SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

September 9, 2016

By FEDERAL EXPRESS

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

45 October 4, 2016

LORI GLASGOW
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
c/o Adela Guzman, Head Board Specialist
Kenneth Hahn Hall of Administration
500 W. Temple Street, Suite 383
Los Angeles, CA 90012

Re: Santa Monica-Malibu Unified School District, 2016 General Obligation Refunding Bonds: Request to the Los Angeles County Board of Supervisors to Levy Taxes and to Direct the Auditor-Controller to Place Taxes on Tax Roll

Dear Supervisors:

At this time, the Santa Monica-Malibu Unified School District (the "District") has authorized and intends to issue its 2016 General Obligation Refunding Bonds in an aggregate principal amount not-to-exceed $93,000,000 (the "Bonds"), for the purpose of refunding certain other outstanding general obligation bonds of the District. The above actions were approved by a resolution adopted by the Board of Education of the District on September 1, 2016 (the "Resolution"), pursuant to Section 53550 *et seq.* of the California Government Code and other applicable provisions of law with respect to the Bonds. The Resolution is in full force and effect and the District Board has taken no any action to amend or rescind the Resolution. A certified copy of the Resolution is enclosed herein.

The District formally requests, in accordance with Education Code Section 15250 and other applicable provisions of law, that the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") adopt the enclosed resolution (the "County Resolution") to levy the appropriate taxes for the payment of the Bonds and to direct the Auditor-Controller of the County to place these taxes on the tax roll every year according to a debt service schedule and instructions that will be provided upon the sale of the Bonds, and to direct the County Treasurer and Tax Collector to serve as the Paying Agent for the Bonds.

Board of Education: Craig Foster • Oscar de la Torre • José Escarce • Maria Leon Vazquez
Laurie Lieberman • Ralph Mechur • Richard Tahvildaran-Jesswein
Co-Interim Superintendents: Christopher King and Sylvia Rousseau

IT IS THEREFORE REQUESTED THAT:

1. The Board of Supervisors adopt the County Resolution on the next available Board of Supervisors meeting following the sale of the Bonds. (Two originals are enclosed which have been approved as to form by County Counsel.)

2. After the Board of Supervisors has taken action on this letter, the District requests that the Clerk of the Board of Supervisors furnish two (2) certified copies of the Resolution to:

Carlos Villafuerte
Stradling Yocca Carlson and Rauth
44 Montgomery Street, Suite 4200
San Francisco, CA 94104

and send one (1) copy of the Resolution to each of the following:

Los Angeles County Treasurer and Tax Collector
Attention: John Patterson
500 W. Temple Street, Suite 432
Los Angeles, CA 90012

Los Angeles County Auditor-Controller
Attention: Jackie Guevarra
500 W. Temple Street, Suite 603
Los Angeles, CA 90012

Los Angeles County Counsel
Attention: Thomas Parker
500 W. Temple Street, Room 653
Los Angeles, CA 90012

Sincerely,

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

By: Janece L. Maez

Janece L. Maez, Associate Superintendent
Business & Fiscal Services/CFO

cc: Carlos Villafuerte, Esq.
John Patterson

Enclosures

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA AUTHORIZING THE LEVY OF TAXES FOR 2016 GENERAL OBLIGATION REFUNDING BONDS OF THE SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT, DESIGNATING THE PAYING AGENT THEREFOR AND DIRECTING THE COUNTY AUDITOR-CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL.

WHEREAS, a duly called election was held in the Santa Monica-Malibu Unified School District (the "District"), Los Angeles County (the "County"), State of California, on November 3, 1998 (the "1998 Election") and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite two-thirds vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $42,000,000, payable from the levy of an *ad valorem* property tax by the County against the taxable property in the District (the "1998 Authorization");

WHEREAS, pursuant to the 1998 Authorization, the District previously caused the issuance of $3,995,000 of its General Obligation Bonds (Election of 1998), Series 2001 (the "2001 Bonds");

WHEREAS, pursuant to Section 53550 *et seq.* of the California Government Code (the "Bond Law"), the District previously caused the issuance of $3,285,000 of its 2006 General Obligation Refunding Bonds (the "2006 Refunding Bonds") to refinance a portion of the outstanding 2001 Bonds;

WHEREAS, a duly called election was held in the on November 7, 2006 (the "2006 Election," and together with the 1998 Election, the "Elections"), and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite fifty-five percent vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $268,000,000, payable from the levy of an *ad valorem* property tax by the County against the taxable property in the District (the "2006 Authorization");

WHEREAS, pursuant to the 2006 Authorization, the District previously caused the issuance of the following: (i) $10,690,000 of its Election of 2006 General Obligation Bonds, Series C (the "2006 Series C Bonds"); (ii) $54,310,000 of its Election of 2006 General Obligation Bonds, Series C-1 (Build America Bonds – Direct Payment to District) (the "2006 Series C-1 Bonds"); and (iii) $82,995,327.10 of its Election of 2006 General Obligation Bonds, Series D (the "2006 Series D Bonds," and together with the 2006 Refunding Bonds, 2006 Series C Bonds and 2006 Series C-1 Bonds, the "Prior Bonds");

WHEREAS, the Board of Education of the District determined in a resolution adopted on September 1, 2016 (the "District Resolution"), to authorize the issuance and sale of general obligation refunding bonds (the "Refunding Bonds") in the aggregate principal

amount of not to exceed $93,000,000 to refund certain of the Prior Bonds pursuant to the Bond Law;

WHEREAS, the Board of Supervisors of the County (the "County Board") has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Refunding Bonds when due, and to direct the Auditor-Controller of the County (the "Auditor-Controller") to maintain on its 2017-18 tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Refunding Bonds that will be provided to the Auditor-Controller by the District following the sale of the Refunding Bonds; and

WHEREAS, the District has requested that the Treasurer and Tax Collector of the County (the "Treasurer") be appointed as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Refunding Bonds.

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Levy of Taxes. That this County Board levy taxes in an amount sufficient to pay the principal of and interest on the Refunding Bonds.

SECTION 2. Preparation of Tax Roll. That the Auditor-Controller is hereby directed to maintain on its 2017-18 tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedule for the Refunding Bonds, which will be provided to the Auditor-Controller by the District following the sale of the Refunding Bonds.

SECTION 3. Paying Agent. That the Treasurer act as initial Paying Agent for the Refunding Bonds. The Treasurer is authorized to contract with a third party to perform the services of Paying Agent.

SECTION 4. Effective Date. That this Resolution shall take effect immediately upon its passage.

The foregoing resolution was adopted on the 4th day of October, 2016, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

LORI GLASGOW,
Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By: LaChelle Smitherman
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____
Deputy County Counsel

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
2016 General Obligation Refunding Bonds

I, Dr. Christopher King, hereby certify that I am the duly qualified and acting Co-Interim Superintendent of the Santa Monica-Malibu Unified School District (the "District") and the attached Resolution is a full, true and correct copy of the resolution adopted by the Board of Trustees of the District on September 1, 2016 relating to the above-captioned bonds, and that such resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof.

WITNESS my hand, this 9th day of September 2016.

