required to be made by the Paying Agent during the period from the close of business on the Record Date next preceding any Interest Payment Date to and including such Interest Payment Date.

Section 2.5. Bond Register. The Paying Agent, acting as bond registrar, will keep or cause to be kept a record of the registration and transfer of the Bond. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the record, the Bond as hereinbefore provided.

Section 2.6. Validity of Bond. The recital contained in the Bond that it is regularly issued pursuant to the Law shall be conclusive evidence of its validity and of compliance with the provisions of the Law in its issuance.

**ARTICLE III
APPLICATION OF PROCEEDS OF THE BOND**

Section 3.1. Application of Proceeds of the Bond. From the purchase price of the Bond, the District shall deposit (or cause to be deposited) \$2,860,000 into the Series A Building Account within the Building Fund which is held by the Treasurer, and \$140,000 into the costs of issuance account, established pursuant to the Costs of Issuance Agreement, which is held by Zions Bancorporation. Such disbursement notwithstanding, Costs of Issuance shall all be the obligation of the District. The Original Purchaser shall have no responsibility for any expenses associated with the issuance of the Bond, including, but not limited to, the expenses identified as Costs of Issuance.

**ARTICLE IV
COVENANTS OF THE DISTRICT**

Section 4.1. Levy of Taxes for Payment of Bond. The Bond is a general obligation of the District, and the Board has the power, is obligated and shall cause to be levied by the County *ad valorem* taxes upon all property within the District subject to taxation without limitation of rate or amount, for the payment of the Bond, so as to enable the District to punctually pay, or cause to be paid, the principal of and interest on the Bond, in conformity with the terms of the Bond and of the Resolution. The District shall cause such collection to commence on the County tax roll for the fiscal year 2021-22. Nothing herein contained shall prevent the District from making payment or advances of its own moneys, howsoever derived, to any of the uses or purposes permitted by applicable law.

Section 4.2. Pledge of Taxes and Other Amounts. Subject only to the provisions of this Bond Issuance Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the taxes and all amounts (including the proceeds of the Bond and investment earnings) held by the Paying Agent in any fund or account established pursuant to the Paying Agent Agreement, are hereby pledged to secure, and constitute a fund for, the payment of the principal of and interest on the Bond, in accordance with its terms and the provisions of this Bond Issuance Agreement, without priority or distinction of one over the other. Said pledge shall constitute a first lien on the taxes and amounts in such funds, shall be valid and binding from and after delivery by the District of the Bond, and shall be irrevocable until the Bond is no longer outstanding.

In accordance with California Government Code Section 53515(a), the Bond shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes described in this Agreement and the Resolution. The lien shall automatically arise without the need for any action or authorization by the District or the Board of the District, and shall be valid and binding from the time the Bond is executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* tax shall be immediately subject to the lien, and the lien shall immediately attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act. Although the statutory lien will not be automatically terminated in the event of the District's filing of a bankruptcy petition pursuant to Chapter 9 of the Bankruptcy Code of the United States, the automatic stay provisions of the Bankruptcy Code will apply and payments of principal and interest on the Bond could be delayed.

Section 4.3. Punctual Payment; Extension of Payments. The District will punctually pay or cause to be paid the principal of and interest on the Bond in strict conformity with the terms of the Resolution and this Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement. The District shall not directly or indirectly extend or assent to the extension of the maturity of any installment of principal of or interest on the Bond.

Section 4.4. Further Assurances. The District will promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Owner all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon it by this Agreement.

Section 4.5. Tax Covenant. The District shall at all times do and perform all acts and things permitted by law and this Agreement that are necessary and desirable in order to assure that interest paid on the Bond will be excludable from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excludable. Without limiting the generality of the foregoing, the District agrees to comply with the provisions of the Tax Certificate. This covenant shall survive the payment in full of the Bond.

Section 4.6. Financial Statements. The District shall furnish or cause to be furnished to the Owner or by filing with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System (EMMA), at the District's expense: (a) the audited financial statements of the District within 270 days of the end of each fiscal year of the District, beginning June 30, 2019; (b) the annual approved or amended operating budget of the District within 30 days of adoption or amendment by the District; (c) the most recent interim financial report submitted to the Board, together with any supporting materials; and (d) such additional information that the Owner may from time to time reasonably request, such as copies of any long-term capital improvement plans. Any audited financial statements furnished to the Owner shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall fairly present the District's financial condition as of the date of the statements. In the absence of Continuing Disclosure or Comprehensive Annual Financial Reporting ("CAPR") the District will annually disclose to the Owner the most recent data available regarding (a) historical assessed valuations of the District's tax base; (b) overlapping debt issued by other municipal debt issuers payable from a tax levy against the same property tax base; (c) listing of the top ten taxpayers; and (d) the District's population.

