



JOSEPH KELLY  
TREASURER AND TAX COLLECTOR

**COUNTY OF LOS ANGELES  
TREASURER AND TAX COLLECTOR**

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February 06, 2018

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

51 February 13, 2018

LORI GLASGOW  
EXECUTIVE OFFICER

**ISSUANCE AND SALE OF  
LOS ANGELES UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, ELECTION OF 2004 (MEASURE R), ELECTION OF 2005  
(MEASURE Y), AND ELECTION OF 2008 (MEASURE Q)  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

The governing board of the Los Angeles Unified School District (the "District") has requested that the County issue general obligation bonds on its behalf in an aggregate principal amount not to exceed \$1,400,000,000. The bonds were authorized by a vote of the qualified electors of the District and will be issued to finance capital improvements to various school facilities. Repayment of the bonds will be funded from the proceeds of ad valorem taxes levied on all taxable property within the District.

**IT IS RECOMMENDED THAT THE BOARD:**

Adopt the resolution authorizing the issuance and sale of the Los Angeles Unified School District (Los Angeles County, California) General Obligation Bonds, Election of 2004 (Measure R), Election of 2005 (Measure Y), and Election of 2008 (Measure Q) in an aggregate principal amount not to exceed \$1,400,000,000.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The governing board of the District adopted a resolution on December 12, 2017 (the "District Resolution") authorizing the issuance and sale of up to \$1,400,000,000, aggregate principal amount of bonds of Los Angeles Unified School District, under the District's Measure R,

Measure Y, and/or Measure Q bond authorizations.

The bonds may be issued in one or more series or subseries and will not exceed a combined total of \$1,400,000,000. The maximum issuance per Measure is as follows: Measure R (not to exceed \$159,990,000), Measure Y (not to exceed \$382,500,000) and Measure Q (not to exceed \$1,400,000,000).

Since March 15, 2007, the District, with concurrence from Los Angeles County Office of Education, has self-reported a “qualified” budget certification, which resulted due to an inability to maintain a statutorily-required reserve fund equal to at least one percent of its budget. The District is currently restricted from issuing the bonds on its own, an option to which it is legally entitled absent the “qualified” designation. In its December 2017 1st Interim Budget Report, the District reported that it met the reserve fund requirement, which would have allowed the District to self-report a “positive” budget certification. The District has opted to pursue a conservative path and continue to self-report a “qualified” certification until the District’s current Fiscal Stabilization Plan, focused on ensuring ongoing compliance with the reserve fund requirement, has been fully implemented. The District expects to be able to self-report a “positive” certification by December 2018.

Pursuant to Section 15100 et seq. of the California Education Code, the County Board of Supervisors is authorized to issue the Bonds on behalf of the District. As part of the Treasurer and Tax Collector’s ongoing due diligence and evaluation process for school district general obligation bond financings, the staff reviewed the District’s proposed financing and found no issues with this transaction. The Bonds will be issued in the name of, and on behalf of the District by the County pursuant to the District Resolution requesting such borrowing.

### **Implementation of Strategic Plan Goals**

This action supports the County’s Strategic Plan Goal #2: Foster vibrant and resilient communities by investing in public school infrastructure within the County.

### **FISCAL IMPACT/FINANCING**

There will be no fiscal impact to the County budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The resolution provides for the issuance of bonds at an interest rate not to exceed eight percent (8.00%) annually. The final structure of the bonds will be determined at the time of pricing to achieve the lowest cost of financing within the tax levy limits of the authorizing ballot measures. The term of the bonds will not exceed twenty-five (25) years. The bonds will be sold through a negotiated offering with participation by the Treasurer and Tax Collector in the pricing of the bonds. The District has selected Bank of America Merrill Lynch and Goldman Sachs as the senior managing underwriters, and the firm of Orrick, Herrington & Sutcliffe LLP as bond counsel. The Treasurer and Tax Collector will appoint U.S. Bank National Association as the paying agent for the bonds.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The Honorable Board of Supervisors

2/6/2018

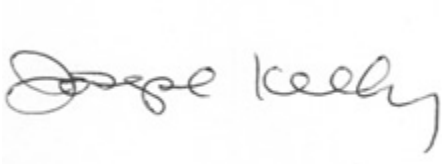
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Not applicable.

**CONCLUSION**

Upon approval of this Resolution, it is requested that the Executive Officer-Clerk of the Board of Supervisors return two originally executed copies of the adopted Resolution to the Treasurer and Tax Collector (Office of Public Finance).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joseph Kelly". The signature is written in a cursive style with a large initial "J".

Joseph Kelly

Treasurer and Tax Collector

JK:KK:AC:TG:JP:J

W:pabPb/brdltrlaus

d2018

Enclosures

c: Auditor-Controller  
County Counsel  
Executive Officer, Board of Supervisors  
Los Angeles Unified School District  
Los Angeles County Office of Education  
Orrick, Herrington & Sutcliffe LLP

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$1,400,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS OF LOS ANGELES UNIFIED SCHOOL DISTRICT UNDER THE DISTRICT'S MEASURE R, MEASURE Y AND/OR MEASURE Q BOND AUTHORIZATIONS, OR ANY COMBINATION THEREOF, IN ONE OR MORE SERIES OR SUBSERIES AND IN THE FORM OF TAX-EXEMPT OR FEDERALLY TAXABLE BONDS, PROVIDED THAT BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE R, MEASURE Y AND MEASURE Q AUTHORIZATIONS SHALL NOT EXCEED \$159,990,000, \$382,150,000 AND \$1,400,000,000, RESPECTIVELY, BY NEGOTIATED SALE PURSUANT TO ONE OR MORE BOND PURCHASE AGREEMENTS, PRESCRIBING THE TERMS OF SALE OF THE BONDS, APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND PURCHASE AGREEMENTS AND PLACEMENT AGENT AGREEMENTS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

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**WHEREAS**, an election was duly called and regularly held in the Los Angeles Unified School District, County of Los Angeles, California (the "District") on March 2, 2004, pursuant to Section 1(b)(3) of Article XIII A of the State of California (the "State") Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the California Education Code (the "Education Code") (the "Act"), and thereafter canvassed pursuant to law ("Measure R"); and

**WHEREAS**, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election 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 \$3.87 billion, payable from the levy of an ad valorem tax against taxable property in the District (the "Measure R Authorization") and the District has previously issued \$3,710,010,000 of such general obligation bonds under the Measure R Authorization; and

**WHEREAS**, an election was duly called and regularly held in the District on November 8, 2005, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and the Act, and thereafter canvassed pursuant to law ("Measure Y"); and

**WHEREAS**, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election 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 \$3.985 billion, payable from the levy of an ad valorem tax against taxable property in the District (the "Measure Y Authorization") and the District has previously issued \$3,602,850,000 of such general obligation bonds under the Measure Y Authorization; and

**WHEREAS**, an election was duly called and regularly held in the District on November 4, 2008, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and the Act, and thereafter canvassed pursuant to law (“Measure Q” and, together with Measure R and Measure Y, the “Measures”); and

**WHEREAS**, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election 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 \$7.00 billion, payable from the levy of an ad valorem tax against taxable property in the District (the “Measure Q Authorization” and, together with the Measure R Authorization and the Measure Y Authorization, the “Authorizations”), and the District has previously issued \$648,955,000 of such general obligation bonds under the Measure Q Authorization; and

**WHEREAS**, the Board of Education of the District (the “Board of Education”) has requested this Board of Supervisors (the “Board of Supervisors”) of the County of Los Angeles (the “County”) to authorize and consummate the sale of bonds and to issue a portion of the approved bonds pursuant to the Act and the Authorizations, in one or more series or subseries, by individual Measure or combined series or subseries of multiple Measures pursuant to Section 15231 of the Education Code, and in the form of tax-exempt or federally taxable bonds, or any combination thereof, in an aggregate principal amount not exceeding \$1,400,000,000, according to the terms and in the manner hereinafter set forth, provided that bonds issued under and attributable to the Measure R Authorization, Measure Y Authorization, and Measure Q Authorization shall not exceed \$159,990,000 (bonds issued as a separate series or subseries individually under the Measure R Authorization and/or in combination with bonds authorized under the Measure Y Authorization and/or the Measure Q Authorization, the “Measure R Bonds”), \$382,150,000 (bonds issued as a separate series or subseries individually under the Measure Y Authorization and/or in combination with bonds authorized under the Measure R Authorization and/or the Measure Q Authorization, the “Measure Y Bonds”) and \$1,400,000,000 (bonds issued as a separate series or subseries individually under the Measure Q Authorization and/or in combination with bonds authorized under the Measure R Authorization and/or the Measure Y Authorization, the “Measure Q Bonds” and, together with the Measure R Bonds and the Measure Y Bonds, the “Bonds”), respectively; and

**WHEREAS**, the Board of Education deemed it necessary and desirable that the Measure R Bonds, the Measure Y Bonds and the Measure Q Bonds be issued for the purpose of financing projects authorized to be financed under the Measure R Authorization, the Measure Y Authorization and the Measure Q Authorization, respectively; and

**WHEREAS**, the Board of Education has requested the Board of Supervisors to authorize the sale of the Bonds by negotiated sale pursuant to one or more Bond Purchase Agreements (each such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, including such changes, insertions and omissions as are necessary to reflect that a sale of all or portion of a series or subseries of Bonds is to one or more Direct Purchasers (as defined below) rather than to the Underwriters (as defined below), being referred to herein as a “Bond Purchase Agreement”) to be entered into with (i) Merrill Lynch, Pierce, Fenner & Smith, Incorporated, Goldman Sachs &

Co. LLC, Citigroup Global Markets Inc., RBC Capital Markets, LLC, Stifel, Nicolaus & Company, Incorporated, Drexel Hamilton, LLC, and Rice Financial Products Company (each, an “Underwriter” and, collectively, the “Underwriters”), and/or (ii) one or more “qualified institutional buyers” (each, a “Qualified Institutional Buyer”) within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the “Securities Act”) and/or “accredited investors” (each, an “Institutional Accredited Investor”) as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act, as herein provided, all according to the terms and in the manner set forth in a resolution duly adopted by the Board of Education on December 12, 2017, a certified copy of which has been filed with the Executive Officer-Clerk of this Board of Supervisors (the “District Resolution”); and

**WHEREAS**, if a sale of a series of Bonds is to one or more Qualified Institutional Buyers and/or Institutional Accredited Investors (each, a “Direct Purchaser”) pursuant to one or more Bond Purchase Agreements, the District proposes to engage, pursuant to a Placement Agent Agreement (each such Placement Agent Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as a “Placement Agent Agreement”), one or more of the broker-dealers from the District’s underwriter bench (each, a “Placement Agent” and, collectively, the “Placement Agents”) as selected as provided in the District Resolution; and

**WHEREAS**, in the District Resolution, the Board of Education of the District found and informed this Board of Supervisors that all acts, conditions and things required by the Constitution and laws of the State of California (the “State”) to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized by the District Resolution do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms provided in the District Resolution; and

**WHEREAS**, this Board of Supervisors accepts the representations of the Board of Education in the District Resolution that it is desirable for the Board of Supervisors to issue the Bonds on behalf of the District and to sell the Bonds by a negotiated sale for the purposes for which the Bonds have been authorized on the terms and conditions set forth in the District Resolution and the Bond Purchase Agreement; and

**WHEREAS**, applicable law mandates that the Bonds shall be offered for sale by the board of supervisors of the county, the county superintendent of which has jurisdiction over the District, as soon as possible following receipt of a resolution duly adopted by the Board of Education of the District; and

**WHEREAS**, the Bonds will be issued by this Board of Supervisors in the name of and on behalf of the District, payable from *ad valorem* taxes to be levied on all taxable property in the District, as herein provided;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AS FOLLOWS:**

**Section 1. Recitals.** All of the above recitals are true and correct.

**Section 2. Definitions.** For the purposes of this Resolution, unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Resolution, have the meanings specified herein. Terms used and not defined herein shall have the meanings set forth in the District Resolution. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa.

**“Advance Refunded Municipal Securities”** shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee, fiscal agent or other fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds or other obligations for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash, direct United States or United States guaranteed obligations, or any combination thereof, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, as appropriate, and (iii) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) above which have been deposited in such fund, along with any cash on deposit in such fund, have been verified by an independent certified public accountant as being sufficient to pay principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, as applicable.

**“Authorized District Officer”** shall mean any of the Chief Financial Officer, the Controller, or any other officer of the District the Chief Financial Officer or the Controller may designate.

**“Board of Education”** shall mean the Board of Education of the District.

**“Board of Supervisors”** shall mean the Board of Supervisors of the County.

**“Bonds”** shall mean the bonds authorized and issued pursuant to this Resolution, at the request of the District pursuant to the District Resolution

**“Book-Entry Bonds”** shall mean the Bonds of any series registered in the name of the nominee of DTC, or any successor securities depository for the Bonds, as the registered owner thereof.

**“Cede & Co.”** shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

**“Chairman of this Board of Supervisors”** shall mean the Chair, Chairman or Mayor of the Board of Supervisors of Los Angeles, California.

**“Chief Financial Officer”** shall mean the Chief Financial Officer of the District or any designee of the Chief Financial Officer of the District.

**“Clerk”** shall mean the Executive Officer-Clerk of the Board of Supervisors of the County or an authorized deputy of such officer.

**“Code”** shall mean the Internal Revenue Code of 1986.

**“Controller”** shall mean the Controller of the District.

**“County”** shall mean the County of Los Angeles.

**“County Auditor-Controller”** shall mean the Auditor-Controller of the County or any authorized deputy thereof.

**“County Treasurer”** shall mean the Treasurer and Tax Collector of the County or any authorized deputy thereof.

**“Defeasance Securities”** shall mean (i) non-callable direct and general obligations of the United States of America (including state and local government series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including in the case of direct and general obligations of the United States of America, evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations; provided that investments in such proportionate interests must be limited to circumstances wherein (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 in one of the two highest rating categories assigned by any two Rating Agencies; (ii) non-callable obligations of government sponsored agencies that are rated in one of the two highest rating categories assigned by any two Rating Agencies but are not guaranteed by a pledge of the full faith and credit of the United States of America; and (iii) Advance Refunded Municipal Securities.

**“District”** shall mean the Los Angeles Unified School District.

**“DTC”** shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

**“Institutional Accredited Investor”** shall mean an “accredited investor” as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act.



**“Interest Payment Date”** shall mean each January 1 and July 1 of each year until the final maturity of the Bonds or such other dates as shall be set forth in the applicable Bond Purchase Agreement.

**“Interest and Sinking Fund”** shall mean each interest and sinking fund of the District, designated to correspond to the applicable Bond series and Measure as appropriate, established for the applicable Measure of a series Bonds and used only for payment of principal of and interest on the Bonds of such series related to such Measure.

**“Investment Agreements”** shall mean, collectively, investment agreements, guaranteed investment contracts, float contracts or other investment products subject to the requirements set forth in Section 15 hereof.

**“Investor Letter”** shall mean a letter in substantially the form attached to this Resolution as Exhibit D.

**“Letter of Representations”** shall mean the blanket letter of representations from the District to DTC dated June 16, 1998, as such blanket letter of representations may be amended, supplemented or otherwise modified and in effect from time to time.

**“Measure Q Bonds”** shall mean Bonds issued pursuant and attributable to the Measure Q Authorization, as a separate series or subseries individually under the Measure Q Authorization and/or in combination with bonds authorized under the Measure R Authorization and/or the Measure Y Authorization.

**“Measure R Bonds”** shall mean Bonds issued pursuant and attributable to the Measure R Authorization, as a separate series or subseries individually under the Measure R Authorization and/or in combination with bonds authorized under the Measure Y Authorization and/or the Measure Q Authorization.

**“Measure Y Bonds”** shall mean Bonds issued pursuant and attributable to the Measure Y Authorization, as a separate series or subseries individually under the Measure Y Authorization and/or in combination with bonds authorized under the Measure R Authorization and/or the Measure Q Authorization.

**“Owner”** shall mean with respect to any Bond, the Person in whose name such Bond is registered on the Registration Books.