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

By: _____
Dr. Christopher King
Co-Interim Superintendent

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE OF THE SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT (LOS ANGELES COUNTY, CALIFORNIA) 2016 GENERAL OBLIGATION REFUNDING BONDS

WHEREAS, a duly called election was held in the Santa Monica-Malibu Unified School District (the "District"), Los Angeles County (the "County"), State of California, on November 3, 1998 (the "1998 Election") and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite two-thirds vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $42,000,000, payable from the levy of an *ad valorem* property tax by the County against the taxable property in the District (the "1998 Authorization");

WHEREAS, pursuant to the 1998 Authorization, the District previously caused the issuance of $3,995,000 of its General Obligation Bonds (Election of 1998), Series 2001 (the "2001 Bonds");

WHEREAS, pursuant to Section 53550 *et seq.* of the California Government Code (the "Act"), the District previously caused the issuance of $3,285,000 of its 2006 General Obligation Refunding Bonds (the "2006 Refunding Bonds") to refinance a portion of the outstanding 2001 Bonds;

WHEREAS, a duly called election was held in the on November 7, 2006 (the "2006 Election," and together with the 1998 Election, the "Elections"), and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite fifty-five percent vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $268,000,000, payable from the levy of an *ad valorem* property tax by the County against the taxable property in the District (the "2006 Authorization");

WHEREAS, pursuant to the 2006 Authorization, the District previously caused the issuance of the following: (i) $10,690,000 of its Election of 2006 General Obligation Bonds, Series C (the "2006 Series C Bonds"); (ii) $54,310,000 of its Election of 2006 General Obligation Bonds, Series C-1 (Build America Bonds – Direct Payment to District) (the "2006 Series C-1 Bonds"); and (iii) $82,995,327.10 of its Election of 2006 General Obligation Bonds, Series D (the "2006 Series D Bonds," and together with the 2006 Refunding Bonds, 2006 Series C Bonds and 2006 Series C-1 Bonds, the "Prior Bonds");

WHEREAS, this Board desires to authorize the issuance of general obligation refunding bonds (the "Refunding Bonds") pursuant to the Act, in one or more Series of Taxable or Tax-Exempt Bonds, and further as any combination of Current Interest Bonds, Capital Appreciation Bonds, or Convertible Capital Appreciation Bonds (as such terms are defined herein) to refund all or a portion of the currently outstanding Prior Bonds (so refunded, the "Refunded Bonds");

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation

refunding bonds of the District, and whereas the indebtedness of the District, including this proposed issue of the Refunding Bonds, is within all limits prescribed by law; and

WHEREAS, at this time, the Board desires to appoint professionals related to the issuance of the Refunding Bonds;

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED BY THE BOARD OF EDUCATION OF THE SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA, AS FOLLOWS:

SECTION 1. **Purpose.** To refund all or a portion of the currently outstanding principal amount of the Prior Bonds, and to pay all necessary legal, financial, and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Refunding Bonds pursuant to the Act in one or more Series of Taxable Bonds or Tax-Exempt Bonds (as defined herein), to be styled as the "Santa Monica-Malibu Unified School District (Los Angeles County, California) 2016 General Obligation Refunding Bonds," with appropriate additional Series designations if more than one Series of Refunding Bonds are issued, and as any combination of Current Interest Bonds, Capital Appreciation Bonds, and Convertible Capital Appreciation Bonds, as set forth in the fully executed Purchase Contract (as defined herein). The Board further orders such Bonds sold such that the Refunding Bonds shall be dated as of a date to be determined by an Authorized Officer (as defined herein), shall be payable upon such terms and provisions as shall be set forth in the Refunding Bonds, and shall be in an aggregate Principal Amount not-to-exceed $93,000,000. Additional costs authorized to be paid from the proceeds of the Refunding Bonds are all of the authorized costs of issuance set forth in Section 53550(e) and (f) and Section 53587 of the Government Code.

SECTION 2. **Paying Agent.** The Board hereby appoints the Paying Agent as defined in Section 5 hereof, to act as paying agent, bond registrar, authentication agent and transfer agent for the Refunding Bonds on behalf of the District. The Board hereby authorizes the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Refunding Bonds may be paid in each year from *ad valorem* property taxes levied and collected for the payment thereof, insofar as permitted by law, including specifically Section 15232 of the Education Code.

SECTION 3. **Terms and Conditions of Sale.** The Refunding Bonds are hereby authorized to be sold at a negotiated sale, upon the direction of the Superintendent or the Associate Superintendent, Business and Fiscal Services/CFO (the "Associate Superintendent"), or such other officer or employee of the District as may be designated by the Superintendent or the Associate Superintendent for such purposes (collectively, the "Authorized Officers"). The Refunding Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described below.

SECTION 4. **Approval of Purchase Contract.** The form of contract for purchase and sale of the Refunding Bonds (the "Purchase Contract") by and between the District and the Underwriters (as defined herein), substantially in the form on file with the Secretary to the Board, is hereby approved and the Authorized Officers, each alone, are hereby authorized to execute and deliver the Purchase Contract, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that (i) the maximum interest rates on the Refunding Bonds shall not exceed that authorized by law, and (ii) the underwriting discount, excluding original issue discount, shall not exceed 0.5% of the principal amount of the Refunding Bonds issued. The Authorized Officers, each alone, are further authorized to determine the aggregate principal amount of the Refunding Bonds to be

specified in the Purchase Contract for sale by the District up to $93,000,000 and to enter into and execute the Purchase Contract with the Underwriters, if the conditions set forth in this Resolution are satisfied.

SECTION 5. **Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

(a) **"Accreted Interest"** means, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds prior to the Conversion Date, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

(b) **"Accretion Rate"** means, unless otherwise provided by the Purchase Contract, that rate which, when applied to the Denominational Amount of a Capital Appreciation Bond or a Convertible Capital Appreciation Bond prior to the Conversion Date, and compounded semiannually on each January 1 and July 1, commencing January 1, 2017 (unless otherwise provided in the Purchase Contract), produces the Maturity Value on the maturity date (with respect to Capital Appreciation Bonds) and the Conversion Value on the Conversion Date (with respect to Convertible Capital Appreciation Bonds).

(c) **"Accreted Value"** means, as of the date of calculation, with respect to Capital Appreciation Bonds, and Convertible Capital Appreciation Bonds prior to the Conversion Date, the Denominational Amount thereof plus Accreted Interest thereon to such date of calculation, compounded semiannually on each January 1 and July 1, commencing January 1, 2017 (unless otherwise provided in the Purchase Contract) at the stated Accretion Rate to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of 12, 30-day months.

(d) **"Act"** means Sections 53550 *et seq.* of the California Government Code.

(e) **"Authorizing Documents"** means the authorizing resolution(s), indenture, agreement or other legal document(s) pursuant to which the Prior Bonds were authorized and issued.

(f) **"Beneficial Owner"** means, when used with reference to book-entry Refunding Bonds registered pursuant to Section 6 hereof, the person who is considered the beneficial owner of such Refunding Bonds pursuant to the arrangements for book-entry determination of ownership applicable to the Depository.

(g) **"Bond Insurer"** means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal, Conversion Value and Maturity Value of and interest on the Refunding Bonds.

(h) **"Bond Payment Date"** means, as applicable (and unless otherwise provided by the Purchase Contract), (i) with respect to the Current Interest Bonds, January 1 and July 1 of each year commencing January 1, 2017 with respect to interest thereon, and the stated maturity dates thereof with respect to the Principal payments on the Current Interest Bonds, (ii) with respect to interest on the Convertible Capital Appreciation Bonds, January 1 and July 1 of each year, commencing the first January 1 or July 1 following the respective Conversion Dates thereof, and the stated maturity dates thereof with respect to the Conversion Value of the Convertible Capital Appreciation Bonds, and (iii) with respect to the Capital Appreciation Bonds, the stated maturity dates thereof.