Section 4.7. Notice to Owner. The District shall provide written notice to the Owner within ten (10) days of the occurrence of the following events: (a) a default on any of the District's obligations herein relating to the Bond; (b) any material action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, threatened against or involving the District; (c) any material proceeding by or before any governmental body threatened against or involving the District; and (d) any event that would have a material adverse effect on the District's ability to satisfy its obligations herein relating to the Bond.

Section 4.8. "Make Whole" Obligation. If the Owner either (a) receives notice, in any form, from the Internal Revenue Service; or (b) reasonably determines, based on an opinion of independent tax counsel selected by the Owner and approved by the District, which approval the

District shall not unreasonably withhold or delay, that the Owner may not exclude the interest component of any interest or principal payment from federal gross income because the District breached a covenant contained in this Agreement, then the District, at the option of the Owner, shall pay to the Owner, within thirty (30) days after the Owner notifies the District of such determination, the amount which, with respect to Interest Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest on the Bond through the date of such determination) that are imposed on the Owner as a result of the loss of the exclusion, will restore the Owner to the same after tax yield on the transaction evidenced by the Bond (assuming tax at the actual marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, the District agrees that upon the occurrence of such an event, it shall pay to the Owner on each succeeding Interest Payment Date and Principal Payment Date such additional amount as will maintain such after tax-yield to the Owner.

Section 4.9. Indemnification. The District shall to the full extent then permitted by law, indemnify, protect, hold harmless, save, and keep harmless the Owner and its directors, officers, and employees from and against any and all liability, obligations, losses, claims, and damages whatsoever, regardless of the cause thereof except to the extent caused by the gross negligence or willful misconduct of the Owner or its directors, officers, and employees, and expenses in connection therewith, including, without limitation, reasonable counsel fees and expenses, penalties and interest arising out of or as the result of the entering into of this Agreement or any other agreement entered into relating to the purchase of the Bond.

Section 4.10. Due Organization. The District is and will be on the Closing Date an elementary school district duly organized and validly existing under the laws of the State of California, with the power to issue the Bond pursuant to all applicable law, to adopt the Resolution and to enter into this Agreement.

Section 4.11. Enforceability of Documents. (i) At or prior to the Closing Date, the District will have taken all action required by it to authorize the issuance and delivery of the Bond; (ii) the District has all necessary power and authority to execute and deliver this Agreement; to adopt the Resolution; to issue and to deliver the Bond; to perform its obligations under the Agreement, the Resolution and the Bond (collectively, the "District Documents"); and to carry out and effectuate the transactions contemplated by the District Documents; and (iii) the Bond constitutes the legally valid and binding obligation of the District, enforceable against the District in accordance with its terms except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

Section 4.12. Authorization. By official action of the District prior to or concurrently with the acceptance hereof, the District has duly authorized and approved the execution and delivery of the Agreement and the Bond, the performance by the District of the obligations on its part contained therein, and the consummation by the District of all other transactions contemplated by the Resolution and this Agreement.

Section 4.13. No Conflicts. The issuance of the Bond, the adoption of the Resolution, the execution and delivery of the other District Documents, and compliance with the provisions on the District's part contained herein and therein will not conflict with or constitute a breach of or default

under the Constitution of the State of California, any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument.

Section 4.14. Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bond or the consummation of the other transactions effected or contemplated herein or hereby. The District gives no representation or warranty with regard to compliance with Blue Sky or similar securities requirements.

Section 4.15. Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best knowledge of the District, threatened against the District (i) affecting the existence of the District or the titles of its officers required to approve or sign documents necessary for the delivery of the Bond, to their respective offices, or seeking to prohibit, restrain or enjoin the issuance of the Bond or the execution and delivery of this Agreement; (ii) affecting delivery of the Bond; (iii) in any material way contesting or affecting the validity or enforceability of the Bond or any other District Document, (iv) contesting the powers of the District or its authority to enter into, adopt or perform its obligations under any of the foregoing, including, but not limited to, the consummation of the transactions contemplated in this Agreement, (v) seeking to restrain or enjoin the sale, issuance or delivery of the Bond, the application of the proceeds of the sale of the Bond, or the collection of the *ad valorem* tax authorized to be levied to pay the principal of and interest on the Bond, or the application thereof, or (vi) wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bond or any other District Document, or in which a final adverse decision could materially adversely affect the operations of the District, the exclusion of the interest paid on the Bond from gross income for federal tax purposes, and the exemption of such interest from California personal income taxation.