**“Paying Agent”** shall mean the County Treasurer or any bank, trust company, national banking association or other financial institution appointed as authenticating agent, bond registrar, transfer agent and paying agent for the Bonds in the manner provided in this Resolution.

**“Person”** shall mean an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

**“Qualified Institutional Buyer”** shall mean a “qualified institutional buyer” within the meaning of Rule 144A promulgated under the Securities Act.

**“Record Date”** shall mean the close of business on the 15th day of the month preceding an Interest Payment Date or such other date or dates as shall be set forth in the applicable Bond Purchase Agreement.

**“Registration Books”** shall mean the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Bonds, as defined in this Resolution.

**“Resolution”** shall mean this Resolution of the Board of Supervisors.

**“Resolutions”** shall mean, collectively, this Resolution and the District Resolution.

**“Securities Act”** shall mean the Securities Act of 1933, as amended.

**“State”** shall mean the State of California.

**“Tax Certificate”** shall mean the applicable Tax Certificate with respect to the Bonds issued as Tax-Exempt Bonds, executed by the District, dated the date of issuance of such Bonds.

**“Tax-Exempt Bonds”** shall mean the series or subseries of the Measure R Bonds, the Measure Y Bonds and the Measure Q Bonds or any combination thereof bearing interest that is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

**“Taxable Bonds”** shall mean the series or subseries of the Measure R Bonds, the Measure Y Bonds and the Measure Q Bonds or any combination thereof bearing interest that is included in gross income for federal income tax purposes under Section 103 of the Code.

**Section 3. District Resolution Incorporated.** The Board of Supervisors hereby acknowledges receipt of the District Resolution. The District Resolution is incorporated herein by reference and all of the provisions thereof are made a part hereof and shall be applicable to the bonds herein provided for, except as herein otherwise expressly provided.

**Section 4. Authorization and Designation of the Bonds; Purpose of Bonds.**  
(a) *Authorization and Designation.* This Board of Supervisors hereby authorizes, in the name of and on behalf of the District, the issuance and sale, by a negotiated sale, of Bonds under the Measures, in one or more series or subseries, by individual Measure or combined series or subseries of multiple Measures pursuant to Section 15231 of the Education Code, or any combination thereof, in an aggregate principal amount not exceeding \$1,400,000,000, provided that the Measure R Bonds, the Measure Y Bonds and the Measure Q Bonds shall not exceed \$159,990,000, \$382,150,000 and \$1,400,000,000, respectively, and designates each series or subseries of the Bonds as the “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds,” with appropriate election, series, subseries and other designations as may be set forth in the applicable Bond Purchase Agreement.

(b) *Purpose of Bonds.* The proceeds of the Measure R Bonds, the Measure Y Bonds and the Measure Q Bonds, exclusive of any premium and accrued interest received, shall be applied to finance projects authorized to be financed under the Measure R Authorization, the Measure Y Authorization and the Measure Q Authorization, respectively, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith.

**Section 5. Form of Bonds; Execution.** (a) *Form of Bonds.* The Bonds shall be issued in fully registered form without coupons. The Bonds, and the paying agent's certificate of authentication and registration and the form of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution.

(b) *Execution of Bonds.* The Bonds shall be signed by the manual or facsimile signatures of the Chairman of the Board of Supervisors and the County Treasurer, and countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors. The Bonds shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent.

(c) *Valid Authentication.* Only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form set forth in Exhibit A, executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

(d) *Identifying Number.* The Paying Agent shall assign each Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal corporate trust office, which record shall be available to the District and the County for inspection.

**Section 6. Terms of Bonds.** (a) *Date of Bonds.* Each Bond shall be dated the date of delivery or such other date as shall be set forth in the Bond Purchase Agreement.

(b) *Denominations.* If a sale of a series or subseries of Bonds, or any portion thereof, is to one or more Direct Purchaser(s), such Bonds shall be issued in denominations of \$100,000 principal amount or any integral multiple of \$5,000 in excess thereof (or such other denominations as shall be designated in the applicable Bond Purchase Agreement). All other series or subseries of Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof.

(c) *Maturity.* The Bonds shall mature on the dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the Bond Purchase Agreement. No Bond shall mature later than the date which is 25 years from the date of such Bond.

(d) *Interest.* The Bonds shall bear interest at an interest rate or rates not to exceed 8.00% per annum, payable on the Interest Payment Dates in each year computed on the basis of a 360-day year of 12 30-day months (or on such other basis as shall be set forth in the applicable

Bond Purchase Agreement). Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated as of a date during the period from the Record Date next preceding an Interest Payment Date to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date for such Bond, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds of such series or subseries, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds of such series or subseries. If provided in the applicable Bond Purchase Agreement, Bonds may have different interest rates for separately defined periods of the term thereof as set forth in the Bond Purchase Agreement.

(e) *Tax-Exempt or Taxable Bonds.* The Bonds may be issued as Tax-Exempt Bonds or Taxable Bonds. The Board of Supervisors hereby finds and determines that, pursuant to Section 5903 of the California Government Code, the interest payable on any portion of the Bonds issued as Taxable Bonds will be subject to federal income taxation under the Code in existence on the date of issuance of such Bonds.

**Section 7. Payment of Bonds.** (a) *Tax Levy.* The money for the payment of principal, redemption premium, if any, and interest with respect to the Bonds of each Measure shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the Interest and Sinking Fund of the District for the related series or subseries of Bonds under each Measure as provided in Section 15146 of the Education Code, and the Board of Supervisors hereby covenants to annually levy *ad valorem* taxes for the payment of the Bonds of each Measure on all property in the District subject to taxation by the District without limitation as to rate or amount (except certain personal property which is taxable at limited rates). The tax levied for each Measure is levied specifically for the purpose of paying each series or subseries of Bonds issued to finance the projects specified in such Measure and for no other purpose.

(b) *Principal.* The principal of the Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(c) *Interest; Record Date.* The interest on each series or subseries of Bonds shall be payable on each Interest Payment Date in lawful money of the United States of America to the Owner thereof as of the Record Date preceding such Interest Payment Date, such interest to be paid by check or draft mailed on such Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to such Owner at such Owner's address as it appears on the Registration Books or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 of outstanding Bonds of a Series who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Payment Date. So long as Cede & Co. or its registered assigns shall be the Owner of the Bonds, payment shall be made in immediately available funds as provided in Section 10(e) hereof.

(d) *Interest and Sinking Fund; Obligation of the District.* Principal, redemption premium, if any, and interest due on the Bonds shall be paid from the Interest and Sinking Fund of the District for the related series or subseries of Bonds under each Measure as provided in Section 15146 of the Education Code. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

(e) *Statutory Lien.* In accordance with Section 15251 of the Education Code, each series or subseries of Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the applicable Measure. As provided in Section 15251 of the Education Code, the lien shall automatically attach without further action or authorization by the District or the County. As set forth in Section 15251 of the Education Code, the lien shall be valid and binding from the time such series or subseries of Bonds are executed and delivered, and the revenues received pursuant to the levy and collection of the tax shall be immediately subject to the lien, and the lien shall automatically attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

(f) *Pledge of Taxes.* Pursuant to the District Resolution, the District pledges all revenues from the property taxes collected from the levy by the Board of Supervisors and amounts on deposit in each Interest and Sinking Fund of the District for the payment of the principal or redemption price of and interest on the related series of Bonds for each respective Measure and all previously issued and outstanding general obligation bonds and general obligation refunding bonds of the District, including those issued pursuant to authorizations approved by voters of the District on April 8, 1997, November 5, 2002, March 2, 2004, November 8, 2005 and November 4, 2008. The District Resolution provides that this pledge shall be valid and binding from the date hereof for the benefit of the owners of such series of Bonds and each issue of outstanding general obligation bonds and general obligation refunding bonds and successors thereto. The District Resolution further provides that the property taxes and amounts held in each Interest and Sinking Fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in such Interest and Sinking Fund of the District to secure the payment of the respective series of Bonds and each issue of outstanding general obligation bonds and general obligation refunding bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The District Resolution provides that the pledge is an agreement between the District and the owners of each series of Bonds and each issue of outstanding general obligation bonds and general obligation refunding bonds to provide security for the related issue of general obligation bonds and general obligation refunding bonds of the District in addition to any statutory lien that may exist, and each such issue of general obligation bonds of the District are or were issued to finance one or more of the projects specified in the applicable Measure and not to finance the general purposes of the District.

**Section 8. Redemption Provisions.** (a) *Optional Redemption.* The Bonds of each series or subseries may be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the applicable Bond Purchase Agreement. The applicable Bond

Purchase Agreement may provide that the Bonds of a series or subseries shall not be subject to optional redemption.

(b) *Selection.* If less than all of the Bonds of a series or subseries, if any, are subject to such redemption and are called for redemption, such Bonds shall be redeemed as directed by the District (or as otherwise set forth in the applicable Bond Purchase Agreement), and if less than all of the Bonds of any given maturity of a series or subseries are called for redemption, the portions of such Bonds of a given maturity to be redeemed shall be determined by lot (or as otherwise set forth in the applicable Bond Purchase Agreement).

(c) *Mandatory Sinking Fund Redemption.* The Bonds, if any, which are designated in the Bond Purchase Agreement as term bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot (or as otherwise set forth in the Bond Purchase Agreement), from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Bond Purchase Agreement. Unless otherwise provided in the Bond Purchase Agreement, the principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately or as otherwise directed by the District by the amount of any Bonds of that maturity redeemed in accordance with subsection (a) of this Section prior to the mandatory sinking fund payment date. The Bond Purchase Agreement may provide that the Bonds shall not be subject to mandatory sinking fund redemption. The County Auditor-Controller is hereby authorized to create such sinking funds or accounts for the term Bonds as shall be necessary to accomplish the purposes of this Section.

(d) *Notice of Redemption.* Notice of any redemption of the Bonds of a series or subseries shall be mailed by the Paying Agent, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the Registration Books, and (ii) as may be further required in accordance with the applicable Continuing Disclosure Certificate.

Each notice of redemption shall state (i) the date of such notice; (ii) the name of the series or subseries of Bonds and the date of issue of such series or subseries of Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Bonds to be redeemed; (vi) if less than all of the Bonds of any maturity of a series or subseries are to be redeemed, the distinctive numbers of the Bonds of each maturity of such series or subseries to be redeemed; (vii) in the case of Bonds of a series or subseries redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity of such series or subseries to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

(e) *Effect of Notice.* A certificate of the Paying Agent that the notice of redemption that has been given to Owners as herein provided shall be conclusive as against all parties. Neither the failure to receive the notice of redemption as provided in this Section, nor any defect

in such notice shall affect the sufficiency of the proceedings for the redemption of the Bonds called for redemption or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in subsection (g) of this Section, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the related Interest and Sinking Fund or the trust fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(f) *Right to Rescind Notice.* The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the related Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of and premium, if any, and interest due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(g) *Funds for Redemption.* Prior to or on the redemption date of any Bonds there shall be available in the related Interest and Sinking Fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as in this Resolution provided, the Bonds designated in the notice of redemption. Such monies shall be applied on or after the redemption date solely for payment of principal of and premium, if any, and interest due on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the related Interest and Sinking Fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the related Interest and Sinking Fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the related Interest and Sinking Fund of the District or otherwise held in trust for the payment of redemption price of the Bonds, the monies shall be held in or returned or transferred to any Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(h) *Defeasance of Bonds.* If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all of the outstanding Bonds of a series or

subseries all or any part of the principal of and premium, if any, and interest on such Bonds at the times and in the manner provided herein and in such Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners of such Bonds shall cease to be entitled to the obligation of the District as provided in Section 7 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under such Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal of and premium, if any, and interest on such Bonds, but only out of monies on deposit in the related Interest and Sinking Fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (i) of this Section shall apply in all events.

For purposes of this Section, the District may pay and discharge any or all of the Bonds of a series or subseries by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money and/or Defeasance Securities, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the related Interest and Sinking Fund of the District, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

(i) *Unclaimed Monies.* Any money held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the principal of, premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to any Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from that fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

**Section 9. Paying Agent and Disbursement Agent.** (a) *Appointment; Payment of Fees and Expenses.* This Board of Supervisors hereby consents to and confirms the appointment of the County Treasurer to act as initial Paying Agent for the Bonds under this Resolution. All fees and expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the Bonds, or from the related Interest and Sinking Fund, insofar as permitted by law, including specifically by Section 15232 of the Education, such fees and expenses shall be paid by the District.

(b) *Resignation, Removal and Replacement of Paying Agent.* The Paying Agent initially appointed or any successor Paying Agent may resign from service as Paying Agent and may be removed at any time by the County Treasurer. If at any time the Paying Agent shall resign or be removed, the County Treasurer shall appoint a successor Paying Agent, which shall be any bank, trust company, national banking association or other financial institution doing business in and having a corporate trust office in California, with at least \$100,000,000 in net assets.

(c) *Principal Corporate Trust Office.* Unless otherwise specifically noted, any reference herein to the Paying Agent shall initially mean the County Treasurer and the designated agents thereof or the successors or assigns thereof, acting in the capacity of Paying



Agent, and any reference herein to the “principal corporate trust office” of the Paying Agent for purposes of transfer, registration, exchange, payment, and surrender of the Bonds shall initially mean the office of the County Treasurer or the principal corporate trust office of his designated agent bank or other office of his designated agent bank designated thereby for a particular purpose; provided, however, that in the event that “Paying Agent” shall refer to any successor paying agent, bond registrar, authenticating agent or transfer agent for the Bonds, “principal corporate trust office” shall include the principal corporate trust office or other office of such successor Paying Agent designated thereby for a particular purpose..

(d) *Registration Books.* The Paying Agent shall keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District and the County, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the Registration Books, Bonds as provided in Sections 10 and 11 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the District or the County in a format mutually agreeable to the Paying Agent and the District and/or the County.

**Section 10. Transfer Under Book-Entry System; Discontinuation of Book-Entry System.** (a) Unless otherwise specified in the related Bond Purchase Agreement, DTC is hereby appointed depository for each series and subseries of Bonds and each series and subseries of Bonds shall be issued in book-entry form only, and shall be initially registered in the name of “Cede & Co.,” as nominee of DTC (“Cede & Co.”). One bond certificate shall be issued for each maturity of each series or subseries of Bonds; provided, however, that if different CUSIP numbers are assigned to Bonds of a series or subseries maturing in a single year or, if Bonds of a series or subseries maturing in a single year are issued with different interest rates, additional bond certificates shall be prepared for each such maturity. Registered ownership of such Bonds of each such maturity, or any portion thereof, may not thereafter be transferred except as provided in this Section or Section 11 hereof:

(i) To any successor of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a "substitute depository"); provided, however that any successor of DTC, as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository 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

(iii) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the District can be

obtained, or (2) a determination by the District that it is in the best interests of the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this Section, upon receipt of the outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, a new Bond for each maturity of each series and subseries shall be executed and delivered (in the aggregate principal amount of such 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 clause (iii) of subsection (a) of this Section, upon receipt of the outstanding Bonds by the Paying Agent together with a written request of the District to the Paying Agent, new Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District, subject to the limitations of Section 12 hereof and the receipt of such a written request of the District, and thereafter, the Bonds shall be transferred pursuant to the provisions set forth in Section 11 hereof; provided, however, that the Paying Agent shall not be required to deliver such new Bonds within a period of less than 60 days after the receipt of any such written request of the District.

(c) In the case of partial redemption or an advance refunding of a series or subseries of Bonds evidencing all or a portion of the principal amount then outstanding, DTC shall make an appropriate notation on the Bonds of such series or subseries indicating the date and amounts of such reduction in principal.

(d) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the owner thereof, notwithstanding any notice to the contrary received by the District or the Paying Agent; and the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds, and neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including DTC or its successor (or substitute depository or its successor), except for the Owner of any Bonds.

(e) So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co., as sole registered Owner, or its registered assigns in effecting payment of the principal of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

**Section 11. Transfer and Exchange.** (a) *Transfer.* Subject to Section 12 hereof, following the termination or removal of DTC or successor depository pursuant to Section 10 hereof, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 9(d) hereof, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Bond or Bonds shall be surrendered for transfer, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 5, a new Bond or Bonds of the same series, subseries, maturity, interest payment dates and interest rates for a like aggregate principal amount. The Paying Agent may require the payment by any Owner of Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Bond shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the applicable series or subseries of Bonds for redemption, and (ii) after any Bond has been selected for redemption.