(i) **"Bond Register"** means the registration books which the Paying Agent shall keep or cause to be kept on which the registered ownership, transfer and exchange of Refunding Bonds will be recorded.

(j) **"Capital Appreciation Bonds"** means the Refunding Bonds the interest component of which is compounded semiannually on each January 1 and July 1, commencing January 1, 2017 (unless otherwise provided in the Purchase Contract) to maturity as shown in the table of Accreted Value for such Refunding Bonds in the Official Statement or Purchase Contract, as the case may be.

(k) **"Code"** means the Internal Revenue Code of 1986, as the same may be amended from time to time. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

(l) **"Continuing Disclosure Certificate"** means that certain contractual undertaking executed by the District in connection with the issuance of the Refunding Bonds pursuant to paragraph (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, dated as of the date of issuance of the Refunding Bonds, as amended from time to time in accordance with the provisions thereof.

(m) **"Conversion Date"** means, with respect to Convertible Capital Appreciation Bonds, the date from which such Refunding Bonds bear interest on a current, periodic basis.

(n) **"Conversion Value"** means, with respect to Convertible Capital Appreciation Bonds, the Accreted Value as of the Conversion Date.

(o) **"Convertible Capital Appreciation Bonds"** means the Refunding Bonds the interest component of which is compounded semiannually to the respective Conversion Dates thereof as shown in the table of Accreted Values for the Refunding Bonds in the Official Statement or Purchase Contract, as the case may be, and which bear interest from such respective Conversion Dates on the Conversion Value thereof, payable semiannually on each Bond Payment Date.

(p) **"Current Interest Bonds"** means Refunding Bonds, the interest on which is payable semiannually on each Bond Payment Date specified for each such Refunding Bond and maturing in the years and in the amounts set forth in the Purchase Contract.

(q) **"Date of Delivery"** means the date of initial issuance and delivery of the Refunding Bonds, or such other date as shall be set forth in the Purchase Contract or Official Statement.

(r) **"Denominational Amount"** means the initial Principal Amount of any Capital Appreciation Bond or Convertible Capital Appreciation Bond.

(s) **"Depository"** means the entity acting as securities depository for the Refunding Bonds pursuant to Section 6(c) hereof.

(t) **"DTC"** means The Depository Trust Company, 55 Water Street, New York, New York 10041, a limited purpose trust company organized under the laws of the State of New York, in its capacity as the initial Depository for the Refunding Bonds.

(u) **"Escrow Agent"** means U.S. Bank National Association, or any other successor thereto, in its capacity as escrow agent for the Refunded Bonds.

(v) **"Escrow Agreement"** means that certain agreement relating to the deposit and investment of funds to refund the Refunded Bonds, by and between the District and the Escrow Agent.

(w) **"Federal Securities"** means securities as permitted, in accordance with the Authorizing Documents, to be deposited with the Escrow Agent for the purpose of defeasing the Prior Bonds.

(x) **"Holder"** or **"Owner"** means the registered owner of a Refunding Bond as set forth on the Bond Register maintained by the Paying Agent pursuant to Section 6 hereof.

(y) **"Information Services"** means Financial Information, Inc.'s "Financial Daily Called Bond Service; Standard & Poor's J.J. Kenny Information Services' Called Bond Service; or Mergent Inc.'s Called Bond Department.

(z) **"Maturity Value"** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(aa) **"Moody's"** means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the District.

(bb) **"Nominee"** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 6(c) hereof.

(cc) **"Official Statement"** means the Official Statement for the Refunding Bonds, as described in Section 17 hereof.

(dd) **"Outstanding"** means, when used with reference to the Refunding Bonds, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

(i) Refunding Bonds canceled at or prior to such date;

(ii) Refunding Bonds in lieu of or in substitution for which other Refunding Bonds shall have been delivered pursuant to Section 8 hereof; or

(iii) Refunding Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Refunding Bonds), in accordance with Section 19 of this Resolution

(ee) **"Participants"** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(ff) **"Paying Agent"** means initially the Treasurer, or any other Paying Agent as shall be named in the Purchase Contract or Official Statement, and afterwards any successor financial institution, acting as the authenticating agent, bond registrar, transfer agent and paying agent for the Refunding Bonds. The Treasurer is authorized to contract with a third party for the provision of Paying Agent services hereunder.

(gg) **"Principal" or "Principal Amount"** means, with respect to any Current Interest Bond, the Principal Amount thereof, and with respect to any Capital Appreciation Bond or Convertible Capital Appreciation Bond, the Denominational Amount thereof.

(hh) **"Purchase Contract"** means the contract or contracts for purchase and sale of the Refunding Bonds, by and between the District and the Underwriters. To the extent the Refunding Bonds are sold pursuant to more than one Purchase Contract, each shall be substantially in the form presented to the Board, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve.

(ii) **"Record Date"** means the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(jj) **"Series"** means any Refunding Bonds executed, authenticated and delivered pursuant to the provisions hereof and identified as a separate series of bonds.

(kk) **"S&P"** means S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLC, its successors and their assigns, or, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the District.

(ll) **"Taxable Bonds"** means any Refunding Bonds not issued as Tax-Exempt Bonds.

(mm) **"Tax-Exempt Bonds"** means any Refunding Bonds the interest on which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Refunding Bonds.

(nn) **"Term Bonds"** means those Refunding Bonds for which mandatory sinking fund redemption dates have been established in the Purchase Contract.

(oo) **"Transfer Amount"** means, (i) with respect to any Outstanding Current Interest Bond, the Principal Amount, (ii) with respect to any Outstanding Capital Appreciation Bond, the Maturity Value, and (iii) with respect to any Outstanding Convertible Capital Appreciation Bond, the Conversion Value.

(pp) **"Treasurer"** means the Treasurer and Tax Collector of the County.

SECTION 6. Terms of the Refunding Bonds.

(a) Denomination, Interest, Dated Dates. The Refunding Bonds shall be issued as fully registered bonds registered as to both Principal and interest, in the following denominations: (i) with respect to the Current Interest Bonds, $5,000 Principal Amount or any integral multiple thereof, (ii) with respect to the Capital Appreciation Bonds, $5,000 Maturity Value, or any integral multiple thereof (except for one odd denomination, if necessary), and (iii) with respect to Convertible Capital Appreciation Bonds, $5,000 Conversion Value or any integral multiple thereof. The Refunding Bonds will be initially registered in the name of "Cede & Co.," as the Nominee of DTC.

Each Current Interest Bond shall be dated as of the Date of Delivery, and shall bear interest at the rates set forth in the Purchase Contract from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the Date of Delivery. Interest shall be payable on the respective Bond Payment Dates and shall be computed on the basis of a 360-day year of twelve 30-day months.

The Capital Appreciation Bonds shall mature in the years, shall be issued in aggregate Principal Amounts, and shall have Accretion Rates and denominations per each $5,000 in Maturity Value (except for one odd denomination, if necessary) as shown in the Accreted Value Table attached to the Official Statement or Purchase Contract. The Convertible Capital Appreciation Bonds shall mature in the years,

shall be issued in the aggregate Principal Amounts, and shall have Accretion Rates and denominations per each $5,000 in Conversion Value as shown in such Accreted Value Table; provided, however, that in the event that the amount shown in such Accreted Value Table and the Accreted Value caused to be calculated by the District and approved by the Bond Insurer, if any, by application of the definition of Accreted Value set forth in Section 5 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond or Convertible Capital Appreciation Bond, as applicable.

Each Capital Appreciation Bond shall be dated, and shall accrete interest from, its date of initial delivery. Capital Appreciation Bonds will not bear interest on a current or periodic basis.