Section 4.16. No Violation of Debt Limitation. To the best knowledge of the District, it has not been, is not presently and, as a result of the sale, issuance and delivery of the Bond, will not be in violation of any debt limitation, appropriation limitation or any other provision of the California Constitution that would materially adversely affect the District's obligations under this Agreement.

Section 4.17. Bank Qualified. The Bond is eligible for designation as "qualified tax-exempt obligations" under Section 265(b)(3) of the Tax Code.

Section 4.18. No Other Debt. Between the date hereof and the Closing Date, without the prior written consent of the Original Purchaser, the District will not have issued any bonds, notes or other obligations for borrowed money.

Section 4.19. Certificates. Except as specifically provided, any certificates signed by any officer of the District and delivered to the Original Purchaser shall be deemed a representation and warranty by the District to the Original Purchaser, but not by the person signing the same, as to the statements made therein.

Section 4.20. No Financial Advisory or Fiduciary Relationship. The District represents, warrants and covenants that: (i) the transaction contemplated by the Resolution and the Bond is an arm's length commercial transaction between the District and the Original Purchaser and its affiliates, (ii) in connection with such transaction, the Original Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the District, (iii) the Original Purchaser and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Original Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated by the Resolution or by the Bond and the discussions, undertakings and procedures leading thereto (whether or not the Original Purchaser, or any affiliate of the Original Purchaser, has provided other services or advised, or is currently providing other services or advising the District on other matters), (v) the Original Purchaser and its affiliates have financial and other interests that differ from those of the District, and (vi) the District has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

Section 4.21. Sovereign Immunity. The District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under the Resolution or otherwise with respect to the Bond. To the extent the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to the Resolution or otherwise with respect to the Bond.

ARTICLE V EVENTS OF DEFAULT AND REMEDIES OF OWNER

Section 5.1. Events of Default. The following events shall be Events of Default:

A. default in the due and punctual payment of any installment of the principal of or interest on the Bond when and as the same shall become due and payable; and

B. failure by the District to observe or perform any covenant, condition, agreement or provision in this Agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, has been given to the District; provided, however, if such failure can be remedied but not within such 30-day period and if the District has taken all action reasonably possible to remedy such failure within such thirty-day period, such failure shall not become an Event of Default for so long as the District shall diligently proceed to remedy same, except that such additional grace period shall not exceed 30 days without the prior written consent of the Owner.

Section 5.2. Remedies of Owner. Upon the occurrence and continuance of an Event of Default, the Owner shall have the right

A. by mandamus or other action, suit, or proceeding at law or in equity to enforce the Owner's rights against the Board or the District or any of the officers or employees of the District, and to compel the Board or the District or any such officers or employees to perform and carry out their duties under the Law and the agreements and covenants with the Owner contained herein;

B. by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Owner;

C. by suit in equity upon the nonpayment of the Bond to require the Board or the District or its officers and employees to account as the trustee of an express trust; or

D. to seek any other remedy available to it under law or equity in the State of California.

Section 5.3. Restoration of Positions. In case any proceedings taken by the Owner on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Owner, then in every such case the District and the Owner, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers, and duties of the District and the Owner shall continue as though no such proceedings had been taken.

Section 5.4. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Owner of the Bond is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.5. Delay or Omission Not Waiver. No delay or omission of any Owner of the Bond to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Agreement or by law to the Owner of the Bond may be exercised from time to time, and as often as may be deemed expedient, by the Owner.

ARTICLE VI MODIFICATION OR AMENDMENT

Section 6.1. Amendments Effective Without Consent of the Owners. The Board may amend this Agreement from time to time, without the consent of the Owners of the Bond, for any one or more of the following purposes:

A. to add to the covenants and agreements of the District in this Agreement, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Agreement, as theretofore in effect;

B. to confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Agreement, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Agreement;

C. to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Agreement, in a manner which does not materially adversely affect the interests of the Bond Owners in the opinion of Bond Counsel filed with the District; or

D. to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bond.

Section 6.2. Amendments Effective With Consent of the Owners. The Board may amend this Agreement from time to time for any purpose not set forth in Section 6.1, with the written consent of the Owners of a majority in aggregate principal amount of the Bond outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any outstanding Bond or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Bond the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 5.1 or shall reduce the amount of moneys pledged for the repayment of the Bond without the consent of all the Owners of such Bond, or shall change or modify any of the rights or obligations of any Paying Agent without its written consent.

Section 6.3. Applicable Law. This Agreement shall be governed by the laws of the State of California, exclusive of the choice of law provisions thereof.