(b) *Exchange.* The Bonds may be exchanged for Bonds of other authorized denominations of the same series, subseries, term, maturity and interest payment dates and interest rates, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Bond or Bonds shall be surrendered for exchange, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 5, a new Bond or Bonds of the same series, subseries, term, maturity, interest payment date and interest rates for a like aggregate principal amount. The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of any Bonds shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the Bonds for redemption, and (ii) after any Bond has been selected for redemption.

**Section 12. Limitation on Transfer.** (a) *Transfer Restriction.* Notwithstanding anything herein to the contrary, if a sale of a series or subseries of Bonds, or any portion thereof, is to one or more Direct Purchasers, ownership of a Bond of such series or subseries, or such portion thereof, may be transferred (i) only to a Person that is either (A) a Qualified Institutional Buyer that is purchasing such Bond for not more than one account for investment purposes and not with a view to distributing such Bond, or (B) an Institutional Accredited Investor that is purchasing such Bond for not more than one account for investment purposes and not with a view to distributing such Bond, and (ii) only if such Qualified Institutional Buyer or Institutional Accredited Investor delivers to the District and the Paying Agent a completed and duly executed Investor Letter substantially in the form attached hereto as Exhibit D. The District and the Paying Agent may rely conclusively upon the information contained in any Investor Letter.

(b) *Reasonable Belief.* No Owner of a Bond of such a series or subseries, or portion thereof, shall transfer such Bond to any Person that such Owner does not reasonably believe is either (i) a Qualified Institutional Buyer that is purchasing such Bond for not more than one account for investment purposes and not with a view to distributing such Bond, or (ii) an Institutional Accredited Investor that is purchasing such Bond for not more than one account for investment purposes and not with a view to distributing such Bond. Any Owner effecting a transfer of such a Bond shall, and does hereby agree to, indemnify the District and the Paying

Agent against any liability that may result if such transfer is not made in accordance with this Section. The transferor of ownership of such a Bond agrees to provide notice to any proposed transferee of such Bond of the restrictions on transfer described herein.

(c) *Deemed Acceptance.* Each Person to whom ownership of such a Bond is transferred pursuant hereto shall be deemed by the acceptance of such ownership to have agreed to be bound by the provisions of this Section.

(d) *Legend.* The Bonds of such a series or subseries, or portion thereof, shall bear a legend describing or referencing the restrictions on transferability set forth in subsections (a) and (b) of this Section, as follows:

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 12 OF THE RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES. NO TRANSFER, SALE OR OTHER DISPOSITION OF THIS BOND MAY BE MADE EXCEPT TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER OR AN INSTITUTIONAL ACCREDITED INVESTOR.

**Section 13. Sale of Bonds; Bond Purchase Agreement.** (a) *Sale of Bonds.* The Bonds shall be sold by a negotiated sale pursuant to one or more Bond Purchase Agreements to be entered into with (i) the Underwriters, or (ii) one or more Direct Purchasers, or any combination thereof, as shall be determined by the Chief Financial Officer of the District to be in best interest of the District considering, among other factors, the timing of each sale, expected interest cost, debt structure flexibility and the ability to work with Underwriters or Placement Agents, as applicable, familiar with the District, and consistent with the District's Debt Management Policy then in effect (the "Debt Management Policy"); provided, however, that, in each case, (1) the interest rate or rates on any Bond shall not be in excess of 8.00% per annum, (2) the true interest cost for each applicable series of Bonds shall not be in excess of 5.00%, (3) the ratio of total debt service to principal of the each series of Bonds shall not exceed four to one, (4) the underwriters' or placement agents' compensation, as applicable, shall not exceed 1.00% and 1.00%, respectively, of the principal amount of the corresponding Bonds, (5) if a sale of a series of Bonds is to one or more Direct Purchasers, the purchasers' discount or commitment fee shall not be in excess of 1.00% of the principal amount of the corresponding Bonds, and (6) the Bonds shall otherwise conform to the limitations specified herein. In connection with each negotiated sale of a series or subseries of Bonds to one or more Direct Purchasers, the Placement Agents for such Bonds shall be selected by the District in accordance with the Debt Management Policy, with Placement Agents being selected based on the same criteria as underwriters with such changes to reflect the different role served by Placement Agents as determined by the Chief Financial Officer. In connection with each negotiated sale of Bonds, the Chief Financial Officer shall designate which Underwriters shall act as senior manager(s), co-senior manager(s) and co-manager(s) in accordance with the Debt Management Policy.

(b) *Bond Purchase Agreement.* The form of Bond Purchase Agreement, attached hereto as Exhibit B, is hereby approved. The County Treasurer is hereby authorized, for and in the name of the County, to execute and deliver one or more Bond Purchase Agreements in the form presented to this meeting, with such changes, insertions and omissions as the County Treasurer executing the same may require or approve, including such changes, insertions and omissions as are necessary to reflect that a sale of a series of Bonds is to one or more Direct Purchasers rather than to the Underwriters, such requirement or approval to be conclusively evidenced by the execution of the applicable Bond Purchase Agreement by the County Treasurer; provided that the terms of the applicable series of Bonds and the sale thereof shall conform in all respects with the limitations contained in this Resolution. The Bond Purchase Agreement shall recite the aggregate principal amount of each series or subseries of Bonds, the date or dates thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual Interest Payment Dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, if any.

**Section 14. Placement Agent Agreement.** The form of Placement Agent Agreement, attached hereto as Exhibit C, is hereby approved. The County Treasurer is hereby authorized and directed, for and in the name of the County, to execute and deliver one or more Placement Agent Agreements in the form presented to this meeting, with such changes, insertions and omissions as the County Treasurer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the applicable Placement Agent Agreement by the County Treasurer; provided that the terms of the applicable series of Bonds and the sale thereof shall conform in all respects with the limitations contained in this Resolution.

**Section 15. Deposit and Investment of Proceeds.** (a) *Deposit of Proceeds.* The proceeds of sale of the Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury and credited to the building fund of the District (the “Building Fund”). The District shall have sole responsibility that such proceeds be used for the purposes of the applicable Measure for which the Bonds are being issued. Any premium and accrued interest received shall be deposited upon receipt by the District in the applicable Interest and Sinking Fund of the District within the County treasury.

(b) *Investment of Proceeds.* All funds held by the County Treasurer hereunder on behalf of the District shall be invested by the County Treasurer or its agent in the County Investment Pool, any investment authorized pursuant to Sections 53601 and 53635 of the California Government Code, or in any Investment Agreement; provided that such agreements comply with the requirements of Section 148 of the Code, to the extent applicable to the related series or subseries of Bonds, and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds.

Subject to a determination by the Chief Financial Officer, any Authorized District Officer may request the County Treasurer to invest funds held in an Interest and Sinking Fund of the District and in the Building Fund of the District in specific Investment Agreements. Pursuant to Section 5922 of the Government Code, the Board of Education has found and determined that the Investment Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the

amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Bonds and funds held to pay the Bonds.

(c) *Excess Proceeds.* Any excess proceeds of the Bonds on deposit in the Building Fund not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the applicable Interest and Sinking Fund and applied to the payment of principal of, premium, if any, and interest on the Bonds; provided, however, that when all of the principal and interest on all of the Bonds have been paid, any balance then remaining in said fund shall be transferred to the general fund of the District as permitted and provided for in Section 15234 of the Education Code.

**Section 16. Tax Covenant.** The County acknowledges and relies upon the fact that the District has represented and covenanted that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on Tax-Exempt Bonds under Section 103 of the Code, and that it will comply with the requirements of each Tax Certificate of the District with respect to a series of the Bonds comprising Tax-Exempt Bonds, and further that such representation and covenant shall survive payment in full or defeasance of the Bonds.

**Section 17. Limited Responsibility for Official Statement.** Neither the Board of Supervisors nor any officer of the County has prepared or reviewed or will prepare or review the Official Statement of the District describing the Bonds, and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's current portfolio holdings, and valuation procedures, as they may relate to funds of the District, the County Treasurer is hereby authorized and directed to prepare and review such information for inclusion in the Official Statement and in the preliminary Official Statement, and to certify to the District prior to or upon the issuance of each series of the Bonds that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

**Section 18. Approval of Actions.** The Chairman, the Clerk, the County Auditor-Controller, the County Counsel, and the County Treasurer and the deputies and designees of any of them, are hereby authorized and directed to execute and deliver any and all certificates, representations and agreements, as may be acceptable to County Counsel, including signature certificates, no-litigation certificates, and other certificates proposed to be distributed in connection with each sale of Bonds, necessary and desirable to accomplish the transactions authorized herein.

**Section 19. Severability.** In the event any provision of this Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 20. Effective Date.** This resolution shall take effect from and after its adoption.

The foregoing resolution was adopted on the 13<sup>th</sup> day of February, 2018, 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 the Board so acts.



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

By: Lachelle Amitherman  
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM, County Counsel

By: Debi Wickham  
Deputy County Counsel

**EXHIBIT A**

**FORM OF BOND**

Number UNITED STATES OF AMERICA Amount  
R-\_\_\_\_ STATE OF CALIFORNIA \$\_\_\_\_\_  
COUNTY OF LOS ANGELES

[LOS ANGELES UNIFIED SCHOOL DISTRICT  
(COUNTY OF LOS ANGELES, CALIFORNIA)  
GENERAL OBLIGATION BONDS, ELECTION OF 20\_\_, SERIES \_ (20\_\_)]

Maturity Date Interest Rate Dated Date CUSIP NO.  
\_\_\_\_ 1, \_\_\_\_ % \_\_\_\_\_ \_\_\_\_\_

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ DOLLARS

On behalf of the Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), the County of Los Angeles (the "County") hereby acknowledges itself obligated to and promises to pay, but only from taxes collected by the County for such purpose pursuant to Section 15250 of the California Education Code, to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date set forth above or upon prior redemption hereof, the Principal Amount specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) immediately preceding any interest payment date to and including such interest payment date, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before \_\_\_\_\_ 15, \_\_\_\_\_, in which event it shall bear interest from the Dated Date hereof (provided, that if, at the time of authentication of this bond, interest is in default on any outstanding Bonds, this bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the outstanding Bonds) at the interest rate per annum stated above, payable commencing on \_\_\_\_\_ 1, \_\_\_\_\_, and thereafter on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 in each year, until payment of the principal sum hereof.

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office (as defined in the Resolution) of the paying agent/registrars and transfer agent of the District (the "Paying Agent"), initially U.S. Bank National Association, as the agent of the Treasurer and Tax Collector of the County of Los Angeles. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying



Agent as the Registered Owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check mailed to such Registered Owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid in immediately available funds (e.g., by wire transfer) to an account maintained in the United States as specified by the owner in such request. So long as Cede & Co. or its registered assigns shall be the Registered Owner of this bond, payment shall be made in immediately available funds as provided in the Resolution hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$\_\_\_\_\_, and designated as the "Los Angeles Unified School District General Obligation Bonds (County of Los Angeles), Election of 20\_\_, Series \_\_(20\_\_)" (the "Bonds"). [The Bonds were authorized by a vote of the voters voting at an election duly and legally called, held and conducted in the District on \_\_\_\_\_.] The Bonds are issued and sold by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to and in conformity with the provisions of the Constitution and laws of the State and of a resolution (the "Resolution") adopted by the Board of Supervisors on \_\_\_\_\_, 20\_\_ including the terms set forth in the Bond Purchase Agreement as provided in the Resolution.

The bonds of this issue are issuable only as fully registered bonds in the denominations of \$5,000 principal amount or any integral multiple thereof [\$100,000 principal amount or any integral multiple of \$5,000 in excess thereof]. This bond is exchangeable and transferable for bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or transfer 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 Resolution. All fees and costs of exchange or transfer shall be paid by the Registered Owner requesting such exchange or transfer. 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.

[The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the County Resolution and the Bond Purchase Agreement. If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.]

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in conformity with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. The Bonds represent an

obligation of the District payable out of the related Interest and Sinking Fund or Funds of the District (as defined in the Resolution), and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

This bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

**IN WITNESS WHEREOF** the County of Los Angeles has caused this bond to be executed on behalf of the District and in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

**COUNTY OF LOS ANGELES**

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Chair of the Board of Supervisors

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Treasurer and Tax Collector

Countersigned:

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Executive Officer-Clerk  
of the Board of Supervisors

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION**

This is one of the Bonds described in the within-mentioned Resolution and authenticated and registered on \_\_\_\_\_, 20\_\_.

By \_\_\_\_\_  
Paying Agent/Registrar and Transfer Agent

By \_\_\_\_\_  
Authorized Officer

**DTC LEGEND**

[Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

**ASSIGNMENT**

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

\_\_\_\_\_  
I.D. Number

\_\_\_\_\_  
NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: \_\_\_\_\_

Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

**EXHIBIT B**

**FORM OF BOND PURCHASE AGREEMENT**

**EXHIBIT C**

**FORM OF PLACEMENT AGENT AGREEMENT**

## EXHIBIT D

### FORM OF INVESTOR LETTER

Los Angeles Unified School District  
333 S. Beaudry Avenue, 26th Floor  
Los Angeles, California 90017  
Attention: Chief Financial Officer

County of Los Angeles  
Office of Public Finance  
Treasurer and Tax Collector  
500 West Temple Street, Room 432  
Los Angeles, CA 90012  
Attention: [\_\_\_\_\_]

[Paying Agent], as Paying Agent  
Attention: Corporate Trust Department

Re: Los Angeles Unified School District (Los Angeles County, California),  
Election of 20\_\_ , Series (20\_\_)

Ladies and Gentlemen:

The undersigned (the “Purchaser”) understands that the County of Los Angeles, California (the “County”), on behalf of the Los Angeles Unified School District (the “District”), has, pursuant to a Resolution adopted by the Board of Education of the District on December 12, 2017 (the “District Resolution”) and a Resolution adopted by the Board of Supervisors of the County of Los Angeles on \_\_\_\_\_, 20\_\_ (the “County Resolution,” and together with the District Resolution, the “Resolutions”), issued the Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 20\_\_. Series \_\_, in the aggregate principal amount of \$\_\_\_\_\_. The Purchaser intends to purchase certain of said bonds (for purposes of this Investor Letter, the “Bonds”). In connection with such purchase of the Bonds, the Purchaser makes the certifications, representations, warranties, acknowledgements and covenants contained in this Investor Letter to each of the addressees hereof, with the express understanding that such certifications, representations, warranties, acknowledgements and covenants will be relied upon by such addressees. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Resolutions.

The Purchaser hereby certifies, represents, warrants, acknowledges and covenants as follows:

(a) The Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and is authorized to invest in the

Bonds being purchased hereby. The person executing this letter on behalf of the Purchaser is duly authorized to do so on the Purchaser's behalf.

(b) The Purchaser (MARK APPROPRIATELY):

\_\_\_\_\_ is a "qualified institutional buyer" (a "Qualified Institutional Buyer") within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or

\_\_\_\_\_ is an "accredited investor" (an "Institutional Accredited Investor") as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act.

(c) The Purchaser is not purchasing the Bonds for more than one account, is purchasing the Bonds for investment purposes and is not purchasing the Bonds with a view to distributing the Bonds.

(d) The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other [tax-exempt] obligations similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Purchaser is able to bear the economic risks of such an investment.

(e) The Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop and, accordingly, that the Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(f) The Purchaser understands and agrees that ownership of a Bond may be transferred (i) only to a Person that is either (A) a Qualified Institutional Buyer that is purchasing such Bond for not more than one account for investment purposes and not with a view to distributing such Bond, or (B) an Institutional Accredited Investor that is purchasing such Bond for not more than one account for investment purposes and not with a view to distributing such Bond, and (ii) only if such Qualified Institutional Buyer or Institutional Accredited Investor delivers to the District and the Paying Agent a completed and duly executed Investor Letter substantially in the form attached to the County Resolution as Exhibit E.