Prior to their respective Conversion Dates, each Convertible Capital Appreciation Bond shall not bear current interest but will accrete in value through the Conversion Date thereof, from its Denominational Amount on the Date of Delivery thereof to its Conversion Value on the applicable Conversion Date. No payment will be made to the Owners of Convertible Capital Appreciation Bonds on the respective Conversion Dates thereof. From and after its Conversion Date, each Convertible Capital Appreciation Bond will bear current, periodic interest, and such interest will accrue based upon the Conversion Value of such Convertible Capital Appreciation Bonds at the Conversion Date. Following their respective Conversion Dates, each Convertible Capital Appreciation Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof, unless it is authenticated during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date after the Conversion Date, in which event it will bear interest from the Conversion Date.

No Refunding Bond shall mature later than the final maturity date of the Refunded Bonds to be refunded from proceeds of such Refunding Bond.

(b) Redemption.

(i) Optional Redemption. The Refunding Bonds shall be subject to optional redemption prior to maturity as provided in the Purchase Contract or the Official Statement.

(ii) Mandatory Redemption. Any Refunding Bonds issued as Term Bonds shall be subject to mandatory sinking fund redemption as provided in the Purchase Contract or the Official Statement.

(iii) Selection of Refunding Bonds for Redemption. Whenever provision is made in this Resolution for the optional redemption of Refunding Bonds and less than all Outstanding Refunding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Refunding Bonds for redemption as so directed, and if not so directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Refunding Bonds for redemption as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that (A) the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of $5,000 or any integral multiple thereof, (B) the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per $5,000 Maturity Value thereof, and (C) the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per $5,000 Conversion Value thereof.

The Purchase Contract may provide that (i) in the event that a portion of any Term Bond is optionally redeemed prior to maturity pursuant to Section 6(b)(i) hereof, the remaining

mandatory sinking fund payments with respect to such Term Bonds shall be reduced proportionately or as otherwise directed by the District, in integral multiples of $5,000 Principal Amount, in respect to the portion of such Term Bond optionally redeemed, and (ii) within a maturity, Refunding Bonds shall be selected for redemption on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures, provided further that, such pro-rata redemption is made in accordance with the operational arrangements of DTC then in effect.

(iv) Redemption Notice. When optional redemption is authorized or required pursuant to this Resolution, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Refunding Bonds. Such Redemption Notice shall specify: the Refunding Bonds or designated portions thereof (in the case of redemption of the Refunding Bonds in part but not in whole) which are to be redeemed; the date of redemption; the place or places where the redemption will be made, including the name and address of the Paying Agent; the redemption price; the CUSIP numbers (if any) assigned to the Refunding Bonds to be redeemed, the bond numbers of the Refunding Bonds to be redeemed in whole or in part and, in the case of any Refunding Bond to be redeemed in part only, the portion of the Principal Amount, Conversion Value or Accreted Value of such Refunding Bond to be redeemed; and the original issue date, interest rate or Accretion Rate and stated maturity date of each Refunding Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Refunding Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date thereon, and that from and after such date, interest thereon shall cease to accrue or accrete.

With respect to any Redemption Notice of Refunding Bonds pursuant to this section (or portions thereof), unless upon the giving of such notice such Refunding Bonds shall be deemed to have been defeased pursuant to Section 19 hereof, such notice shall state that such redemption shall be conditional upon the receipt by an independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the Principal, Conversion Value and Maturity Value of, premium, if any, and interest on, such Refunding Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect, no portion of the Refunding Bonds shall be subject to redemption on such date and the Refunding Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption shall not be made and the Paying Agent shall within a reasonable time thereafter (but in no event later than the date initially set for redemption) give notice, to the persons to whom and in the manner in which the Redemption Notice was given, that such moneys were not so received. In addition, the District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent shall distribute a notice of such rescission in the same manner as the Redemption Notice was originally provided.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(1) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Refunding Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(2) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service to the Depository.

(3) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service to one of the Information Services.

(4) Such Redemption Notice shall be given to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

A certificate of the Paying Agent or District to the effect that a Redemption Notice has been given as provided herein shall be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Refunding Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Refunding Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Refunding Bonds being redeemed with the proceeds of such check or other transfer. Such Redemption Notice may state that no representation is made as to the accuracy or correctness of CUSIP numbers printed thereon, or on the Refunding Bonds.

(v) Partial Redemption of Refunding Bonds. Upon the surrender of any Refunding Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Refunding Bond or Refunding Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Refunding Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(vi) Effect of Redemption Notice. Notice having been given as aforesaid, and the moneys for the redemption (including the interest accrued or accreted to the applicable date of redemption) having been set aside as provided in Section 19 hereof, the Refunding Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Refunding Bonds to be redeemed as provided in Section 6(b)(i) hereof, together with interest accrued or accreted to such redemption date, shall be held in trust as provided in Section 19 hereof, so as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as aforesaid, then from and after such redemption date, interest on the Refunding Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held for the redemption of Refunding Bonds shall be held in trust for the account of the Owners of the Refunding Bonds so to be redeemed.

All Refunding Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 6 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Refunding Bond purchased by the District shall be cancelled by the Paying Agent.

(vii) Refunding Bonds No Longer Outstanding. When any Refunding Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the

provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be irrevocably held in trust as provided in Section 19 hereof for the payment of the redemption price of such Refunding Bonds or portions thereof, and, in the case of Current Interest Bonds and Convertible Capital Appreciation Bonds after the Conversion Date, accrued interest thereon to the date fixed for redemption, all as provided in this Resolution, then such Refunding Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

(c) Book-Entry System.

(i) Election of Book-Entry System. The Refunding Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Refunding Bonds in an authorized denomination (except for one odd denomination Refunding Bond). The ownership of each such Refunding Bond shall be registered in the Bond Register maintained by the Paying Agent in the name of the Nominee, as nominee of the Depository and ownership of the Refunding Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 6(c)(i)(4).

With respect to book-entry Refunding Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Refunding Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Refunding Bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book-entry Refunding Bonds, including any Redemption Notice; (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Refunding Bonds to be prepaid in the event the District redeems such Refunding Bonds in part; (iv) or the payment by the Depository or any Participant or any other person, of any amount with respect to Principal, Accreted Value, Conversion Value and premium, if any, or interest on book-entry Refunding Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Refunding Bond is registered in the Bond Register as the absolute Owner of such Refunding Bond for the purpose of payment of Principal, Accreted Value, Conversion Value of and premium, if any, and interest on and to such Refunding Bond, for the purpose of giving notices of redemption and other matters with respect to such Refunding Bond, for the purpose of registering transfers with respect to such Refunding Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Principal, Accreted Value, Conversion Value of and premium, if any, and interest on book-entry Refunding Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his or her respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Principal, Accreted Value, Conversion Value of, premium, if any, and interest on book-entry Refunding Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Principal, Accreted Value, Conversion Value of, premium, if any, and interest on book-entry Refunding Bonds. Upon delivery by the Depository to the Owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word "Nominee" in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the Refunding Bonds for the Depository's book-entry system, the District and the Paying Agent shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in the Refunding Bonds other than the Owners, as shown on the Bond Register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Refunding Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for the Refunding Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the Beneficial Owners of the Refunding Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such Refunding Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Refunding Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Refunding Bonds shall designate, in accordance with the provisions of this Section 6(c).