Section 6.4. Waiver of Jury Trial. (a) TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE DISTRICT AND THE OWNER IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THE BOND OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE DISTRICT FURTHER AGREES THAT, IN THE EVENT OF LITIGATION, IT WILL NOT PERSONALLY OR THROUGH ITS AGENTS OR ATTORNEYS SEEK TO REPUDIATE THE VALIDITY OF THIS SECTION, AND IT ACKNOWLEDGES THAT IT FREELY AND VOLUNTARILY ENTERED INTO THIS AGREEMENT TO WAIVE TRIAL BY JURY IN ORDER TO INDUCE THE OWNER TO PURCHASE THE BOND.

(b) To the extent the foregoing waiver of a jury trial is unenforceable under applicable California law, the parties agree to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, in connection with or otherwise related or incidental to the Bond to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the

event the parties cannot agree upon a referee, the referee will be appointed by the court. The referee's fees shall be borne by the party who does not prevail, as determined by the referee.

Section 6.5. Website Disclosure. As a best practice to maintain transparency, the Bond and related documentation may (but are not required to) be posted by the District on a national public market repository with certain information redacted pursuant to this Section. With respect to any such posting, the District shall provide such documentation to the Owner for review with reasonable advance notice prior to any posting deadline imposed by applicable law and shall consider in good faith reasonable redaction requests of the Owner Sensitive Data (defined below) that are provided within a reasonable period prior to such posting deadline. The District shall redact such "Owner Sensitive Data" as directed by the Owner. For the purpose of this Section "Owner Sensitive Data" means signatures/names, account numbers, wire transfer and payment instructions and any other data that could be reasonably construed as sensitive information.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the District has caused this Agreement to be duly executed by its officers duly authorized as of the date first written above.

NATIONAL ELEMENTARY SCHOOL DISTRICT

By: Barbara Arabs
President of the Board

ATTEST:

By: Dr. Leighangela Brady
Superintendent and Secretary of the Board

**EXHIBIT A
FORM OF BOND**

REGISTERED

NO. R-1

**NATIONAL ELEMENTARY SCHOOL DISTRICT
San Diego County, California
General Obligation Bond
Election of 2016, Series A
(Bank Qualified)**

<u>Original Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Original Issue Date</u>
\$3,000,000.00	1.150%	November 16, 2020

REGISTERED OWNER: JPMorgan Chase Bank, N.A.

National Elementary School District, a school district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "District"), for value received, hereby acknowledges itself indebted to and promises to pay to the Original Purchaser the installments of principal and interest in the amounts and on the dates stated below, unless such payment date is a non-business day, in which case the payment shall be made on the immediately preceding business day:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
February 1, 2022	\$424,000	\$41,687.50	\$465,687.50
August 1, 2022	424,000	14,812.00	438,812.00
February 1, 2023	453,000	12,374.00	465,374.00
August 1, 2023	453,000	9,769.25	462,769.25
February 1, 2024	219,000	7,164.50	226,164.50
August 1, 2024	219,000	5,905.25	224,905.25
February 1, 2025	236,000	4,646.00	240,646.00
August 1, 2025	235,000	3,289.00	238,289.00
February 1, 2026	170,000	1,937.75	171,937.75
August 1, 2026	167,000	960.25	167,960.25

Interest on the unpaid principal amount of this Bond is calculated from the original issue date stated above at the interest rate per annum stated above, on the basis of a 360-day year comprising twelve 30-day months until such principal amounts are fully paid. The principal and interest installments on this Bond shall be payable in lawful money of the United States of America by wire transfer on each payment date to the registered owner hereof (in accordance with the terms of the Bond Issuance Agreement described below).

This Bond is the single bond of the issue authorized by the District and designated "National Elementary School District, San Diego County, California, General Obligation Bond, Election of 2016, Series A" in the original principal amount stated above. This Bond is issued pursuant to a Bond Issuance Agreement, dated as of November 1, 2020, made by the District (the "Agreement"),

and in conformity with the Constitution and laws of California, including the statutory authority of Chapter 3 of Part I of Section 2 of Title 5 sections 53506 et seq. of the Government Code of the State of California (the "Law").

So long as this Bond is owned by Original Purchaser, the following shall apply: (a) this Bond is not required to be presented and surrendered for payment at any time prior to the final maturity thereof, and (b) the principal of and interest on this Bond shall be paid by wire transfer to the Original Purchaser in accordance with the wire transfer instructions provided by the Original Purchaser from time to time.