(g) The Purchaser understands and agrees that it may transfer all or any part of the Bonds only to an institution that the Purchaser reasonably believes is either (i) a Qualified Institutional Buyer that is purchasing such Bonds for not more than one account for investment purposes and not with a view to distributing such Bonds, or (ii) an Institutional Accredited Investor that is purchasing such Bonds for not more than one account for investment purposes and not with a view to distributing such Bonds.

(h) The Purchaser is not relying upon the District, the County, the Paying Agent, or any of their respective affiliates or employees, for advice as to the merits and risks of investment in the Bonds. The Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.



(i) The Purchaser has conducted its own independent examination of, and has had an opportunity to ask questions and receive answers concerning, the District, the Paying Agent, the Resolutions, the Bonds and the security therefor and the transactions and documents related to or contemplated by the foregoing.

(j) The Purchaser has been furnished with all documents and information regarding the District, the Paying Agent, the Resolutions, the Bonds and the security therefor and the transactions and documents related to or contemplated by the foregoing, and all matters related thereto, that it has requested.

(k) The Purchaser understands and agrees that the offering and sale of the Bonds are exempt from Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, pursuant to Section (d) of said Rule.

(l) The undersigned is the chief financial officer, a person fulfilling an equivalent function or other authorized executive officer of the Purchaser.

The Purchaser hereby agrees to be bound by the provisions of Section 12 of the County Resolution.

IN WITNESS WHEREOF, the Purchaser has executed this Investor Letter as of the date set forth below.

Very truly yours,

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\$ \_\_\_\_\_  
**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
**(COUNTY OF LOS ANGELES, CALIFORNIA)**  
**[GENERAL OBLIGATION BONDS, \_\_\_\_\_, SERIES \_ (2018)]**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2018

County of Los Angeles  
437 Kenneth Hahn Hall of Administration  
Treasurer and Tax Collector  
500 West Temple Street  
Los Angeles, California 90012

Los Angeles Unified School District  
c/o Office of the Chief Financial Officer  
333 S. Beaudry Avenue, 26th Floor  
Los Angeles, California 90017

Ladies and Gentlemen:

The undersigned, [Underwriter], on its own behalf and as representative (the "Representative") of the Underwriters identified on the signature page hereof (collectively, the "Underwriters"), hereby offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the County of Los Angeles, California (the "County") and the Los Angeles Unified School District (the "District"), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriters. By execution of this Purchase Agreement, the County acknowledges the terms hereof and recognizes that it will be bound by certain of the provisions hereof, and to the extent binding on the County, acknowledges and agrees to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the County and the District and delivery of such acceptance to us at or prior to 11:59 PM, California Time, on the date hereof.

**1. Purchase and Sale of the Bonds.** (a) Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriters for such purpose, all (but not less than all) of the District's \$ \_\_\_\_\_ aggregate principal amount of [General Obligation Bonds, \_\_\_\_\_, Series \_ (2018)] (the "Bonds"). The Bonds shall be issued in the form of current interest bonds in such principal amounts as set forth in Exhibit A hereto and shall be issued in fully registered form in the authorized denominations of \$5,000 or any integral multiple thereof. The Bonds shall bear interest payable from the date thereof and such interest shall be payable on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, commencing \_\_\_\_\_ 1, 201\_.

(b) The Underwriters shall purchase the Bonds at a price of \$\_\_\_\_\_ (the “Purchase Price”) (which represents the aggregate principal amount of the Bonds, plus an original issue premium of \$\_\_\_\_\_, and less Underwriters’ discount in the amount of \$\_\_\_\_\_). From the Purchase Price for the Bonds, the Underwriters shall withhold and hereby agree to wire on the Closing Date (as defined below) \$\_\_\_\_\_ in immediately available funds to U.S. Bank National Association, as costs administrator, to pay the costs of issuance of the Bonds as provided in Section 15 of this Purchase Agreement.

(c) Any authority, discretion, or other power conferred upon the Underwriters by this Purchase Agreement shall be exercised by the Representative alone.

**2. The Bonds.** (a) The Bonds shall be dated their date of delivery, shall bear interest at the rates, shall mature in the years and amounts and shall have the redemption provisions as set forth in Exhibit A hereto. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of (i) Section 1(b)(3) of Article XIII A of the California Constitution and Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code, commencing with Section 15264 (collectively, the “Bond Law”), (ii) a Resolution of the Board of Education of the District (the “Board of Education”) adopted on December 12, 2017 (the “District Resolution”), and (iii) a resolution of the Board of Supervisors of the County (the “Board of Supervisors”), adopted on [\_\_\_\_\_, 201\_], authorizing the issuance of the Bonds on behalf of the District and certain related documents and actions (the “County Resolution” and together with the District Resolution, the “Resolutions”). [The Bonds were authorized under and pursuant to bond authorization approved by more than 55% of the voters of the District voting at elections held on March 2, 2004 (“Measure R”), November 8, 2005 (“Measure Y”), and November 4, 2008 (“Measure Q” and together with Measure R and Measure Y, the “Measures”).] [The Bonds are being issued to finance projects authorized by the Measures.]

(b) Upon the written acceptance of this Purchase Agreement by the County and the District, the Representative, on behalf of the Underwriters, shall deliver, within twenty-four (24) hours of such acceptance, by federal funds wire transfer (to the County’s account at a bank having an office located in the State of California and having a demand account relationship with the County and payable in immediately available funds), for the account of the County, the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), as a good-faith deposit (“Good Faith Deposit”) for the performance by the Underwriters of their obligations to accept and pay for the Bonds at Closing (as defined herein) in accordance with the provisions of this Purchase Agreement. Upon receipt, such amount shall be held by the County pending Closing (except as provided below), although the proceeds thereof may be invested by the County pending the Closing. At the Closing, the Underwriters shall pay or cause to be paid the Purchase Price of the Bonds, less the amount of such Good Faith Deposit, without accrued interest, and thereupon the County shall apply the amount of the Good Faith Deposit, to the payment of the balance of such Purchase Price. In the event of the County’s inability to deliver the Bonds at the Closing, or if the County or the District is unable to satisfy the conditions to the Underwriters’ obligations contained herein (unless such conditions are waived by the Underwriters), or if the Underwriters’ obligations shall be terminated for any reason permitted hereby, the County shall forthwith return the amount of the Good Faith Deposit, without accrued interest, to the Representative

immediately and, subject to Section 15 of this Purchase Agreement, such return shall constitute a full release and discharge of all claims by the Underwriters against the County and the District arising out of the transactions contemplated by this Purchase Agreement. In the event that the Underwriters fail (other than for a reason permitted hereby) to accept and pay for the Bonds at the Closing as herein provided, the proceeds of the Good Faith Deposit, shall be retained and applied by the County and the District in full and complete liquidated damages (and not as a penalty) for such failure and as a discharge of all damages suffered on the part of the County and the District as a result of such failure.

(c) The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement, the Bond Law and the Resolutions. The Bonds shall be in definitive form, shall bear CUSIP numbers and shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”).

**3. Use of Documents.** The District and the County (as appropriate) hereby authorize the Underwriters to use, in connection with the offer and sale of the Bonds, the Resolutions, this Purchase Agreement, a Preliminary Official Statement and an Official Statement (both as defined herein) and all information contained herein and therein and all of the documents, certificates or statements furnished by the District or the County to the Underwriters in connection with the transactions contemplated by this Purchase Agreement.

**4. Public Offering of the Bonds.** (a) The Representative, on behalf of the Underwriters, agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the District and Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District’s municipal advisor, Public Resources Advisory Group (the “Municipal Advisor”) and any notice or report to be provided to the District may be provided to the District’s Municipal Advisor.

(b) Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first (meaning single) price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Representative shall report to the District the price or prices at which the Underwriters have sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Representative agrees to promptly report to the District the prices at which Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined herein) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the Representative represents that (i) the 10% test has been satisfied and (ii) the 10% test has not been satisfied and for which the District and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the District when the Underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the sale date.

The District acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(d) The Representative confirms that:

- (1) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will

contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(2) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(e) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party;

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) “sale date” means the date of execution of this Purchase Agreement by all parties.

**5. Review of Official Statement.** (a) The Underwriters hereby represent that they have received and reviewed the official statement in preliminary form with respect to the Bonds, dated \_\_\_\_\_, 2018 (the “Preliminary Official Statement”). The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revisions to or additions of the initial public offering prices, interest rates, yields, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings, credit enhancement and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (“Rule 15c2-12”).

(b) The Underwriters agree that prior to the time the final official statement (the “Official Statement”) relating to the Bonds is available, the Underwriters will make available to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) or electronic copy posted on an accessible website not later than the next business day following the date upon which each such request is received.

(c) The Underwriters agree to file the Official Statement with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system within one business day after receipt thereof from the District, but in no event later than the Closing Date (as defined below).

(d) References herein to the Preliminary Official Statement and the Official Statement include the cover page through all appendices, exhibits, reports and statements included therein or attached thereto, as the same may be amended or supplemented from time to time.

**6. Closing.** (a) At 8:30 a.m., California Time, on \_\_\_\_\_, 2018, or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (the “Closing,” or the “Closing Date”), the District will direct U.S. Bank National Association, as agent to the Treasurer and Tax Collector of the County (the “Treasurer”), as paying agent for the Bonds (the “Paying Agent”) to deliver to the account of the Representative, through the facilities of DTC, or at such other place as the District and the Underwriters may mutually agree upon, the Bonds duly executed and in fully registered, book-entry form, and will cause the other documents hereinafter mentioned pertaining to the Bonds to be delivered at the offices of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District (“Bond Counsel”), in Los Angeles, California, or at such other place as shall have been mutually agreed upon by the parties hereto.

(b) Upon fulfillment of all conditions to Closing herein, the Underwriters will accept such delivery and pay the Purchase Price thereof in immediately available funds (by check, wire transfer or such other manner of payment as the Representative and the Treasurer shall reasonably agree upon) to the order of the County and U.S. Bank National Association, as cost

administrator, as provided by Section 1 hereof, less the Good Faith Deposit, as provided by Section 2 hereof.

**7. Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriters that:

(a) The District is a unified school district validly existing under the laws of the State of California (the "State"), with the power to issue the Bonds pursuant to the Bond Law.

(b) (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to execute and deliver this Purchase Agreement and the Continuing Disclosure Certificate (as defined below), to adopt the District Resolution, to issue and to deliver the Bonds, and to perform its obligations under each such document or instrument (collectively, the "District Documents"), and to carry out and effectuate the transactions contemplated by the District Documents; (iii) the execution and delivery or adoption of, and the performance by the District of its obligations contained in, the Bonds and the other District Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes, and each of the Bonds, when issued, authenticated, delivered and sold to the Underwriters as provided herein, and each of the other District Documents, when duly executed and delivered, will constitute, a valid and legally binding obligation of the District, enforceable against the District in accordance with its terms; and (v) the District has duly authorized the consummation by it of all transactions contemplated by the District Documents.

(c) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) The District is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which



would adversely affect the transactions contemplated hereby, a default or event of default by the District under any of the foregoing.

(e) The issuance of the Bonds, the adoption, execution, delivery and performance of the District Documents, and the compliance with the provisions of the District Documents do not conflict with or result in on the part of the District a violation or breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, where such conflict, violation, breach or default, individually or in the aggregate, shall result in a material adverse change to the District that materially and adversely affects the ability of the Underwriters to market the Bonds or enforce contracts of sale on the Bonds.

(f) As of the time of acceptance hereof, except as provided in the Official Statement, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the District Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds or the other District Documents or contesting the powers of the District or its authority with respect to the Bonds or the other District Documents; (iii) contesting the completeness or accuracy of the Preliminary Official Statement; or (iv) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by the District Documents, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of the interest paid on the Bonds from State personal income taxation.

(g) Between the date hereof and the Closing, without the prior written consent of the Representative, the District will not have issued in the name of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement.

(h) The Preliminary Official Statement was as of its date (excluding information permitted to be omitted pursuant to Rule 15c2-12), and the Official Statement is, and at all times subsequent to the date of the Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7. L. of this Purchase Agreement, at the date of the delivery of the Official Statement, as amended) up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain, and up to and

including the Closing will contain, no untrue statement of any material fact and do not, and up to and including the Closing will not, omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. At the time of the Closing, there shall not have been any material adverse changes in the financial condition of the District since the date of the Official Statement.

(i) To assist the Underwriters in complying with Rule 15c2-12, the District will undertake, pursuant to the District Resolution and the Continuing Disclosure Certificate dated the Closing Date (the “Continuing Disclosure Certificate”), to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will be set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement, the District has not failed to comply in all material respects with any prior disclosure undertakings pursuant to Rule 15c2-12 in the last five years.

(j) Any certificates signed by any officer of the District and delivered to the Underwriters shall be deemed a representation and warranty by the District to the Underwriters, but not by the person signing the same in such person’s individual capacity, as to the statements made therein.

(k) Preparation and distribution of the Official Statement has been duly authorized by the District, and at the time of delivery of the Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7. L. of this Purchase Agreement, at the time of the delivery of the Official Statement, as amended) to the Underwriters and at all times subsequent thereto up to and including the Closing Date, the information contained therein (excluding the statements and information in APPENDIX \_\_ – “BOOK-ENTRY ONLY SYSTEM” and any information provided by the Underwriters in writing for inclusion in the Official Statement) will be true and correct in all material respects and such information will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(l) The District agrees that if at any time before the Closing any event occurs as a result of which the Official Statement as then in effect would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, then the District shall promptly prepare or cause to be prepared and furnish (at the expense of the District) an amendment or supplement to the Official Statement that will correct such statement or omission. The District will advise the Underwriters promptly of any proposal to so amend or supplement the Official Statement and will effect such amendment or supplement in a form and manner approved by the Underwriters.

(m) The audited financial statements of the District for the fiscal year ended June 30, 2017 (selected information from which is included as APPENDIX \_\_ to the Official Statement) were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position and results of operation of the District for the period and at the date set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the District since the date of such financial statements, except as otherwise disclosed in the Official Statement.

(n) The District Resolution has been duly adopted, has not been modified, repealed or rescinded in any respect, and is in full force and effect.

**8. Representations, Warranties and Agreements of the County.** The County hereby represents, warrants and agrees with the Underwriters that:

(a) The County has the power under the laws of the State to issue the Bonds pursuant to the Bond Law.

(b) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to execute and deliver this Purchase Agreement, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriters on behalf of the District and to perform its obligations under each such document or instrument (collectively, the "County Documents"), and to carry out and effectuate the transactions contemplated by the County Documents; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in, the Bonds and the other County Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes, and each of the other County Documents, when duly executed and delivered in accordance with the County Resolution, will constitute, a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms; and (v) the County has duly authorized the consummation by it of all transactions contemplated by the County Documents.

(c) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may reasonably request, or which have not been taken or obtained; provided, however, that the County shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) To the best knowledge of the County, the County is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the County is a party or to which the County or any of its property or assets is otherwise subject, which breach or default would materially adversely affect the County's ability to enter into or perform its obligations under this Agreement.

(e) To the best knowledge of the County, the issuance of the Bonds, the adoption, execution, delivery and performance of the County Documents, and the compliance with the provisions of the County Documents do not conflict with or result in on the part of the County a violation or breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the County is a party or to which the County or any of its property or assets is otherwise subject, where such conflict, violation, breach or default, individually or in the aggregate, shall result in a material adverse change to the County that materially and adversely affects the ability of the Underwriters to market the Bonds or enforce contracts of sale on the Bonds.

(f) As of the time of acceptance hereof, except as provided in the Official Statement, to the best knowledge of the County, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the County) or threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices or the titles of the officials of the County to such offices; (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the County Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds or the County Documents or contesting the powers of the County or its authority with respect to the Bonds or the County Documents; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County or the consummation of the transactions contemplated by the County Documents or the Bonds or (b) declare the County Documents or the Bonds to be invalid or unenforceable in whole or in material part.

(g) Between the date hereof and the Closing, without the prior written consent of the Underwriters, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement.

(h) Any certificates signed by any officer of the County and delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters, but not by the person signing the same in such person's individual capacity, as to the statements made therein.