3. Payments and Notices to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all Outstanding Refunding Bonds are held in book-entry form and registered in the name of the Nominee, all payments by the District or Paying Agent with respect to Principal, Accreted Value, Conversion Value of and premium, if any, or interest on book-entry Refunding Bonds and all notices with respect to such Refunding Bonds, including notices of redemption, shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

4. Transfer of Refunding Bonds to Substitute Depository.

(A) The Refunding Bonds shall be initially issued as described in the Official Statement. Registered ownership of such Refunding Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its Nominee, or of any substitute depository designated pursuant to Section 6(c)(i)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository, upon (a) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (b) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (a) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (b) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(1) or (2), upon receipt of all Outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Refunding Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Refunding Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(3), upon receipt of all Outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Refunding Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Refunding Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or advance refunding of any Refunding Bonds evidencing a portion of the Principal, Maturity Value or Conversion Value maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Refunding Bonds indicating the date and amounts of such reduction in Principal, Maturity Value or Conversion Value, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Refunding Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Refunding Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such Beneficial Owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Refunding Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Refunding Bonds.

SECTION 7. **Execution of Refunding Bonds.** The Refunding Bonds shall be signed by the President of the Board, or such other member of the Board authorized to sign on behalf of the President, by his or her manual or facsimile signature and countersigned by the manual or facsimile signature of the Secretary to or Clerk of the Board, or the designees thereof, all in their official capacities. No Refunding Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Refunding Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Refunding Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 8. **Paying Agent; Transfer and Exchange.** So long as any of the Refunding Bonds remain Outstanding, the District will cause the Paying Agent to maintain and keep at its designated office all books and records necessary for the registration, exchange and transfer of the Refunding Bonds

as provided in this Section. Subject to the provisions of Section 9 below, the person in whose name a Refunding Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Refunding Bond for all purposes of this Resolution. Payment of or on account of the Principal, Accreted Value or Conversion Value of and premium, if any, and interest on any Refunding Bond shall be made only to or upon the order of that person; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Refunding Bonds, including interest, to the extent of the amount or amounts so paid.

Any Refunding Bond may be exchanged for a Refunding Bond of like tenor, Series, maturity and Transfer Amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Refunding Bond may be transferred on the Bond Register only upon presentation and surrender of the Refunding Bond at the designated office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Refunding Bond or Refunding Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Refunding Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

If any Refunding Bond shall become mutilated, the District, at the expense of the Owner of said Refunding Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like Series, tenor, maturity and Transfer Amount in exchange and substitution for the Refunding Bond so mutilated, but only upon surrender to the Paying Agent of the Refunding Bond so mutilated. If any Refunding Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the Owner, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like Series, tenor, maturity and Transfer Amount in lieu of and in substitution for the Refunding Bond so lost, destroyed or stolen (or if any such Refunding Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Refunding Bond, the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the District). The Paying Agent may require payment of a reasonable fee for each new Refunding Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

If signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Refunding Bonds only after the new Refunding Bonds are signed by the authorized officers of the District, as provided in Section 7. In all cases of exchanged or transferred Refunding Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Refunding Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Refunding Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Refunding Bonds surrendered upon that exchange or transfer.

Any Refunding Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to

the Paying Agent for cancellation any previously authenticated and delivered Refunding Bonds that the District may have acquired in any manner whatsoever, and those Refunding Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Refunding Bonds shall be made to the District by the Paying Agent as requested by the District. The cancelled Refunding Bonds shall be retained for three years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Refunding Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Refunding Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) transfer any Refunding Bonds which have been selected or called for redemption in whole or in part.

SECTION 9. **Payment.** Payment of interest on any Current Interest Bond or Convertible Capital Appreciation Bond after its respective Conversion Date, shall be made on any Bond Payment Date to the person appearing on the Bond Register of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Datesuch interest to be paid by either (i) check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date, or (ii) by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The Principal of and redemption premium, if any, payable on the Current Interest Bonds, the Accreted Value and redemption premiums, if any, payable on the Capital Appreciation Bonds, and the Accreted Value, Conversion Value and redemption premiums, if any, on the Convertible Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The Principal, Accreted Value and Conversion Value of, premiums, if any, and interest on the Refunding Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Refunding Bonds when duly presented for payment at maturity, and to cancel all Refunding Bonds upon payment thereof. The Refunding Bonds are obligations of the District, and, except as provided in the Act, are payable solely from the levy of *ad valorem* property taxes upon all property subject to taxation by the District, which taxes are unlimited as to rate or amount. The Refunding Bonds do not constitute an obligation of the County and no part of any fund of the County is pledged or obligated to the payment of the Refunding Bonds.

SECTION 10. **Form of Refunding Bonds.** The Refunding Bonds shall be in substantially the form attached as Exhibit A hereto, allowing those officials executing the Refunding Bonds to make the insertions and deletions necessary to conform the Refunding Bonds to this Resolution, the Purchase Contract and the Official Statement, or to correct or cure any defect, inconsistency, ambiguity or omission therein.

SECTION 11. **Delivery of Refunding Bonds.** The proper officials of the District shall cause the Refunding Bonds to be prepared and, following their sale, shall have the Refunding Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Refunding Bonds, to the Underwriters upon payment of the purchase price therefor.

SECTION 12. **Deposit of Proceeds of Refunding Bonds; Escrow Agreement.** An amount of proceeds from the sale of the Refunding Bonds necessary to purchase certain Federal Securities, or to otherwise refund the Refunded Bonds, shall be transferred to the Escrow Agent for deposit in the escrow fund established under the Escrow Agreement (the "Escrow Fund"), which amount, if uninvested, shall be sufficient, or if invested, together with an amount or amounts of cash held uninvested therein, shall be

sufficient to refund the Refunded Bonds all as set forth in a certificate of an Authorized Officer. Premium or proceeds received from the sale of the Refunding Bonds desired to pay all or a portion of the costs of issuing the Refunding Bonds may be deposited in the fund of the District held by a fiscal agent selected thereby and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying costs of issuance of the Refunding Bonds.

Any accrued interest received by the District from the sale of the Refunding Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Santa Monica-Malibu Unified School District, 2016 General Obligation Refunding Bonds Debt Service Fund" (the "Debt Service Fund") for the Refunding Bonds and used only for payments of Principal, Accreted Value or Conversion Value of and interest on the Refunding Bonds. The Debt Service Fund shall be held by the County, and shall be split into separate funds if the Refunding Bonds are sold in more than one Series. A portion of the premium received by the District from the sale of the Refunding Bonds may be transferred to the Debt Service Fund or applied to the payment of cost of issuance of the Refunding Bonds, or some combination of deposits. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes set forth herein for which the Refunding Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of the Principal, Accreted Value or Conversion Value of and interest on the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

The moneys in the Debt Service Fund, to the extent necessary to pay the Principal, Accreted Value or Conversion Value of and interest on the Refunding Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the Principal, Accreted Value or Conversion Value of and interest on the Refunding Bonds. DTC will thereupon make payments of Principal, Accreted Value or Conversion Value of and interest on the Refunding Bonds to the DTC Participants who will thereupon make payments of such Principal, Accreted Value or Conversion Value and interest to the Beneficial Owners of the Refunding Bonds. Any moneys remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District.

Except as required below to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay Principal, Accreted Value or Conversion Value of and interest on the Refunding Bonds when due.

SECTION 13. Rebate Fund.

(a) General. If necessary, there shall be created and established a special fund designated the "Santa Monica-Malibu Unified School District 2016 General Obligation Refunding Bonds Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code, as the same may be amended from time to time, and the Treasury Regulations promulgated thereunder (the "Rebate Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and Section 14 of this Resolution and by that certain tax certificate concerning certain matters pertaining to the use and investment of proceeds of the Refunding Bonds, executed and delivered to the District on the date of issuance of the Refunding Bonds, including any and all exhibits attached thereto (the "Tax Certificate").