It is certified, recited and declared that all acts and conditions required by the Constitution and laws of the State of California to exist, to be performed or to have been met precedent to and in the issuing of this Bond in order to make it a legal, valid and binding general obligation of the District, have been performed and have been met in regular and due form as required by law; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing this Bond; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

Reference is hereby made to the Agreement and to the Law for a description of the terms on which the Bond is issued and to be issued and the rights of the registered owner of the Bond. All the terms of the Agreement and the Law are hereby incorporated herein and constitute a contract between the District and the registered owner from time to time of this Bond. The registered owner of this Bond, by its acceptance hereof, consents and agrees to all the provisions of the Agreement.

The Bond is not subject to optional redemption.

This Bond is transferable by the registered owner hereof, in person or by its attorney duly authorized in writing, at the offices of the Paying Agent, on behalf of the District, but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The District may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the District shall not be affected by any notice to the contrary.

The rights and obligations of the District and of the registered owner of the Bond may be modified or amended at any time in the manner, to the extent, and upon terms provided in the Agreement, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owner of Bond.

It is hereby certified and recited that any and all acts, conditions, and things required to exist, to happen, and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bond, and in the issuing of this Bond, do exist, have happened, and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California; that the total amount of indebtedness of the District, including the amount of this Bond, does not exceed

any limit prescribed by the Constitution and the statutes of the State of California; and that this Bond is not in excess of the amount permitted to be issued under the Agreement.

IN WITNESS WHEREOF, the Governing Board of the National Elementary School District, has caused this Bond to be signed by its President, to be countersigned by the Secretary of the Board, all as of the date stated above.

By: _____
President of the Governing Board of the District

Countersigned:

Secretary of the Governing Board of the District

ASSIGNMENT

For value received _____ hereby sell, assign and transfer unto _____ the within Bond and hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the bond register of the District, with full power of substitution in the premises.

Dated: _____

NOTE: The signature to this Assignment must correspond with the name on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed by:

NOTE: Signature must be guaranteed by an eligible guarantor institution (being banks, stock brokers, savings and loan associations, and credit unions with membership in and approved signature guarantee medallion programs) pursuant to Securities and Exchange Commission Rule 17A(d)15.

Social Security Number, Tax Identification Number, or other identifying number of Assignee: _____

LEGAL OPINION

The following is a true copy of the opinion rendered by Dannis Woliver Kelley, in connection with the issuance of, and dated as of the date of the original delivery of, the District's Bond. A signed copy is on file in my office.

Secretary of the Governing Board

DANNIS WOLIVER KELLEY
555 Capitol Mall, Suite 645
Sacramento, CA 95814

Governing Board
National Elementary School District
1500 N. Avenue
National City, CA 91950

Re: \$3,000,000
 National Elementary School District
 San Diego County, California
 General Obligation Bond
 Election of 2016, Series A
 Final Bond Counsel Opinion

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the National Elementary School District (the "District") of \$3,000,000 aggregate principal amount of the National Elementary School District, San Diego County, California, General Obligation Bond, Election of 2016, Series A (the "Bond"). The Bond is issued pursuant to the Government Code of the State of California (commencing at Section 53506), as amended, and that certain resolution (the "Resolution") and Bond Issuance Agreement dated as of November 1, 2020 (the "Bond Issuance Agreement"), relating to the Bond and adopted by the Governing Board of the District on October 14, 2020. All terms used herein and not otherwise defined shall have the meanings given to them in the Bond Issuance Agreement.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Bond, including the Resolution and Bond Issuance Agreement. Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection, we have also examined such certificates of public officials and officers of the District and the County of San Diego (the "County") as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Bond Issuance Agreement and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any effect on the Bond if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bond has concluded with its issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and Bond Issuance Agreement. We call attention to the fact that the rights and obligations under the Bond, the Resolution and the Bond Issuance Agreement may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors, rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. Finally, we express no opinion and make no comment with respect to the sufficiency of the security for the marketability of the Bond.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bond constitutes a valid and binding general obligation of the District.
2. The Bond is payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount, except for certain personal property that is taxable at limited rates.
3. The Resolution and Bond Issuance Agreement have been duly adopted and constitute valid and binding obligations of the District enforceable against the District in accordance with its terms.
4. Interest on the Bond is excluded from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").
5. Interest on the Bond is exempt from personal income taxes of the State of California.
6. The District has designated the Bond as "qualified tax-exempt obligations," in accordance with Section 265(b)(3) of the Code. The District has not issued any tax-exempt

obligations previously within calendar year 2020 and does not expect to issue a total of more than \$10,000,000 of tax-exempt obligations within calendar year 2020.

Ownership of tax-exempt obligations such as the Bond may result in collateral tax consequences. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner of the Bond or such owner's other items of income or deduction. We express no opinion with respect to any federal, state, or local tax consequences, under present law or any proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bond.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results.

Very truly yours,

DANNIS WOLIVER KELLEY