**9. Covenants of the County and the District.** The County and the District respectively covenant and agree with the Underwriters that:

(a) The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriters if and as the Underwriters may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions as the Underwriters may reasonably request; provided, however, that the District and the County shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof.

(b) The District hereby agrees to deliver or cause to be delivered to the Underwriters, not later than the earlier of (i) the third (3rd) business day preceding the Closing Date or (ii) the seventh (7th) business day following the date this Purchase Agreement is signed, the Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriters, the County and the District, (a) in “designated electronic format” (as defined in Rule G-32 of the Municipal Securities Rulemaking Board), and (b) in printed form in such reasonable quantities as may be requested by the Underwriters in order to permit the Underwriters to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the Municipal Securities Rulemaking Board.

(c) The District hereby agrees to promptly notify the Underwriters of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing.

(d) If at any time prior to the expiration of 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12), any event known to the District or the County relating to or affecting the District, the County or the Bonds occurs which might cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the District or the County will promptly notify the Underwriters in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the reasonable opinion of Hawkins Delafield & Wood LLP, Disclosure Counsel to the District (“Disclosure Counsel”), or the Underwriters, to amend or supplement the Official Statement so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and if either shall have so advised the District, the District will forthwith cooperate with the Underwriters in the prompt preparation and furnishing to the Underwriters, at the expense of the District, of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance satisfactory to the Underwriters, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue statement

of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The District and the County will presume that unless otherwise notified in writing by the Representative, the end of the underwriting period will occur on the date of delivery of the Bonds.

(e) To assist the Underwriters in complying with Rule 15c2-12 and for the benefit of the holders and beneficial owners of the Bonds, the District will undertake to provide annual reports and notices of certain events pursuant to the Continuing Disclosure Certificate.

**10. Representations, Warranties and Agreements of the Underwriters.** The Underwriters represent to and agree with the District and the County that, as of the date hereof and as of the date of Closing:

(a) The Representative is duly authorized and has been duly authorized by the Underwriters, pursuant to an agreement among the Underwriters (the "AAU"), to execute this Purchase Agreement, to act hereunder on behalf of the Underwriters and to take all actions, and waive any condition or requirement, required or permitted to be taken or waived hereunder by the Representative or the Underwriters.

(b) Based on representations in the AAU, the Underwriters have, and have had, no financial advisory relationship (as such term is defined in California Government Code Section 53590) with the District or the County with respect to the Bonds, and no investment firm controlling, controlled by or under common control with any of the Underwriters has or has had any such financial advisory relationship (as such term is defined in California Government Code Section 53590).

(c) The Underwriters shall comply with all statutes, rules and regulations of all governmental entities in connection with the offering and sale of the Bonds.

**11. Division of Responsibility Between District and County.** It is specifically acknowledged and agreed by and between the District and the County that the County shall have no responsibility or liability to ensure or provide compliance with those provisions of this Purchase Agreement which are to be performed solely by the District and the District shall have no responsibility or liability to ensure or provide compliance with those provisions of this Purchase Agreement which are to be performed solely by the County.

**12. Underwriters Not Acting as Agents, Advisors or Fiduciaries.** The Underwriters hereby advise the District that they are not acting as agents, advisors or fiduciaries of the District or as financial advisors or municipal advisors (within the meaning of Section 15B of the Securities and Exchange Act of 1934) or fiduciaries of the District in connection with the matters contemplated by this Purchase Agreement. The District acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is a negotiated arm's-length commercial transaction between the District and the Underwriters; (ii) the Underwriters are acting solely as principals in connection with the matters contemplated by and with respect to

all communications under this Purchase Agreement and are not acting as the agents, advisors or fiduciaries of the District or as financial advisors or municipal advisors (within the meaning of Section 15B of the Securities and Exchange Act of 1934) or fiduciaries of the District in connection with the matters contemplated by this Purchase Agreement; and (iii) that each Underwriter is acting solely in its capacity as an underwriter for its own account. In connection with the purchase and sale of the Bonds, the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

**13. Conditions to Closing.** The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the County and the District contained herein and the performance by the District and the County of their respective obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Purchase Agreement are and shall be subject, at the option of the Underwriters, to the following further conditions at the Closing:

(a) The representations and warranties of the County and the District contained herein shall be true, complete and correct at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriters at the Closing pursuant hereto shall be true, complete and correct on the date of the Closing; and the County and the District shall be in compliance with each of the respective agreements made by them in this Purchase Agreement.

(b) At the time of the Closing, (i) the District Documents and the County Documents shall be in full force and effect and the Resolutions and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; (ii) all actions under the Bond Law which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (iii) the County and the District shall have adopted, and there shall be in full force and effect such additional resolutions, agreements, opinions and certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax exempt character of the interest on the Bonds), which resolutions, agreements, opinions and certificates shall be satisfactory in form and substance to Bond Counsel to the District and to the Underwriters, and there shall have been taken in connection therewith and in connection with the execution and delivery of the Bonds all such actions as shall, in the reasonable opinion of each, be necessary in connection with the transactions contemplated hereby; (iv) all actions under the Resolutions which, in the opinion of Bond Counsel to the District, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (v) the Bonds shall have been duly authorized, executed and delivered; and (vi) the District and the County shall perform or have performed all of their respective obligations required under or specified in the District Documents and the County Documents to be performed at or prior to the Closing.

(c) No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, be pending (in which service of process has been completed against the County or the District) or threatened which has any of the effects described in Section 7. F. or Section 8. F. hereof or contests in any way the completeness or accuracy of either of the Official Statement.

(d) Between the date hereof and the Closing, the market for or the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Resolutions are not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(2) the declaration of war or engagement in major military hostilities or escalation of hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue or a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having



jurisdiction, or a material disruption in commercial banking or securities settlement or clearance services shall have occurred;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect or any proceeding shall have been commenced, against the District or the County, in connection with Bonds or obligations of the general character of the Bonds of the District or the County, by the Securities and Exchange Commission or other governmental agency having jurisdiction over the issue, offering or sale thereof;

(6) any rating of the Bonds or other debt obligations of the District has been downgraded, suspended or withdrawn by a national rating service or a negative qualification (e.g., “credit watch” or “negative outlook” designation) or other announcement made by a national rating service that the Bonds or other debt obligations of the District are under review without indication of a potentially favorable result, which, in the reasonable opinion of the Representative, materially adversely affects the marketability or market price of the Bonds;

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(8) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the District.

(e) At or prior to the date of the Closing, the Underwriters shall have received the following documents, in each case dated as of the Closing Date unless otherwise specified herein and satisfactory in form and substance to the Underwriters:

(1) the approving opinion of Bond Counsel with respect to the Bonds, dated the Closing Date and addressed to the District, substantially in the form attached as APPENDIX \_\_ to the Preliminary Official Statement;

(2) a reliance letter from Bond Counsel to the effect that the Underwriters may rely upon the approving opinion of Bond Counsel described in E. (1) above;

(3) a supplemental opinion of Bond Counsel substantially in the form attached hereto as Exhibit C, subject to the satisfaction of the Underwriters, dated the Closing Date and addressed to the Underwriters;

(4) the Continuing Disclosure Certificate signed by an appropriate official of the District and in form and substance reasonably satisfactory to the Underwriters;

(5) a certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, the Official Statement and the Continuing Disclosure Certificate; (ii) the representations, agreements and warranties of the District herein are true and correct as of the date of Closing; (iii) the District has complied with all the terms of the District Documents to be complied with by the District prior to or concurrently with the Closing and the District Documents are in full force and effect; (iv) no litigation is pending (with service of process having been accomplished) or, to the best of the District's knowledge, threatened (either in State or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, the Official Statement, the Continuing Disclosure Certificate or this Purchase Agreement, or (C) in any way contesting the existence or powers of the District; (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (vi) each of the conditions listed in Section 13 of this Purchase Agreement required to be satisfied by the District has been satisfied on the date thereof and the District is not aware of any other condition of this Purchase Agreement that has not been satisfied on the date thereof; and (vii) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolutions, the Official Statement and this Purchase Agreement;

(6) a certificate signed by an appropriate official of the County to the effect that (i) such official is authorized to execute and to approve this Purchase Agreement; (ii) the representations, agreements and warranties of the County herein are true and correct as of the date of Closing; (iii) the County has complied

with all the terms of the County Documents to be complied with by the County prior to or concurrently with the Closing; (iv) to the best of the County's knowledge, no litigation is pending (with service of process having been accomplished) or threatened (either in State or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds or this Purchase Agreement, or (C) in any way contesting the existence or powers of the County; (v) such official has reviewed APPENDIX \_\_ – "THE LOS ANGELES COUNTY TREASURY POOL" to the Preliminary Official Statement and the Official Statement and on such basis certifies that APPENDIX \_\_ – "THE LOS ANGELES COUNTY TREASURY POOL" to the Preliminary Official Statement and the Official Statement do not contain any untrue statements of a material fact or omit to state a material fact concerning the County required to be stated therein or necessary to make the statements concerning the County therein, in light of the circumstances in which they were made, not misleading; (vi) each of the conditions listed in Section 13 of this Purchase Agreement required to be satisfied by the County has been satisfied on the date thereof and the County is not aware of any other condition of this Purchase Agreement that has not been satisfied on the date thereof; and (vii) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution and this Purchase Agreement;

(7) a certificate of the Paying Agent, or its agent, as applicable, dated the date of the Closing, signed by a duly authorized officer of the Paying Agent, or its agent, as applicable, and in form and substance satisfactory to the Underwriters, to the effect that:

(i) to the best of such officer's knowledge, the representations and agreements of the Paying Agent in the Master Paying Agent and Registrar Agreement, dated as of January 1, 20\_\_ (the "Paying Agent Agreement"), between the County and the Paying Agent, are true and correct as of the date of the Closing;

(ii) the Paying Agent Agreement has been duly authorized, executed and delivered and, assuming due execution by the other parties thereto, is enforceable against the Paying Agent in accordance with its terms; and

(iii) to the best of such officer's knowledge, no litigation is pending or threatened (either in State or federal courts) (A) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or the Paying Agent Agreement;

(8) a tax certificate of the District in form satisfactory to Bond Counsel with respect to the Bonds;

(9) evidence satisfactory to the Underwriters that any ratings described in the Official Statement are in full force and effect as of the Closing Date;

(10) the opinion of General Counsel to the District, addressed to the District, the County and the Underwriters, dated the Closing Date, to the effect that:

(i) the District is a unified school district validly existing under the Constitution and the laws of the State;

(ii) the District has the full right and lawful authority to enter into and perform its duties and obligations under the District Documents and to authorize the issuance and sale of the Bonds;

(iii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending, or to such counsel's knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement or the due adoption of the District Resolution, and there is no breach or default by the District under any other instruments which is caused by the issuance of the Bonds or the execution and delivery of this Purchase Agreement or the Continuing Disclosure Certificate;

(iv) General Counsel to the District is not representing the District in connection with any litigation of any nature to restrain or enjoin the execution, delivery or performance of the District Documents, the Bonds or any of the proceedings taken with respect to the issuance of the Bonds, the application of monies to the payment of the Bonds or in any manner questioning the proceedings and authority under which the Bonds were authorized or challenging the validity of the Bonds, the existence or boundaries of the District or the title of the officials of the District who have acted with respect to the proceedings for the issuance of the Bonds on behalf of the District to their respective offices; and

(v) the Official Statement has been duly approved by the District;

(11) the opinion of County Counsel for the County ("County Counsel"), as counsel to the Board of Supervisors, addressed to the County, the District and the Underwriters, dated the Closing Date, to the effect that:

(i) the County is a political subdivision of the State, duly organized and validly existing under the Constitution and the laws of the State;

(ii) the County Resolution approving and authorizing the execution and delivery of this Purchase Agreement and the sale and issuance of the Bonds was duly adopted at a meeting of the Board of Supervisors, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption of the County Resolution, and the County Resolution has not been modified, amended, rescinded or revoked and is in full force and effect on the date thereof;

(iii) to the best knowledge of County Counsel, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public authority or body, pending or threatened against the County in which service of process has been completed (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective offices; (b) seeking to prohibit, restrain or enjoin the execution, delivery or performance of this Purchase Agreement or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds or the County Documents; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Documents; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds, or the application thereof to such payment; and

(iv) this Purchase Agreement has been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, this Purchase Agreement constitutes a legal, valid and binding obligation of the County enforceable against the County in accordance with its terms;

provided that any County Counsel opinions regarding the enforcement of the County Documents and the Bonds may be expressly limited by the effect of bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought and by the limitations on legal remedies imposed on actions against counties in the State;

(12) the opinion of [\_\_\_\_\_], counsel for the Underwriters ("Underwriters' Counsel"), dated the date of Closing and addressed to the Underwriters, satisfactory in form and substance to the Underwriters;

(13) the opinion of Disclosure Counsel substantially in the form attached hereto as Exhibit D, subject to the satisfaction of the Underwriters, dated the date of Closing and addressed to the District and a reliance letter from

Disclosure Counsel addressed to the Underwriters to the effect that the Underwriters may rely upon the opinion of Disclosure Counsel;

(14) a certificate, together with a fully executed copy of each of the District Resolution, of the Executive Officer of the Board of Education to the effect that:

(i) such copy is a true and correct copy of the District Resolution; and

(ii) that the District Resolution was duly adopted, has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(15) an original or copy of the County Resolution, certified by the Executive Officer - Clerk of the Board of Supervisors;

(16) a certificate of the appropriate official of the District evidencing the District's determination respecting the Preliminary Official Statement in accordance with Rule 15c2-12;

(17) a transcript of all proceedings relating to the authorization, issuance and delivery of the Bonds; and

(18) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters may reasonably request to evidence compliance (i) by the County, the District and the Paying Agent (and its agent, if applicable) with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained, and (iii) the due performance or satisfaction by the County, the District and the Paying Agent (and its agent, if applicable) at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by them.

If the County and/or the District shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Underwriters at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing, or by telephone or electronic communication, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative in writing at its sole discretion.

**14. Conditions to Obligations of the District.** The performance by the County and the District of their obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder and (ii) receipt by the District and the Underwriters of opinions and

certificates being delivered at the Closing by persons and entities other than the County and the District.

**15. Expenses.** On the Closing Date, the Underwriters will wire \$\_\_\_\_\_ from the proceeds of the Bonds and as a portion of the Purchase Price of the Bonds as provided in Section 1 hereof to U.S. Bank National Association, as costs administrator, to be used to pay costs of issuance of the Bonds, including, but not limited to the following at the direction of the District: (i) the costs of the preparation and reproduction of the Resolutions; (ii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees for Bond ratings, including all necessary expenses for travel outside of California; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement, and any supplement or amendment thereto; (vi) the initial fees of the Paying Agent; and (vii) all other fees and expenses incident to the issuance and sale of the Bonds or the performance of its obligations hereunder. All out-of-pocket expenses of the Underwriters, including California Debt and Investment Advisory Commission fees, CUSIP Service Bureau registration fees, Underwriters' Counsel fees, Municipal Securities Rulemaking Board fees, expenses for travel and other expenses of the Underwriters, shall be paid by the Underwriters; provided, however, that (i) the District shall pay for expenses incurred on behalf of the District employees in connection with implementing this Purchase Agreement, including, but not limited to, meals, transportation, and lodging of those employees, if any, and (ii) if: (A) the Bonds are not delivered to the Underwriters by the District (unless such delivery is prevented by the Underwriters' default under this Purchase Agreement, in which case the Underwriters shall pay such costs and expenses); (B) the District is unable to satisfy the conditions in Section 13; or (C) the District is unable to fulfill their obligations set forth in this Purchase Agreement, the District shall reimburse the Underwriters for all of the foregoing expenses, with the exception of the Underwriters' Counsel fees.

**16. Terms and Conditions of Bonds.** By executing this Purchase Agreement, the Treasurer is exercising the authority granted to him under the County Resolution to determine the terms of the Bonds (which terms are set forth in Exhibit A hereto).

**17. Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer and Tax Collector of the County of Los Angeles at 437 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012; if to the District, to the Chief Financial Officer of the Los Angeles Unified School District, 333 S. Beaudry Avenue, 26th Floor, Los Angeles, California 90017, or if to the Representative, to [Underwriter], \_\_\_\_\_, \_\_\_\_\_, California \_\_\_\_\_, Attention: \_\_\_\_\_, \_\_\_\_\_.