(b) Deposits.

(i) Within forty-five (45) days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate) (1) the District shall calculate or cause to be calculated with respect to the Refunding Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Rebate Regulations, using as the "computation date" for this purpose the end of such five Bond Years, and (2) the District shall deposit to the Rebate Fund from deposits from the District or from amounts available therefor on deposit in the other funds established hereunder, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the "rebate amount" so calculated.

(ii) The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the "rebate amount" calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section.

(iii) The District shall not be required to calculate the "rebate amount" and the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Refunding Bonds (including amounts treated as the proceeds of the Refunding Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148 (f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations or the small issuer exception of Section 148(f)(4)(D) of the Code, whichever is applicable, and otherwise qualify for the exception of the Rebate Requirement pursuant to whichever of said sections is applicable, or (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a "bona fide debt service fund." In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Withdrawal Following Payment of Refunding Bonds. Any funds remaining in the Rebate Fund after redemption of all the Refunding Bonds and any amounts described in paragraph (ii) of subsection (d) of this Section, including accrued interest, shall be transferred to the general fund of the District.

(d) Withdrawal for Payment of Rebate. Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the "rebate amount" and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(i) not later than sixty (60) days after the end of (a) the fifth (5th) Bond Year, and (b) each fifth (5th) Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the "rebate amount" calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Rebate Regulations; and

(ii) not later than sixty (60) days after the payment of all Refunding Bonds, an amount equal to one hundred percent (100%) of the "rebate amount" calculated as of the date of such payment (and any income attributable to the "rebate amount" determined to be due and payable) in accordance with Section 1.148-3 of the Rebate Regulations.

(e) Rebate Payments. Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by or on behalf of the District.

(f) Deficiencies in the Rebate Fund. In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(g) Withdrawals of Excess Amount. In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the "rebate amount" calculated in accordance with said subsection, upon written instructions from the District, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) Record Retention. The District shall retain records of all determinations made hereunder until three years after the retirement of the Refunding Bonds.

(i) Survival of Defeasance. Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Refunding Bonds.

SECTION 14. Security for the Refunding Bonds. Except as provided in the Act, there shall be levied on all the taxable property within the District, in addition to all other taxes, a continuing direct *ad valorem* property tax annually during the period the Refunding Bonds are Outstanding in an amount sufficient to pay the Principal, Accreted Value or Conversion Value of and interest on the Refunding Bonds when due, which moneys, when collected, will be deposited in the Debt Service Fund of the District and used for the payment of the Principal, Accreted Value or Conversion Value of and interest on the Refunding Bonds when and as the same fall due, and for no other purpose. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* property tax in accordance with this Section 14 and Section 53559 of the Act. The Board hereby finds and determines that such *ad valorem* taxes shall be levied specifically to pay the Refunding Bonds being issued to finance and refinance specific projects authorized by the voters of the District at the Elections.

The Refunding Bonds shall, pursuant to Government Code Section 53515, be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* taxes for the payment of the Refunding Bonds.

Pursuant to Government Code sections 5450 and 5451, the District hereby pledges all revenues received from the levy and collection of *ad valorem* property taxes for the payment of the Refunding Bonds and all amounts on deposit in the Debt Service Fund to the payment of the Refunding Bonds. Such pledge shall constitute a lien on and security interest in such taxes and amounts in the Debt Service Fund. This pledge shall constitute an agreement between the District and the Owners of the Refunding Bonds to provide security for the payment of the Refunding Bonds in addition to any statutory lien that may exist.

The moneys in the Debt Service Fund, to the extent necessary to pay the Principal, Accreted Value or Conversion Value of and interest on the Refunding Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay such Principal, Accreted Value or Conversion Value and interest. DTC will thereupon make payments of Principal, Accreted Value or Conversion Value of and interest on the Refunding Bonds to

the DTC Participants who will thereupon make payments of such Principal, Accreted Value or Conversion Value and interest to the Beneficial Owners of the Refunding Bonds. Any moneys remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District.

SECTION 15. **Arbitrage Covenant.** The District covenants that it will restrict the use of the proceeds of the Refunding Bonds in such manner and to such extent, if any, as may be necessary, so that the Refunding Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section. Calculations for determining arbitrage requirements shall be the sole responsibility of the District.

SECTION 16. **Legislative Determinations.** The Board hereby determines that all acts and conditions necessary to be performed by the District or the Board or to have been met precedent to and in the issuing of the Refunding Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Refunding Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Refunding Bonds. Furthermore, the Board hereby finds and determines pursuant to Section 53552 of the Act that the prudent management of the fiscal affairs of the District requires that it issue the Refunding Bonds without submitting the question of the issuance of the Refunding Bonds to a vote of the qualified electors of the District.

SECTION 17. **Official Statement.** The Preliminary Official Statement relating to the Refunding Bonds, substantially in the form on file with the Secretary to the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriters to be used in connection with the offering and sale of the Refunding Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriters a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as an Authorized Officer executing such final Official Statement shall approve. The Underwriters are hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Refunding Bonds and is directed to deliver copies of any final Official Statement to the purchasers of the Refunding Bonds. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

SECTION 18. **Insurance.** In the event the District purchases bond insurance for the Refunding Bonds, and to the extent that the Bond Insurer makes payment of the Principal, Accreted Value or Conversion Value of or interest on the Refunding Bonds, it shall become the Owner of such Refunding Bonds with the right to payment of Principal, Accreted Value or Conversion Value or interest on the Refunding Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims of past due interest, the Paying Agent shall note the Bond Insurer's rights as subrogee on the Bond Register for the Refunding Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Refunding Bonds, and (ii) in the case of subrogation as to claims for past due Principal, Accreted Value or Conversion Value, the Paying Agent shall note the Bond Insurer as subrogee on the Bond Register for the Refunding Bonds maintained by the Paying Agent upon surrender of the Refunding Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 19. **Defeasance.** All or any portion of the Outstanding maturities of the Refunding Bonds may be defeased prior to maturity in the following ways:

(i) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with any amounts transferred from the Debt Service Fund, is sufficient to pay all Refunding Bonds Outstanding and designated for defeasance (including all Principal thereof, accreted or accrued interest thereon and redemption premiums, if any) at or before their maturity date; or

(ii) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with any amounts transferred from the Debt Service Fund and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Refunding Bonds Outstanding and designated for defeasance (including all Principal thereof, accreted or accrued interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Refunding Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated Outstanding Refunding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of such designated Refunding Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, "Government Obligations" shall mean:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips). In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either Moody's or S&P.

SECTION 20. **Other Actions, Determinations and Approvals.**

(a) Officers of the Board, District officials and staff 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 proceed with the issuance of the Refunding Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby finds and determines that both the total net interest cost to maturity of the Refunding Bonds plus the principal amount of the Refunding Bonds will be less than the total net interest cost to maturity on the Refunded Bonds plus the Principal Amount of the Refunded Bonds.

(c) The Board anticipates that the Refunded Bonds will be redeemed on the first respective optional redemption dates therefor following the issuance of the Refunding Bonds.

(d) The Board hereby appoints U.S. Bank National Association as Paying Agent and as Escrow Agent for the Refunding Bonds and approves the form of the Escrow Agreement substantially in the form on file with the Secretary to the Board. The Authorized Officers, each alone, are hereby authorized to execute the Escrow Agreement with such changes as they shall approve, such approval to be conclusively evidenced by such individual's execution and delivery thereof.

