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17090 D 30

April 22, 2015

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

54

May 5, 2015

### VIA E-MAIL AND MESSENGER DELIVERY

Board of Supervisors  
County of Los Angeles  
500 West Temple Street, Room 383  
Los Angeles, CA 90012



PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

Re: Saugus Union School District – Request for Action by Los Angeles County Board of Supervisors Concerning General Obligation Bond Tax Levy and Authorization – School Facilities Improvement District No. 2014-1 of the Saugus Union School District, General Obligation Bonds, 2014 Election, Series A

Dear Honorable Members of the Board of Supervisors:

Our Firm is representing the Saugus Union School District (“School District”) as Bond Counsel. We have been authorized by the School District to provide this letter to the Los Angeles County Board of Supervisors (“County Board”) with respect to the request by the School District for the adoption by the County Board of a resolution concerning general obligation bond tax levy and authorization related to School Facilities Improvement District No. 2014-1 of the Saugus Union School District General Obligation Bonds, 2014 Election, Series A (“Series A Bonds”).

Pursuant to the provisions of the California Education Code, and authorization provided in a resolution adopted by the Los Angeles County Board of Supervisors on July 1, 2014, the School District has formed School Facilities Improvement District No. 2014-1 of the Saugus Union School District (“Improvement District”). The Improvement District was formed by the Board of Trustees of the School District in August of 2014. Subsequently, a general obligation bond election was called within the boundaries of the Improvement District on November 4, 2014 (designated as Measure “EE”) (“Bond Election”). The Bond Election was called and conducted pursuant to the provisions of Proposition 39 (approved by the California electorate in 2000) and related California law. The Bond Election was approved by more than the required 55 percent of the voters voting on the Bond Election on November 4, 2014. The results of the Bond

# BOWIE, ARNESON, WILES & GIANNONE

Los Angeles County Board of Supervisors

April 22, 2015

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Election have been certified by resolution adopted by the Board of Trustees of the School District, and a copy of such certification resolution has previously been filed with the County Board.

At this time the School District, acting on behalf of the Improvement District, intends to move forward with the issuance and sale of an initial series of bonds authorized pursuant to the Bond Election. On April 21, 2015, the Board of Trustees of the School District ("District Board") adopted Resolution 2014-15 #52, authorizing the issuance of the Series A Bonds. A wet-signed original of Resolution No. 2014-15 #52 is enclosed with the hard copy of this letter.

On behalf of the School District, our office is requesting that the County Board adopt a resolution ("County Resolution") providing for the levy of annual taxes and providing authorization for the issuance of the Bonds by the School District on behalf of the Improvement District. On behalf of the School District, enclosed is the proposed form of such County Resolution for consideration by the County Board. This form was previously provided to County staff and County Counsel for review.

It is therefore requested that the Board of Supervisors:

1. Adopt the enclosed County Resolution.
2. After the Board of Supervisors has taken action on this letter, the District requests that the Executive Officer-Clerk of the Board of Supervisors furnish two (2) certified copies of the adopted Resolution to our firm at the above-referenced address, and one (1) certified copy of the adopted resolution to Los Angeles County Treasurer and Tax Collector, 500 W. Temple Street, Room 437, Los Angeles, California, 90012, Attention: John Patterson, Manager.
3. After the Board of Supervisors has taken action on this letter, the District requests that the Executive Officer-Clerk of the Board of Supervisors send one(1) copy of the adopted resolution to each of the following:
  - a. Los Angeles County Auditor-Controller  
Accounting Division  
500 West Temple Street, Suite 603  
Los Angeles, California 90012  
Attention: Lynn Okamura
  - b. Los Angeles County Counsel  
648 Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012  
Attention: Thomas R. Parker, Esq.

# BOWIE, ARNESON, WILES & GIANNONE

Los Angeles County Board of Supervisors  
April 22, 2015  
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It you have any questions regarding this matter, or if there are any other needs at this time, please feel free to contact the undersigned.