**18. Severability.** In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**19. Parties in Interest; Survival of Representations and Warranties.** This Purchase Agreement when accepted by the County and the District in writing as heretofore

specified shall constitute the entire agreement among the County, the District and the Underwriters with respect to the Bonds. This Purchase Agreement is made solely for the benefit of the County, the District and the Underwriters (including the successors or assigns of the Underwriters). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the County and the District in this Purchase Agreement shall survive, unless waived by the Underwriters, regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery of and payment by the Underwriters for the Bonds hereunder and (c) any termination of this Purchase Agreement.

**20. Execution in Counterparts.** This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.



21. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State applicable to contracts made and performed in such State.

Very truly yours,

[UNDERWRITER], on its own behalf and  
as Representative of [\_\_\_\_\_]

By: \_\_\_\_\_  
Authorized Representative

The foregoing is hereby agreed to  
and accepted at \_\_\_\_ PM Pacific Time  
as of \_\_\_\_\_, 2018

**COUNTY OF LOS ANGELES**

By: \_\_\_\_\_  
Treasurer and Tax Collector

Approved as to form:

MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_  
Deputy County Counsel

**LOS ANGELES UNIFIED SCHOOL  
DISTRICT**

By: \_\_\_\_\_

**EXHIBIT A**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_  
**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
**(COUNTY OF LOS ANGELES COUNTY, CALIFORNIA)**  
**[GENERAL OBLIGATION BONDS, \_\_\_\_\_, SERIES \_ (2018)]**

\$ \_\_\_\_\_ **Serial Bonds**

| <u>Maturity<br/>(July 1)</u> | <u>Principal<br/>Amount</u> | <u>Interest<br/>Rate</u> | <u>Yield</u> | <u>Price</u> | <u>10% Test<br/>Satisfied*</u> | <u>10%<br/>Test Not<br/>Satisfied</u> | <u>Subject to<br/>Hold-The-<br/>Offering Price<br/>Rule</u> |
|------------------------------|-----------------------------|--------------------------|--------------|--------------|--------------------------------|---------------------------------------|---|
|------------------------------|-----------------------------|--------------------------|--------------|--------------|--------------------------------|---------------------------------------|---|

\$ \_\_\_\_\_ % Term Bonds due July 1, 20\_\_ – Yield \_\_\_\_\_% - Price \_\_\_\_\_  
[10% Test Satisfied\*][10% Test Not Satisfied] [Subject to Hold-The-Offering Price Rule]

\$ \_\_\_\_\_ % Term Bonds due July 1, 20\_\_ – Yield \_\_\_\_\_% - Price \_\_\_\_\_  
[10% Test Satisfied\*][10% Test Not Satisfied] [Subject to Hold-The-Offering Price Rule]

\* At the time of the execution of this Purchase Agreement and assuming orders are confirmed immediately after the execution of this Purchase Agreement.

**TERMS OF REDEMPTION**

## EXHIBIT B

### CERTIFICATE OF THE UNDERWRITER/REPRESENTATIVE

[Underwriter] has acted as the representative of the Underwriters (the “Representative”) in connection with the sale and issuance by the Los Angeles Unified School District (the “Issuer”) of its \$\_\_\_\_\_ [General Obligation Bonds, \_\_\_\_\_, Series \_ (2018)] (the “Bonds”), being issued on the date hereof, and the Representative hereby certifies and represents the following:

#### Issue Price.

1. [10% OF EACH MATURITY SOLD BY CLOSING] As of the date hereof, the first price or yield at which at least 10% of each Maturity of the Bonds was sold by the Underwriters to the Public was the [Initial Offering Price/OR IF ACTUAL SALES AT OTHER THAN IOP price or yield set forth on Exhibit A to the Purchase Agreement.]

#### OR

1. [LESS THAN 10% OF CERTAIN MATURITIES SOLD BY CLOSING] As of the date hereof, other than the Bonds listed on Schedule 1 hereto as undersold maturities (the “Undersold Maturities”), the first price or yield at which at least 10% of each Maturity of the Bonds was sold by the Underwriters to the Public was the [Initial Offering Price/OR IF ACTUAL SALES AT OTHER THAN IOP price set forth on Exhibit A to the Purchase Agreement.]

2. With respect to the Undersold Maturities, the Representative agrees to notify the Issuer in writing of the first price or yield at which at least 10% of each such Undersold Maturity is ultimately sold by the Underwriters to the Public as soon as practicable after such applicable sales have occurred. If all of an Undersold Maturity is sold to the Public but not more than 10% of the Undersold Maturity is sold by the Underwriters to the Public at any particular price or yield, the Representative agrees to notify the Issuer in writing of the amount of the Undersold Maturity sold by the Underwriters to the Public at each of the respective prices or yields at which the Undersold Maturity is sold to the Public.

#### Defined Terms.

(a) Initial Offering Price means the prices or yields set forth on the inside cover page of the Issuer’s Official Statement in respect of such Bonds dated \_\_\_\_\_, 2018.

(b) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(d) Related Party means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The Representative understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and Agreement to which this certificate is included as Exhibit A and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP, in connection with its opinion as to the exclusion of interest on the Bonds from federal gross income, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The Representative is certifying only as to facts in existence on the date hereof. Nothing herein represents the Representative's interpretation of any laws; in particular the Treasury Regulations under the Internal Revenue Code of 1986, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

Dated: \_\_\_\_\_, 2018

**[Underwriter], on its own behalf and as  
representative of [\_\_\_\_\_]**

By: \_\_\_\_\_  
Authorized Representative

**ISSUE PRICES**

**[IF USING ACTUAL SALES AND THE IOP IS NOT THE ISSUE PRICE FOR EACH MATURITY]**

**First Price of At Least 10% (ONLY APPLICABLE IF PRICE IS NOT THE IOP)**

**Undersold Maturities**

**[IF USING HOLD THE PRICE FOR A PORTION]**

**First Price of At Least 10% (Only Applicable if Not IOP)**

**Initial Offering Prices of Undersold Maturities**

**EXHIBIT C**

**FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL**

[To be provided.]

**EXHIBIT D**

**FORM OF OPINION OF DISCLOSURE COUNSEL**

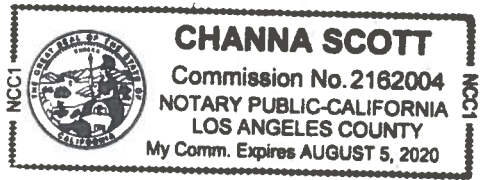
[To be provided.]

COPY CERTIFICATION BY DOCUMENT CUSTODIAN

State of California  
County of Los Angeles } ss.

I, Jefferson Crain, hereby declare that the attached reproduction of Board of Education Report No. 257-17/18, Authorization of a Resolution Approving an Upcoming General Obligation Bond Sale Not to Exceed \$1.4 Billion and the Selection of the Finance Team including Underwriters, Financial Advisor, Bond and Tax Counsel, and Disclosure Counsel is a true, correct and complete photocopy of a document in my possession or control.

[Signature]  
Signature of Affiant



Subscribed and sworn to (or affirmed) before me on this 20<sup>th</sup> day of December, 2017, by Jefferson Crain, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

[Signature]  
Signature of Notary

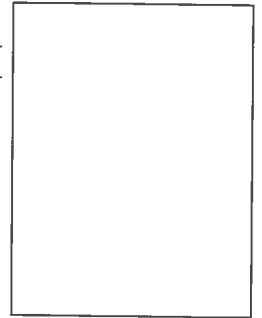
(seal)

----- OPTIONAL INFORMATION -----

Date of Document December 12, 2017

Thumbprint of Signer

Type or Title of Document Board of Education Report No. 257-17/18, Authorization of a Resolution Approving an Upcoming General Obligation Bond Sale Not to Exceed \$1.4 Billion and the Selection of the Finance Team including Underwriters, Financial Advisor, Bond and Tax Counsel, and Disclosure Counsel



Number of Pages in Document 23

Document in a Foreign Language \_\_\_\_\_

- Type of Satisfactory Evidence:  
 Personally Known with Paper Identification  
 Paper Identification  
 Credible Witness(es)

Check here if no thumbprint or fingerprint is available.

- Capacity of Signer:  
 Trustee  
 Power of Attorney  
 CEO / CFO / COO  
 President / Vice-President / Secretary / Treasurer  
 Other: Executive Officer of the Board

Other Information: Certified 5 Copies





## Board of Education Report

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File #: Rep-257-17/18, Version: 1 **ADOPTED**

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**Authorization Of A Resolution Approving An Upcoming General Obligation Bond Sale Not To Exceed \$1.4 Billion And The Selection Of The Finance Team Including Underwriters, Financial Advisor, Bond And Tax Counsel And Disclosure Counsel**

**December 12, 2017**

**Office of the Chief Financial Officer**

**Action Proposed:**

The Board is requested to:

- (1) Approve the attached Resolution for the General Obligation Bonds (Attachment A (the "Resolution")) that:
  - a. Authorizes the issuance of not to exceed \$1.4 billion of new money General Obligation Bonds (the "Bonds") to be sold via the negotiated method of sale in one or more series;
  - b. Approves the appointment of the financial advisor, bond and tax counsel, disclosure counsel and the underwriters to be used in connection with the Bonds to be sold pursuant to the Resolution;
  - c. Approves the forms of documents necessary for issuance of the Bonds; and
  - d. Approves and directs certain actions to be taken in connection with issuance of the Bonds.
- (2) Prior to approval of the Resolution, review the Financing Team and Cost of Issuance information (see Attachment A, Exhibit A) to be disclosed pursuant to subsection (b) of Section 15146 of the Education Code and SB 450.
- (3) Authorize the Budget Services and Financial Planning Division to make the necessary budget adjustments to reflect the anticipated bond receipts.

**Background:**

This Board Report seeks Board approval of the Resolution. The Resolution authorizes the issuance of new money Bonds in a total amount not-to-exceed \$1.4 billion and the execution of forms of transaction documents necessary to issue the Bonds. The Bonds will be issued pursuant to authorizations from Measure R, Measure Y and/or Measure Q. Any proceeds of the Bonds must be spent only on projects eligible under the applicable Measure. All projects are subject to inclusion in Board-approved strategic execution plans.

The Resolution pledges all voter approved property tax revenues levied for the payment of the Bonds issued pursuant to this Resolution.

The Resolution authorizes the sale of the Bonds on a negotiated basis and authorizes the Chief Financial Officer and Controller to carry out all necessary acts to complete the transaction. The negotiated method of sale is recommended based on the expected large size of the bond sale as well as the large size of individual maturities. It also provides the District with the flexibility to structure the Bonds to meet investor demand and to comply with state and federal law constraints, and the ability to implement an investor pre-marketing plan to

achieve low financing costs.

In compliance with subsection (b) of Section 15146 of the Education Code, the Board Report (in Attachment A) publicly identifies the names of the financial advisor, bond and tax counsel, disclosure counsel, and the underwriters, provides a detailed estimate of the costs of issuance and identifies the rationale for the method of sale. The proposed members of the financing team were all selected from the District's current financial advisor, legal counsel and underwriting benches in accordance with the District's Debt Management Policy.

In compliance with SB 450, new State legislation which will become effective January 1, 2018, prior to the authorization of a bond sale with a term greater than 13 months, the Board of Education is required to obtain from an underwriter, financial advisor or private lender and disclose good faith estimates in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds.

In compliance with both Section 15146 of the Education Code and SB 450, the Board of Education has obtained from Public Resources Advisory Group, as the District's financial advisor, the required good faith estimates and such estimates are disclosed in Exhibit A of the Resolution.

**Expected Outcomes:**

Approval of the Resolution will enable the District to: i) issue general obligation bonds to finance identified capital projects and ii) pledge *ad valorem* tax revenues.

**Board Options and Consequences:**

Should the Board not approve this item, staff will not be authorized to proceed with the issuance of the Bonds to finance identified capital projects.

**Policy Implications:**

This action is in compliance with the relevant criteria set forth in Article 1 and Sections 3.02 and 4.12 of the Debt Management Policy.

**Budget Impact:**

Debt service on the Bonds will be supported by *ad valorem* property tax levies paid by District taxpayers and not by the District's General Fund. There is no impact on the District's General Fund other than the ongoing administrative expense of the Citizens' Bond Oversight Committee which cannot be paid with bond proceeds and other minor administrative expenses. These administrative expenses have already been incorporated into the District's current budget.

**Student Impact:**

Improved school facilities that provide students with learning environments which help them achieve their educational goals.

**Issues and Analysis:**

This Board Report seeks Board approval of a resolution for issuance of general obligation bonds in an amount not-to-exceed \$1.4 billion, the appointment of the financial advisor, bond and tax counsel, disclosure counsel and the underwriters for the Bonds, and the forms of documents related to such Bonds. Approval of this Board report will allow the Bonds to be issued and ensure the ongoing funding of Bond Program projects.

**Attachments:**

Attachment A: Resolution for General Obligation Bonds


**Informatives:**


**Submitted:**

11/27/17

**RESPECTFULLY SUBMITTED,**

**APPROVED & PRESENTED BY:**

  
MICHELLE KING, Ed.D.  
Superintendent

  
Scott S. Price, Ph.D.  
Chief Financial Officer  
Office of the Chief Financial Officer

**REVIEWED BY:**


**APPROVED & PRESENTED BY:**

  
DAVID HOLMQUIST  
General Counsel

 Approved as to form.

**REVIEWED BY:**

  
CHERYL SIMPSON  
Director, Budget Services and Financial Planning

 Approved as to budget impact statement.

**RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT PRESCRIBING THE TERMS OF SALE OF NOT TO EXCEED \$1,400,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS OF LOS ANGELES UNIFIED SCHOOL DISTRICT UNDER THE DISTRICT'S MEASURE R, MEASURE Y AND/OR MEASURE Q BOND AUTHORIZATIONS, OR ANY COMBINATION THEREOF, IN ONE OR MORE SERIES OR SUBSERIES AND IN THE FORM OF TAX-EXEMPT OR FEDERALLY TAXABLE BONDS, PROVIDED THAT BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE R, MEASURE Y AND MEASURE Q AUTHORIZATIONS SHALL NOT EXCEED \$159,990,000, \$382,150,000 AND \$1,400,000,000, RESPECTIVELY, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ISSUE AND SELL THE BONDS BY A NEGOTIATED SALE PURSUANT TO ONE OR MORE BOND PURCHASE AGREEMENTS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND PURCHASE AGREEMENTS, PLACEMENT AGENT AGREEMENTS AND CONTINUING DISCLOSURE CERTIFICATES, APPROVING THE FORM, AND AUTHORIZING THE DISTRIBUTION, OF AN OFFICIAL STATEMENT FOR THE BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, an election was duly called and regularly held in the Los Angeles Unified School District, County of Los Angeles, California (the "District") on March 2, 2004, pursuant to Section 1(b)(3) of Article XIII A of the State of California (the "State") Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the California Education Code (the "Education Code") of the State (the "Act"), and thereafter canvassed pursuant to law ("Measure R"); and

**WHEREAS**, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election 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 \$3.87 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure R Authorization") and the District has previously issued \$3,710,010,000 of such general obligation bonds under the Measure R Authorization; and

**WHEREAS**, an election was duly called and regularly held in the District on November 8, 2005, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and the Act, and thereafter canvassed pursuant to law ("Measure Y"); and

**WHEREAS**, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election 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 \$3.985 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure Y Authorization") and the District has previously issued \$3,602,850,000 of such general obligation bonds under the Measure Y Authorization; and

**WHEREAS**, an election was duly called and regularly held in the District on November 4, 2008, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and the Act, and thereafter canvassed pursuant to law ("Measure Q," and together with Measure R and Measure Y, the "Measures"); and

**WHEREAS**, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election 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 \$7.00 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure Q Authorization") and the District has previously issued \$648,955,000 of such general obligation bonds under the Measure Q Authorization; and