(e) The Board hereby appoints Stifel, Nicolaus & Company, Incorporated and RBC Capital Markets, LLC as Underwriters, Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel and Disclosure Counsel, and Keygent LLC as financial advisor, each with respect to the issuance of the Refunding Bonds.

(f) The provisions of this Resolution as they relate to the terms of the Refunding Bonds may be amended by the Purchase Contract and the Official Statement; if the Purchase Contract so provides, the Refunding Bonds may be issued as crossover refunding bonds pursuant to Section 53558(b) of the Government Code. All or a portion of the Refunding Bonds may further be issued on a forward delivery basis, pursuant to a Purchase Contract with such changes therein and modifications thereto necessary to effectuate such forward delivery as the Authorized Officer executing the same shall approve.

SECTION 21. **Resolution to Treasurer.** The Secretary to the Board is hereby directed to provide a certified copy of this Resolution to the Treasurer immediately following its adoption.

SECTION 22. **Request to County to Levy Tax.** The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of *ad valorem* property taxes in each year sufficient to pay all Principal, Accreted Value or Conversion Value of and interest coming due on the Refunding Bonds in such year, and to pay from such taxes all amounts due on the Refunding Bonds. The District hereby requests the Board of Supervisors of the County to annually levy a tax upon all taxable property within the boundaries of the District sufficient to pay all such Principal, Accreted Value or Conversion Value and interest coming due on the Refunding Bonds in such year, and to pay from such taxes all amounts due on the Refunding Bonds.

SECTION 23. **Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated as of the Date of Delivery, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Board hereby approves the form of Continuing Disclosure Certificate appended to the Preliminary Official Statement on file with the Secretary to the Board, and the Authorized Officers, each alone, are hereby authorized to execute the Continuing Disclosure Certificate with such changes thereto as the Authorized Officers executing the same shall approve, such approval to be conclusively evidenced by such execution and delivery. Noncompliance with the Continuing Disclosure Certificate shall not result in acceleration of the Refunding Bonds.

SECTION 24. **Further Actions Authorized.** It is hereby covenanted that the District, and its appropriate officials, have duly taken all actions necessary to be taken by them, and will take any additional actions necessary to be taken by them, for carrying out the provisions of this Resolution.

SECTION 25. **Recitals.** All the recitals in this Resolution above are true and correct and the Board so finds, determines and represents.

SECTION 26. **Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 1st day of September, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

_____
President, Board of Education
Santa Monica-Malibu Unified School District

Attest:

_____
Secretary to the Board of Education
Santa Monica-Malibu Unified School District

SECRETARY'S CERTIFICATE

I, _____, Secretary to the Board of Education of the Santa Monica-Malibu Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of the District duly and regularly and legally held at the regular meeting place thereof on September 1, 2016, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: September ___, 2016

_____
Secretary to the Board of Education
Santa Monica-Malibu Unified School
District

EXHIBIT A

(Form of Current Interest Bond)

REGISTERED
NO.

REGISTERED
$

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
2016 GENERAL OBLIGATION REFUNDING BONDS

INTEREST RATE:	**MATURITY DATE:**	**DATED AS OF:**	**CUSIP**
___% per annum	July 1, 20___	_____, 2016	_____

REGISTERED OWNER: **CEDE & CO.**

PRINCIPAL AMOUNT:

The Santa Monica-Malibu Unified School District (the "District") in Los Angeles County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on January 1 and July 1 of each year (the "Bond Payment Dates"), commencing January 1, 2017. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before December 15, 2016, in which event it shall bear interest from the Date of Delivery. Interest on this bond shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association, as agent of the Treasurer and Tax Collector of Los Angeles County. Principal is payable upon presentation and surrender of this bond at the designated office of the Paying Agent. Interest is payable by wire transfer by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown on the bond register maintained by the Paying Agent as of, and to the bank and account number on file with the Paying Agent as of, the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date").

This bond is one of an authorization of bonds issued by the District pursuant to California Government Code Section 53550 *et seq.* (the "Act") for the purpose of refunding certain outstanding bonded indebtedness of the District, and to pay all necessary legal, financial, and contingent costs in connection therewith. The bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Education of the District adopted on September 1, 2016 (the "Bond Resolution"). This bond and the issue of which this bond is one are general obligation bonds of the District payable as to both Principal and interest solely from the proceeds of the levy of *ad valorem* property taxes on all property subject to such taxes by the District, which taxes are unlimited as to rate or amount.

The bonds of this issue comprise (i) $_____ Principal amount of Current Interest Bonds, of which this bond is a part, (ii) Capital Appreciation Bonds of which $_____ represents the Denominational Amount and $_____ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which $_____ represents the Denominational Amount and $_____ represents the Conversion Value (each, a "Refunding Bond").

This bond is exchangeable and transferable for a bond of like series, tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent by the Registered Owner, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute Owner of this bond for the purpose of receiving payment of or on account of Principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, and Current Interest Bonds may not be exchanged for one another.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Refunding Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) transfer any Refunding Bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before July 1, 20__ are not subject to optional redemption prior to their respective maturity dates. The Current Interest Bonds maturing on or after July 1, 20__ are subject to redemption prior to their respective stated maturity dates at the option of the District, from any source of available funds, as a whole or in part, on any date on or after July 1, 20__, at a redemption price equal to the principal amount of the Current Interest Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

The Current Interest Term Bonds maturing on July 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on July 1 of each year, on and after July 1, 20__, at a redemption price equal to the Principal Amount thereof, together with accrued interest to the date fixed for redemption, without premium. The Principal Amounts represented by such Current Interest Term Bonds to be so redeemed, the dates therefor and the final Principal payment date are as indicated in the following table:

Redemption Date (July 1)	Principal Amount

(1) Maturity.

In the event that a portion of the Current Interest Term Bonds maturing on July 1, 20__ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately or as otherwise directed by the District, in integral multiples of $5,000 of Principal Amount, in respect of the portion of such Current Interest Term Bonds optionally redeemed.

Whenever provision is made for the redemption of Refunding Bonds and less than all Refunding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as directed by the District, and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Refunding Bonds for redemption as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that with respect to redemption by lot, the portion of any Refunding Bond to be redeemed in part shall be in integral multiples of $5,000 Principal Amount.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Refunding Bonds, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Refunding Bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Refunding Bonds in order to make them legal, valid and binding general obligations 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 the Refunding Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the boundaries of the District in an amount sufficient to pay Principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the Santa Monica-Malibu Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the [Secretary to/Clerk of] the Board of the District, all as of the date stated above.

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

By: _____(Facsimile Signature)_____
President, Board of Education

COUNTERSIGNED:

_____(Facsimile Signature)_____
[Secretary to/Clerk of] the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2016.

By: U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By:_____
Authorized Representative

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____ _____

Signature Guaranteed:

_____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

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

Unless this bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

By: _____(Facsimile Signature)_____
[Secretary to/Clerk of] the Board of Education

(Form of Legal Opinion)

(Form of Capital Appreciation Bond)

REGISTERED **REGISTERED**
NO. **$**

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
2016 GENERAL OBLIGATION REFUNDING BONDS

ACCRETION RATE:	MATURITY DATE:	DATED AS OF:	CUSIP
_____%	July 1, _____	_____, 2016	

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The Santa Monica-Malibu Unified School District (the "District") in Los Angeles County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each January 1 and July 1, commencing January 1, 2017, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denominational Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of 12, 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered, such owner being the Registered Owner, on the Register maintained by the Paying Agent, initially U.S. Bank National Association, as agent of the Treasurer and Tax Collector of Los Angeles County. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

This bond is one of an authorization of bonds issued by the District pursuant to California Government Code Section 53550 *et seq.* (the "Act") for the purpose of refunding certain outstanding bonded indebtedness of the District, and to pay all necessary legal, financial, and contingent costs in connection therewith. The bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Education of the District adopted on September 1, 2016 (the "Bond Resolution"). This bond and the issue of which this bond is one are general obligation bonds of the District payable as to both Principal and interest solely from the proceeds of the levy of *ad valorem* property taxes on all property subject to such taxes by the District, which taxes are unlimited as to rate or amount.