**WHEREAS**, this Board of Education of the District (the "Board of Education") deems it necessary and desirable that the Board of Supervisors (the "Board of Supervisors") for the County of Los Angeles (the "County") authorize and consummate the sale of bonds under the Measures, in one or more series or subseries, by individual Measure or combined series or subseries of multiple Measures pursuant to Section 15231 of the Education Code, and in the form of tax-exempt or federally taxable bonds, or any combination thereof, in an aggregate principal amount not exceeding \$1,400,000,000, according to the terms and in the manner hereinafter set forth, provided that bonds issued under and attributable to the Measure R Authorization, Measure Y Authorization, and Measure Q Authorization shall not exceed \$159,990,000 (bonds issued as a separate series or subseries individually under the Measure R Authorization and/or in combination with bonds authorized under the Measure Y Authorization and/or the Measure Q Authorization, the "Measure R Bonds"), \$382,150,000 (bonds issued as a separate series or subseries individually under the Measure Y Authorization and/or in combination with bonds authorized under the Measure R Authorization and/or the Measure Q Authorization, the "Measure Y Bonds") and \$1,400,000,000 (bonds issued as a separate series or subseries individually under the Measure Q Authorization and/or in combination with bonds authorized under the Measure R Authorization and/or the Measure Y Authorization, the "Measure Q Bonds" and, together with the Measure R Bonds and the Measure Y Bonds, the "Bonds"), respectively; and

**WHEREAS**, this Board of Education deems it necessary and desirable that the Measure R Bonds, the Measure Y Bonds and the Measure Q Bonds be issued for the purpose of financing projects authorized to be financed under the Measure R Authorization, the Measure Y Authorization and the Measure Q Authorization, respectively; and

**WHEREAS**, this Board of Education deems it necessary and desirable to authorize the sale of the Bonds by a negotiated sale pursuant to one or more Bond Purchase Agreements (each such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, including such changes, insertions and omissions as are necessary to reflect that a sale of all or portion of a series or subseries of Bonds is to one or more Direct Purchasers (as defined below) rather than to the Underwriters (as defined below), being referred to herein as a "Bond Purchase Agreement") to be entered into with (a) Merrill Lynch, Pierce, Fenner & Smith, Incorporated (Bank of America Merrill Lynch), Goldman Sachs & Co. LLC, Citigroup Global Markets Inc., RBC Capital

Markets, LLC, Stifel, Nicolaus & Company, Incorporated, Drexel Hamilton, LLC and Rice Financial Products Company (each, an “Underwriter” and, collectively, the “Underwriters”), and/or (b) one or more “qualified institutional buyers” (each, a “Qualified Institutional Buyer”) within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the “Securities Act”) and/or “accredited investors” (each, an “Institutional Accredited Investor”) as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act, as herein provided; and

**WHEREAS**, if a sale of a series or subseries of Bonds is to one or more Qualified Institutional Buyers and/or Institutional Accredited Investors (each, a “Direct Purchaser”) pursuant to one or more Bond Purchase Agreements, the District proposes to engage, pursuant to a Placement Agent Agreement (each such Placement Agent Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Placement Agent Agreement”), one or more of the broker-dealers from the District’s underwriter bench (each, a “Placement Agent” and, collectively, the “Placement Agents”) as selected as herein provided; and

**WHEREAS**, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Bonds, the underwriter thereof must have reasonably determined that the District has undertaken in a written agreement or contract for the benefit of the holders of the Bonds, and as a condition of purchasing municipal bonds, many Direct Purchasers will require the District to provide disclosure of certain financial and operating information and certain enumerated events on an ongoing basis; and

**WHEREAS**, in order to cause either such requirement to be satisfied, the District desires to execute and deliver one or more Continuing Disclosure Certificates (each such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as a “Continuing Disclosure Certificate”); and

**WHEREAS**, a form of the Preliminary Official Statement to be distributed in connection with a public offering of the initial series of Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”); and

**WHEREAS**, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the Board of Education obtain from an underwriter, financial advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with SB 450, the Board of Education has obtained from Public Resources Advisory Group, as the District's financial advisor (the "Financial Advisor"), the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto; and

WHEREAS, there have been prepared and submitted to this meeting the forms of:

- (a) the Bond Purchase Agreement;
- (b) the Placement Agent Agreement;
- (c) the Continuing Disclosure Certificate; and
- (d) the Preliminary Official Statement; and

WHEREAS, the District desires that the County levy and collect a tax on all taxable property within the District sufficient to provide for payment of the Bonds, and intends by the adoption of this Resolution to notify the Board of Supervisors of the County, the Auditor-Controller of the County, the Treasurer and Tax Collector of the County and other officials of the County that they should take such actions as shall be necessary to provide for the levy and collection of such a tax and payment of principal of and interest on the Bonds, all pursuant to Sections 15250 and 15251 of the Education Code; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

**NOW, THEREFORE, THE BOARD OF EDUCATION OF LOS ANGELES UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:**

**Section 1. Recitals.** All of the above recitals are true and correct.

**Section 2. Definitions.** For the purposes of this Resolution, unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Resolution, have the meanings specified herein. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa.

**"Authorized Officer"** shall mean any of the Chief Financial Officer, the Controller, or any other officer of the District the Chief Financial Officer or the Controller may designate.

**"Board of Education"** shall mean the Board of Education of the District.

**"Board of Supervisors"** shall mean the Board of Supervisors of the County.



**“Bond Purchase Agreement”** shall mean the applicable Bond Purchase Agreement relating to the sale of a series or subseries of the Bonds by and among the County, the District and the Underwriters or Direct Purchaser(s), as the case may be, in accordance with the provisions hereof.

**“Book-Entry Bonds”** shall mean the Bonds of any series registered in the name of the nominee of DTC, or any successor securities depository for the Bonds, as the registered owner thereof.

**“Chief Financial Officer”** shall mean the Chief Financial Officer of the District or any designee of the Chief Financial Officer of the District.

**“Code”** shall mean the Internal Revenue Code of 1986.

**“Continuing Disclosure Certificate”** shall mean the applicable Continuing Disclosure Certificate executed and delivered by the District relating to any series or subseries of the Bonds.

**“Controller”** shall mean the Controller of the District.

**“County”** shall mean the County of Los Angeles.

**“County Auditor-Controller”** shall mean the Auditor-Controller of the County or any authorized deputy thereof.

**“County Resolution”** shall mean the resolution of the Board of Supervisors authorizing the issuance of the Bonds approved in this Resolution.

**“County Treasurer”** shall mean the Treasurer and Tax Collector of the County or any authorized deputy thereof.

**“District”** shall mean the Los Angeles Unified School District.

**“DTC”** shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

**“Interest Payment Date”** shall mean each January 1 and July 1 of each year until the final maturity of the Bonds or such dates as shall be set forth in the applicable Bond Purchase Agreement.

**“Interest and Sinking Fund”** shall mean each interest and sinking fund of the District, designated to correspond to the applicable Bond series and Measure as appropriate, established for the applicable Measure of a series Bonds and used only for payment of principal of and interest on the Bonds of such series related to such Measure.

**“Investment Agreements”** shall mean, collectively, investment agreements, guaranteed investment contracts, float contracts or other investment products subject to the requirements set forth in Section 12 hereof.

**“Letter of Representations”** shall mean the blanket letter of representations from the District to DTC dated June 16, 1998, as such blanket letter of representations may be amended, supplemented or otherwise modified and in effect from time to time.

**“Opinion of Tax Counsel”** shall mean an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds qualified to conclude whether an action or proposed action or the failure to act or the proposed failure to act for which the opinion is required will affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

**“Owner”** shall mean with respect to any Bond, the Person in whose name such Bond is registered on the Registration Books.

**“Paying Agent”** shall mean the County Treasurer or any bank, trust company, national banking association or other financial institution appointed as authenticating agent, bond registrar, transfer agent and paying agent for the Bonds in the manner provided in the County Resolution.

**“Person”** shall mean an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

**“Registration Books”** shall mean the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Bonds, as defined in the County Resolution.

**“Record Date”** shall mean the close of business on the 15th day of the month preceding an Interest Payment Date or such other date or dates as shall be set forth in the applicable Bond Purchase Agreement.

**“Resolution”** shall mean this resolution of the Board of Education of the District adopted on December 12, 2017.

**“Rule 15c2-12”** shall mean Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

**“State”** shall mean the State of California.

**“Tax Certificate”** shall mean the applicable Tax Certificate with respect to the Bonds issued as Tax-Exempt Bonds, executed by the District, dated the date of issuance of such Bonds.

**“Tax-Exempt Bonds”** shall mean the series or subseries of the Measure R Bonds, the Measure Y Bonds and the Measure Q Bonds or any combination thereof bearing interest that is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“**Taxable Bonds**” shall mean the series or subseries of the Measure R Bonds, the Measure Y Bonds and the Measure Q Bonds or any combination thereof bearing interest that is included in gross income for federal income tax purposes under Section 103 of the Code.

**Section 3. Request for Sale of Bonds; Purpose of Bonds.** (a) *Request for Sale.* The Board of Supervisors, pursuant to Education Code Section 15140 *et seq.*, is hereby requested to sell by negotiated sale Bonds under the Measures, in one or more series or subseries, by individual Measure or combined series or subseries of multiple Measures pursuant to Section 15231 of the Education Code, or any combination thereof, in an aggregate principal amount not exceeding \$1,400,000,000, provided that the Measure R Bonds, the Measure Y Bonds and the Measure Q Bonds shall not exceed \$159,990,000, \$382,150,000 and \$1,400,000,000, respectively, and to designate each series or subseries of the Bonds as the “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds,” with appropriate election, series, subseries and other designations as may be set forth in the applicable Bond Purchase Agreement. Said Bonds shall be sold on a date not earlier than sixty days following the date of adoption of this Resolution and not later than one year following the date of adoption of this Resolution.

The Board of Supervisors is hereby requested to provide by County Resolution for the terms of the sale and issuance of the Bonds in accordance with the particular terms and manner set forth herein and, with respect to such necessary or desirable terms as are not specified herein, as the Board of Supervisors shall otherwise see fit to determine. With respect to such necessary or desirable terms as are not finally determined by the County Resolution, the Board of Supervisors is hereby requested to provide for such terms to be finally determined and set forth in the each Bond Purchase Agreement.

(b) *Purpose of Bonds.* The proceeds of the Measure R Bonds, the Measure Y Bonds and the Measure Q Bonds, exclusive of any premium and accrued interest received, shall be applied to finance projects authorized to be financed under the Measure R Authorization, the Measure Y Authorization and the Measure Q Authorization, respectively, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith.

**Section 4. Terms of Bonds.** (a) *Date of Bonds.* The Bonds shall be issued as set forth in the County Resolution. Each Bond of a series or subseries shall be dated its date of delivery, or such other date as shall be set forth in the Bond Purchase Agreement relating to such series or subseries of Bonds.

(b) *Denominations.* If a sale of a series or subseries of Bonds, or a portion thereof, is to one or more Direct Purchasers, such Bonds shall be issued in denominations of \$100,000 principal amount or any integral multiple of \$5,000 in excess thereof or such other denominations as shall be designated in the applicable Bond Purchase Agreement. All other series of Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof.

(c) *Maturity.* Each series or subseries of Bonds shall mature on the dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in

the applicable Bond Purchase Agreement. No Bond shall mature later than the date which is 25 years from the date of such Bond, to be determined as provided in subsection (a) of this Section.

(d) *Interest.* The Bonds shall bear interest at an interest rate or rates not to exceed 8.00% per annum, payable on the Interest Payment Dates in each year computed on the basis of a 360-day year of 12 30-day months (or on such other basis as shall be set forth in the applicable Bond Purchase Agreement). Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated as of a date during the period from the Record Date next preceding an Interest Payment Date to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date for such Bond, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds of such series or subseries, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds of such series or subseries. If provided in the applicable Bond Purchase Agreement, Bonds may have different interest rates for separately defined periods of the term thereof as set forth in the Bond Purchase Agreement.

(e) *Tax-Exempt or Taxable Bonds.* The Bonds may be issued as Tax-Exempt Bonds or Taxable Bonds. The Board of Education hereby finds and determines that, pursuant to Section 5903 of the California Government Code, the interest payable on any portion of the Bonds issued as Taxable Bonds will be subject to federal income taxation under the Code in existence on the date of issuance of such Bonds.

**Section 5. Payment of Bonds.** (a) *Request for Tax Levy.* The money for the payment of principal, redemption premium, if any, and interest on the Bonds shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the related Interest and Sinking Fund of the District. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Bonds of each Measure, and to pay the principal, redemption premium, if any, and interest thereon as and when the same become due.

(b) *Interest and Sinking Fund.* Principal, redemption premium, if any, and interest due on the Bonds shall be paid from the Interest and Sinking Fund of the District for the related series or subseries of Bonds under each Measure as provided in Section 15146 of the Education Code. The tax levied for each Measure is levied specifically for the purpose of paying each series or subseries of Bonds issued to finance the projects specified in such Measure and for no other purpose.

(c) *Obligation of the District.* No part of any fund or account of the County is pledged or obligated to the payment of the Bonds. The obligation for repayment of the Bonds is the sole obligation of the District.

(d) *Statutory Lien.* In accordance with Section 15251 of the Education Code, each series or subseries of Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the applicable Measure. As provided in Section 15251 of the Education Code, the lien shall automatically attach without further action or authorization by the District or the County. As set forth in Section 15251 of the Education Code, the lien shall be valid and binding from the time such series or subseries of Bonds are executed and delivered, and the revenues received pursuant to the levy and collection of the tax shall be immediately subject to the lien, and the lien shall automatically attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

(e) *Pledge of Taxes.* The District hereby pledges all revenues from the property taxes collected from the levy by the Board of Supervisors and amounts on deposit in each Interest and Sinking Fund of the District for the payment of the principal or redemption price of and interest on the related series of Bonds for each respective Measure and all previously issued and outstanding general obligation bonds and general obligation refunding bonds of the District, including those issued pursuant to authorizations approved by voters of the District on April 8, 1997, November 5, 2002, March 2, 2004, November 8, 2005 and November 4, 2008. This pledge shall be valid and binding from the date hereof for the benefit of the owners of such series of Bonds and each issue of outstanding general obligation bonds and general obligation refunding bonds and successors thereto. The property taxes and amounts held in each Interest and Sinking Fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in such Interest and Sinking Fund of the District to secure the payment of the respective series of Bonds and each issue of outstanding general obligation bonds and general obligation refunding bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. This pledge is an agreement between the District and the owners of each series of Bonds and each issue of outstanding general obligation bonds and general obligation refunding bonds to provide security for the related issue of general obligation bonds and general obligation refunding bonds of the District in addition to any statutory lien that may exist, and each such issue of general obligation bonds of the District are or were issued to finance one or more of the projects specified in the applicable Measure and not to finance the general purposes of the District.

(f) *Designation of Paying Agent.* The County Treasurer is designated to act as the initial Paying Agent. The County Treasurer is authorized to enter into a contract with a bank or trust company doing business in and having a corporate trust office in Los Angeles, California, with at least \$100,000,000 in net assets, to perform the services of the Paying Agent. If at any time the County Treasurer shall resign or be removed as the Paying Agent, the Authorized Officers are authorized with the prior consent of the County Treasurer to appoint any successor Paying Agent. If no successor Paying Agent is appointed by an Authorized Officer in a timely manner, the County Treasurer shall appoint a successor Paying Agent without further action by any Authorized Officer. The successor Paying Agent shall be a bank or trust company doing business in and having a corporate trust office in the County, with at least \$100,000,000 in net assets.

**Section 6. Redemption.** (a) *Optional Redemption.* The Bonds of each series or subseries may be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the applicable Bond Purchase Agreement. The applicable Bond Purchase Agreement may provide that the Bonds of a series or subseries shall not be subject to optional redemption.

(b) *Selection.* If less than all of the Bonds of a series or subseries, if any, are subject to such redemption and are called for redemption, such Bonds shall be redeemed as directed by the District (or as otherwise set forth in the applicable Bond Purchase Agreement), and if less than all of the Bonds of any given maturity of a series or subseries are called for redemption, the portions of such Bonds of a given maturity to be redeemed shall be determined by lot (or as otherwise set forth in the applicable Bond Purchase Agreement).

(c) *Mandatory Sinking Fund Redemption.* The Bonds of a series or subseries, if any, which are designated in the applicable Bond Purchase Agreement as term bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot (or as otherwise set forth in the applicable Bond Purchase Agreement), from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the applicable Bond Purchase Agreement. Unless otherwise provided in the applicable Bond Purchase Agreement, the principal amount of each mandatory sinking fund payment of any maturity of a series or subseries shall be reduced proportionately or as otherwise directed by the District by the amount of any Bonds of that maturity and series or subseries redeemed in accordance with subsection (a) of this Section prior to the mandatory sinking fund payment date (or as otherwise set forth in the applicable Bond Purchase Agreement). The applicable Bond Purchase Agreement may provide that the Bonds of a series or subseries shall not be subject to mandatory sinking fund redemption. The Board of Supervisors is hereby requested to authorize the County Auditor-Controller to create such sinking funds or accounts for the term Bonds as shall be necessary to accomplish the purposes of this Section.

**Section 7. Sale of the Bonds.** (a) *Method of Sale.* This Board of Education deems it necessary and desirable and requests the County to authorize and provide for the sale of each series or subseries of Bonds by a negotiated sale pursuant to one or more Bond Purchase Agreements to be entered into with (i) the Underwriters or (ii) one or more Direct Purchasers, or any combination thereof, as shall be determined by the Chief Financial Officer to be in best interest of the District considering, among other factors, the timing of each sale, expected interest cost, debt structure flexibility and the ability to work with Underwriters or Placement Agents, as applicable, familiar with the District, and consistent with the District's Debt Management Policy then in effect (the "Debt Management Policy"); provided, however, that, in each case, (1) the interest rate on any Bond shall not be in excess of 8.00% per annum, (2) the true interest cost for each applicable series of Bonds shall not be in excess of 5.00%, (3) the ratio of total debt service to principal of the each series of Bonds shall not exceed four to one, (4) the underwriters' or placement agents' compensation, as applicable, shall not exceed 1.00% and 1.00%, respectively, of the principal amount of the corresponding Bonds, (5) if a sale of a series of Bonds is to one or more Direct Purchasers, the purchasers' discount or commitment fee shall not be in excess of 1.00% of the principal amount of the corresponding Bonds, and (6) the Bonds shall otherwise conform to the limitations specified herein.

(b) *Reasons for Method of Sale.* The Board of Education hereby finds and determines that the sale of the Bonds at negotiated sale as contemplated herein and by the form of Bond Purchase Agreement will provide more flexibility in the timing of the sale, an increased ability to structure the Bonds to fit the needs of particular purchasers and within state and federal law constraints, and, in the case of an underwriting, greater opportunity for the Underwriters to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds.

(c) *Good Faith Estimates.* In accordance with SB 450 and subsection (b) of Section 15146 of the Education Code, good faith estimates of the following have been obtained from the Financial Advisor and are set forth on Exhibit A attached hereto: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds. In accordance with Section 15146(b)(4) of the Education Code, the actual costs associated with the issuance of the Bonds shall be presented to this Board of Education at its next scheduled public meeting following the sale of the Bonds.

(d) *Cost of Issuance.* In accordance with subsection (h) of Section 15146 of the Education Code, the Authorized Officers are each hereby authorized to cause to be deposited in a costs of issuance account, which may be held by a bank, national banking association or trust company meeting the qualifications necessary to be a paying agent set forth in Section 5 hereof, as cost of issuance administrator, proceeds of sale of the Bonds (exclusive of any premium or accrued interest received) in an amount not exceeding 2.00% of the principal amount of the Bonds sold, as shall be set forth in the applicable Bond Purchase Agreement, for the purposes of paying the costs associated with the issuance of the Bonds.

**Section 8. Bond Purchase Agreement; Selection of Placement Agents.** (a) *Bond Purchase Agreement.* The form of Bond Purchase Agreement, submitted to and on file with the Executive Officer of this Board of Education, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and deliver one or more Bond Purchase Agreements in the form presented to this meeting with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, including such changes, insertions and omissions as are necessary to reflect that a sale of a series or subseries of Bonds, or any portion thereof, is to one or more Direct Purchasers rather than to the Underwriters, such requirement or approval to be conclusively evidenced by the execution of the applicable Bond Purchase Agreement by such Authorized Officer; provided that the terms of the applicable series or subseries of Bonds and the sale thereof shall conform in all respects with the limitations contained in this Resolution. The Board of Supervisors of the County is hereby requested to cause each Bond Purchase Agreement to be executed and delivered by the County, as is determined by the District and the County Treasurer to be in the best interest of the District, subject to such changes, insertions and omissions as may be acceptable to the District and to the Board of Supervisors or the County officer to whom execution of the Bond Purchase Agreement is delegated. In connection with each negotiated sale of Bonds, the Chief Financial Officer is

hereby authorized to designate which Underwriters shall act as senior manager(s), co-senior manager(s) and co-manager(s) in accordance with the Debt Management Policy.

(b) *Selection of Placement Agents.* In connection with each negotiated sale of a series or subseries of Bonds to one or more Direct Purchasers, the Placement Agents for such Bonds shall be selected in accordance with the Debt Management Policy, with Placement Agents being selected based on the same criteria as underwriters with such changes to reflect the different role served by Placement Agents as determined by the Chief Financial Officer.

**Section 9. Placement Agent Agreement.** The form of Placement Agent Agreement, submitted to and on file with the Executive Officer of this Board of Education, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and deliver one or more Placement Agent Agreements in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the applicable Placement Agent Agreement by such Authorized Officer; provided that the terms of the applicable series or subseries of Bonds and the sale thereof shall conform in all respects with the limitations contained in this Resolution.

**Section 10. Continuing Disclosure Certificate.** The form of Continuing Disclosure Certificate submitted to and on file with the Executive Officer of this Board of Education is hereby approved. Any Authorized Officer is hereby authorized on behalf of the District to execute one or more Continuing Disclosure Certificates with respect to the Bonds in substantially the form on file with the Board of Education, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the applicable Continuing Disclosure Certificate by such Authorized Officer. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of each Continuing Disclosure Certificate.

**Section 11. Authorization of Preliminary Official Statement and Official Statements.** (a) *Preliminary Official Statement.* The form of the Preliminary Official Statement relating to the Bonds to be publicly offered submitted to and on file with the Executive Officer of this Board of Education, with such changes as any Authorized Officer acting singly may approve, is hereby approved, and the use of such Preliminary Official Statement in connection with the offering and sale of such Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the District that such Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

(b) *Official Statement.* The preparation and delivery of an Official Statement with respect to the Bonds publicly offered (the "Official Statement"), and its use by the Underwriters in connection with the offering and sale of such Bonds, is hereby authorized and approved. Such Official Statement shall be in substantially the form of the Preliminary Official Statement distributed in connection with the public offering of such Bonds with such changes, insertions



and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the District, to execute the final Official Statement with respect to such Bonds and any amendment or supplement thereto and thereupon to cause such final Official Statement and any such amendment or supplement to be delivered to the Underwriters thereof.

**Section 12. Deposit and Investment of Proceeds.** (a) *Deposit of Proceeds.* Except as permitted by Section 7 hereof, the proceeds of sale of the Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury and credited to the building fund of the District (the "Building Fund"). The District shall have sole responsibility that such proceeds be used for the purposes of the applicable Measure for which the Bonds are being issued. Any premium and accrued interest received shall be deposited in the related Interest and Sinking Fund within the County treasury.

(b) *Investment of Proceeds.* All funds held by the County Treasurer hereunder on behalf of the District shall be invested by the County Treasurer or its agent in the County Investment Pool, any investment authorized pursuant to Sections 53601 and 53635 of the California Government Code, or in any Investment Agreement; provided that such agreements comply with the requirements of Section 148 of the Code, to the extent applicable to the related series or subseries of Bonds, and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds.

Subject to a determination by the Chief Financial Officer, any Authorized Officer may request the County Treasurer to invest funds held in an Interest and Sinking Fund of the District and in the Building Fund of the District in specific Investment Agreements. Pursuant to Section 5922 of the California Government Code, this Board of Education hereby finds and determines that the Investment Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Bonds and funds held to pay the Bonds.

(c) *Excess Proceeds.* Any excess proceeds of Bonds on deposit in the Building Fund not needed for the authorized purposes set forth herein for which such Bonds are being issued shall be transferred to the applicable Interest and Sinking Fund and applied to the payment of principal of, premium, if any, and interest on the related Bonds.

**Section 13. Tax Covenants.** (a) *General.* The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on a series of Tax-Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate to be executed by the District on the date of issuance of each series Tax-Exempt Bonds (each, a "Tax Certificate"). The provisions of this subsection (a) shall survive payment in full or defeasance of the Bonds.

(b) *Yield Restriction.* In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the County Treasurer on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the County Treasurer in writing, and the District shall make its best efforts to ensure that the County Treasurer shall take such action as may be necessary in accordance with such instructions.

(c) *Reliance on Opinion of Tax Counsel.* Notwithstanding any provision of this Section, if the District shall provide to the County Treasurer an Opinion of Tax Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on Bonds not issued as Taxable Bonds under Section 103 of the Code, the County Treasurer may conclusively rely on such Opinion of Tax Counsel in complying with the requirements of this Section and of each Tax Certificate with respect to the Bonds not issued as Taxable Bonds, and the covenants hereunder shall be deemed to be modified to that extent.

**Section 14. Professional Services.** In connection with the issuance of the Bonds, Public Resources Advisory Group is hereby appointed to serve as Financial Advisor to the District, Orrick Herrington & Sutcliffe LLP is hereby appointed to serve as Bond Counsel (“Bond Counsel”) and Tax Counsel to the District, Hawkins Delafield & Wood LLP is hereby appointed to serve as Disclosure Counsel to the District, and Merrill Lynch, Pierce, Fenner & Smith, Incorporated (Bank of America Merrill Lynch), Goldman Sachs & Co. LLC, Citigroup Global Markets Inc., RBC Capital Markets, LLC, Stifel, Nicolaus & Company, Incorporated, Drexel Hamilton, LLC and Rice Financial Products Company are hereby appointed to serve as Underwriters of the Bonds, and the Chief Financial Officer is hereby authorized to enter into work orders for such services with such firms.

**Section 15. Delegation of Authority.** Each Authorized Officer is hereby authorized and directed to, or to authorize in writing any officer or employee of the District to, execute and deliver, for and on behalf of the District, any and all documents and instruments and to do and cause to be done any and all acts and things necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, each Bond Purchase Agreement, each Placement Agent Agreement and each Continuing Disclosure Certificate. Without limiting the generality of the foregoing, the President of this Board of Education, the Executive Officer of this Board of Education and any Authorized Officer are hereby authorized and directed to execute and deliver any and all agreements, certificates and representations, including but not limited to (i) signature certificates, no litigation certificates, and certificates concerning the contents of the Preliminary Official Statement and the Official Statement, (ii) representation letters to The Depository Trust Company, (iii) each Tax Certificate, (iv) any other certificates proposed to be delivered in connection with the sale or issuance of the Bonds, (v) any Investment Agreements entered into pursuant to the authority granted hereunder, and (vi) and any other agreements, letters, certificates or representations, which any of them deem necessary and desirable to accomplish the transactions authorized herein.

**Section 16. Approval of Actions.** All actions heretofore taken by the officers and agents of this Board of Education with respect to the Bonds are hereby approved, confirmed and ratified.

**Section 17. Debt Management Policy; Notice to California Debt and Investment Advisory Commission.** With the passage of this Resolution, the Board of Education hereby certifies that the Debt Management Policy complies with California Government Code Section 8855(i), and that the Bonds authorized to be issued pursuant to this Resolution are consistent with such policy, and instructs Bond Counsel, on behalf of the District, with respect to each series of Bonds issued pursuant to this Resolution, (a) to cause notices of the proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855, and (b) to check, on behalf of the District, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to California Government Code Section 8855.

**Section 18. Filing with the County.** Pursuant to Section 15140 of the Education Code of the State, the Executive Officer of this Board of Education is hereby authorized and directed to file a certified copy of this Resolution with the Executive Officer-Clerk of the Board of Supervisors of the County, the County Auditor-Controller and the County Treasurer.

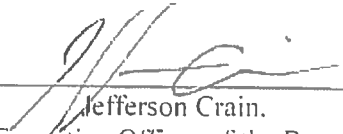
**Section 19. Severability.** In the event any provision of this Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 20. Contract with Bondholders.** The provisions of this Resolution shall be a contract with each and every owner of Bonds and the duties of the District and of the Board of Education and the officers of the District shall be enforceable by any owner of Bonds by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

**Section 21. Amendments.** This Resolution may be modified or amended without the consent of the Owners in order to cure ambiguities or provide clarification, provided that such modification or amendment does not materially adversely affect the rights of Owners of Bonds. For any other purpose, this Resolution may be modified or amended only with the consent of the Owners of a majority of the aggregate principal amount of all Bonds then outstanding. No such modification or amendment shall extend the maturity of, reduce the interest rate or redemption premium on or principal amount of Bonds or reduce the percentage of consent required for amendment hereof without the express consent of all the Owners so affected.

**Section 22. Effective Date.** This Resolution shall take effect from and after its adoption.

**PASSED AND ADOPTED** this 12th day of December, 2017, by the Board of Education of the Los Angeles Unified School District.

By:   
Jefferson Crain.  
Executive Officer of the Board

## EXHIBIT A

### GOOD FAITH ESTIMATES

The following information was obtained from Public Resources Advisory Group, as the District's financial advisor, and is provided in compliance with Section 15146(b)(4) of the California Education Code and Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the bonds approved in the attached Resolution (the "Bonds"):

1. *True Interest Cost of the Bonds.* Assuming the maximum aggregate principal amount of the Bonds authorized (\$1,400,000,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.274%.

2. *Finance Charge of the Bonds.* Assuming the maximum aggregate principal amount of the Bonds authorized (\$1,400,000,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$2,486,205.00, as follows:

|                                      |              |
|--------------------------------------|--------------|
| a) Rating Agency – Moody's           | \$142,000.00 |
| b) Rating Agency – Fitch             | 105,000.00   |
| c) Bond Counsel                      | 90,000.00    |
| d) Disclosure Counsel                | 66,000.00    |
| e) Financial Advisor – Transactional | 66,000.00    |
| f) Financial Advisor – General       | 50,000.00    |
| g) Auditor                           | 100,855.00   |
| h) Underwriters' Discount            | 1,809,800.00 |
| i) Other Expenses                    | 157,405.00   |

3. *Amount of Proceeds to be received.* Assuming the maximum aggregate principal amount of the Bonds authorized (\$1,400,000,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the District for sale of the Bonds less the finance charge of the Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$1,399,323,595.00.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the Bonds authorized (\$1,400,000,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Bonds plus the finance charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$2,362,475,665.14.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Bonds sold and market interest rates at the time of each sale. The date or dates of sale and the amount of Bonds sold will be determined by the District based on need for project funds and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of each sale. Market interest rates are affected by economic and other factors beyond the District's control. The Board of Education has approved the issuance of each series of Bonds with a maximum true interest cost of 5.00%.

## EXECUTIVE OFFICER'S CERTIFICATE

I, Jefferson Crain, Executive Officer of the Board of Education of the Los Angeles Unified School District, County of Los Angeles, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Education of said District duly and regularly held at the regular meeting place thereof on December 12, 2017, at which meeting all of the members of said Board of Education had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES: **7**

NOES: **0**

ABSTAIN: **0**

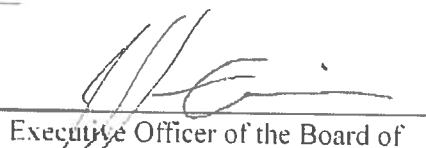
ABSENT: **0**

An agenda of said meeting was posted at least 72 hours before said meeting at 333 South Beaudry Avenue, Los Angeles, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the adopted resolution on file and of record in my office. 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.

WITNESS my hand this 18 day of December, 2017.

By: \_\_\_\_\_

  
Executive Officer of the Board of  
Education of Los Angeles Unified  
School District