The bonds of this issue comprise (i) $_____ Principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds, of which this bond is a part, and of which $_____ represents the Denominational Amount and $_____ represents the Maturity Value, and (iii) Convertible Capital

Appreciation Bonds, of which $_____ represents the Denominational Amount and $_____ represents the Conversion Value (each, a "Refunding Bond").

This bond is exchangeable and transferable for a bond of like series, tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent by the Registered Owner, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute Owner of this bond for the purpose of receiving payment of or on account of Principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, and Current Interest Bonds may not be exchanged for one another.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Refunding Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) transfer any Refunding Bond which has been selected or called for redemption in whole or in part

The Capital Appreciation Bonds maturing on or before July 1, 20__ are not subject to optional redemption prior to their respective stated maturity dates. The Capital Appreciation Bonds maturing on or after July 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole, or in part, on any date on or after July 1, 20__ at a redemption price equal to the Accreted Value of the Capital Appreciation Bonds called for redemption, as of the date fixed for redemption, without premium.

The Capital Appreciation Term Bonds maturing on July 1, 20___, are subject to redemption prior to maturity from mandatory sinking fund payments on July 1 of each year, on and after July 1, 20___, at a redemption price equal to the Accreted Value thereof, as of the date fixed for redemption, without premium. The Accreted Value represented by such Capital Appreciation Term Bonds to be so redeemed, the dates therefor and the final Accreted Value payment date are as indicated in the following table:

Redemption Dates	Accreted Value
TOTAL	

In the event that a portion of the Capital Appreciation Term Bonds maturing on July 1, 20__ are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 Maturity Value, in respect of the portion of such Capital Appreciation Term Bonds optionally redeemed.

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by Paying as in such manner as the Paying Agent may determine; provided, however, that the portion of any bond to be redeemed shall be in the Maturity Value of $5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof

to be redeemed shall be called by the Paying Agent in any order directed by the District and, if not so directed, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of certain defined terms used herein, as well as the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations 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 the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the boundaries of the District in an amount sufficient to pay Principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the Santa Monica-Malibu Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the [Secretary to/Clerk of] the Board of the District, all as of the date stated above.

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

By: _____(Facsimile Signature)_____
President, Board of Education

COUNTERSIGNED:

_____(Facsimile Signature)_____
[Secretary to/Clerk of] the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2016.

By: U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By:_____
Authorized Representative

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____ _____

Signature Guaranteed:

_____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

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

Unless this bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

By: _____(Facsimile Signature)_____
[Secretary to/Clerk of] the Board of Education

(Form of Legal Opinion)

(Form of Convertible Capital Appreciation Bond)

REGISTERED
NO.

REGISTERED
$

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
2016 GENERAL OBLIGATION REFUNDING BONDS

ACCRETION RATE:	MATURITY DATE:	DATED AS OF:	CUSIP
_____%	July 1, _____	_____, 2016	

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The Santa Monica-Malibu Unified School District (the "District") in Los Angeles County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Conversion Value on the Maturity Date, each as stated above, such Conversion Value comprising the Denominational Amount and interest accreted thereon to the Conversion Date. Prior to the Conversion Date, this bond will not bear current interest but will accrete interest, compounded on each January 1 and July 1, commencing January 1, 2017, at the Accretion Rate specified above to the Conversion Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denominational Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of 12, 30-day months. After the Conversion Date, the District promises to pay to the Registered Owner named above, interest on the Conversion Value from the Conversion Date until the Conversion Value is paid or provided for at the Interest Rate stated above, on January 1 and July 1 of each year, commencing _____ 1, 20__ (the "Bond Payment Dates"). This bond will bear such interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before _____ 15, 20__, in which event it will bear interest from the Conversion Date. Conversion Value and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association, as agent of the Treasurer and Tax Collector of Los Angeles County. Accreted Value or Conversion Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest following the Conversion Date is payable by wire transfer by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown on the bond register maintained by the Paying Agent as of, and to the bank and account number on file with the Paying Agent as of, the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date").

This bond is one of an authorization of bonds issued by the District pursuant to California Government Code Section 53550 *et seq.* (the "Act") for the purpose of refunding certain outstanding

bonded indebtedness of the District, and to pay all necessary legal, financial, and contingent costs in connection therewith. The bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Education of the District adopted on September 1, 2016 (the "Bond Resolution"). This bond and the issue of which this bond is one are general obligation bonds of the District payable as to both Principal and interest solely from the proceeds of the levy of *ad valorem* property taxes on all property subject to such taxes by the District, which taxes are unlimited as to rate or amount.

The bonds of this issue comprise (i) $_____ Principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds, of which $_____ represents the Denominational Amount and $_____ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which this bond is a part, and of which $_____ represents the Denominational Amount and $_____ represents the Conversion Value (each, a "Refunding Bond").

This bond is exchangeable and transferable for a bond of like series, tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent by the Registered Owner, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute Owner of this bond for the purpose of receiving payment of or on account of Principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, and Current Interest Bonds may not be exchanged for one another.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Refunding Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) transfer any Refunding Bond which has been selected or called for redemption in whole or in part

The Convertible Capital Appreciation Bonds maturing on or before July 1, 20__ are not subject to optional redemption prior to their fixed maturity dates. The Convertible Capital Appreciation Bonds maturing on or after July 1, 20__ are subject to redemption at the option of the District, as a whole or in part, on any date on or after _____, 20 __ at a redemption price equal to either (i) the Accreted Value thereof as of the date set for redemption, without premium, if redeemed prior to the Conversion Date, or (ii) the Conversion Value thereof, together with interest accrued thereon to the date set for redemption, without premium, if redeemed on and after the Conversion Date.

The Convertible Capital Appreciation Bonds maturing on July 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on July 1 of each year, on and after July 1, 20__, at a redemption price equal to the Conversion Value of such Convertible Capital Appreciation Bonds, together with interest accrued thereon to the date set for redemption, without premium. The Conversion Value represented by such Convertible Capital Appreciation Bonds to be so redeemed and the dates therefor and the final payment date is as indicated in the following table:

Redemption Dates	Conversion Value
TOTAL	

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by Paying as in such manner as the Paying Agent may determine; provided, however, that the portion of any bond to be redeemed shall be in the Conversion Value of $5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called by the Paying Agent in any order directed by the District and, if not so directed, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of certain defined terms used herein, as well as the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the boundaries of the District in an amount sufficient to pay Principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the Santa Monica-Malibu Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the [Secretary to/Clerk of] the Board of the District, all as of the date stated above.

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

By: _____(Facsimile Signature)_____
President, Board of Education

COUNTERSIGNED:

_____(Facsimile Signature)_____
[Secretary to/Clerk of] the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2016.

By: U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By:_____
Authorized Representative

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____ _____

Signature Guaranteed:

_____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

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

Unless this bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

By: _____(Facsimile Signature)_____
[Secretary to/Clerk of] the Board of Education

(Form of Legal Opinion)