Very truly yours,

BOWIE, ARNESON,  
WILES & GIANNONE



By:

Robert E. Anslow

REA/ih  
Enclosures

cc: Thomas Parker (w/ encl)(delivery)  
Cammy DuPont (w/o encl)(e-mail)  
John Patterson (w/ encl)(e-mail)  
Dr. Joan Lucid, Saugus Union School District (w/o encl)(e-mail)  
Cynthia Shieh, Saugus Union School District (w/o encl)(e-mail)  
Magdy Abdalla, Saugus Union School District (w/o encl)(e-mail)  
Tony Hsieh, Keygent Advisors (w/o encl)(e-mail)  
Andrew Tuan, Keygent Advisors (w/o encl)(e-mail)

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**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
COUNTY OF LOS ANGELES, CALIFORNIA, AUTHORIZING THE  
LEVY OF TAXES FOR SCHOOL FACILITIES IMPROVEMENT  
DISTRICT NO. 2014-1 OF THE SAUGUS UNION SCHOOL DISTRICT,  
GENERAL OBLIGATION BONDS, 2014 ELECTION, SERIES A,  
DESIGNATING THE PAYING AGENT THEREFOR AND  
DIRECTING THE COUNTY AUDITOR-CONTROLLER TO PLACE  
TAXES ON THE TAX ROLL AND TAKING RELATED ACTIONS**

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**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA, AUTHORIZING THE LEVY OF TAXES FOR SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2014-1 OF THE SAUGUS UNION SCHOOL DISTRICT, GENERAL OBLIGATION BONDS, 2014 ELECTION, SERIES A, DESIGNATING THE PAYING AGENT THEREFOR AND DIRECTING THE COUNTY AUDITOR-CONTROLLER TO PLACE TAXES ON THE TAX ROLL AND TAKING RELATED ACTIONS**

**WHEREAS**, the Saugus Union School District (“School District”) is a public school district located within the County of Los Angeles (“County”), State of California (“State”), which is organized and operating pursuant to the Constitution and laws of the State;

**WHEREAS**, the School District has, pursuant to Chapter 2 of Part 10 of the California Education Code, commencing with Section 15300, formed School Facilities Improvement District No. 2014-1 of the Saugus Union School District (“Improvement District”) pursuant to State law to include a certain specified portion of the territory within the School District;

**WHEREAS**, a map and legal description of the boundaries of the Improvement District have been filed with the County;

**WHEREAS**, a duly called election was held within the boundaries of the Improvement District, on November 4, 2014 (the “Election”), and thereafter canvassed pursuant to law;

**WHEREAS**, at such Election there was submitted to and approved by more than 55% of the qualified electors within the boundaries of the Improvement District a question as to the issuance and sale of general obligation bonds of the School District, on behalf of the Improvement District, for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$148,000,000 (the “Bond Authorization”), payable from the levy of an ad valorem tax against the taxable property within the boundaries of the Improvement District;

**WHEREAS**, the Board of Trustees of the School District, acting on behalf of the Improvement District, on April 21, 2015, adopted its Resolution 2014-15 #52 (the “District Resolution”) authorizing the issuance of a series of general obligation bonds designated as the School Facilities Improvement District No. 2014-1 of the Saugus Union School District General Obligation Bonds, 2014 Election, Series A, in the aggregate initial principal amount of not to exceed \$20,000,000 (the “Series A Bonds”) pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53506), and, as applicable, the provisions of California Education Code Sections 15350, 15100 *et seq.* and 15140 *et seq.* (collectively, the “Act”);

**WHEREAS**, the County Board of Supervisors (“County Board”) has been formally requested by the School District to levy taxes in an amount sufficient to pay the principal of and interest on the Series A Bonds when due, and to direct the Auditor-Controller of the County to maintain on its tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of

the debt service schedule for the Series A Bonds that will be provided to the Auditor-Controller by the District following the issuance, sale and delivery of the Series A Bonds; and

**WHEREAS**, the District has requested that the County of Los Angeles Treasurer and Tax Collector (the "Treasurer") be appointed by the County Board to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Series A Bonds pursuant to the District Resolution and this Resolution.

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

**Section 1. Issuance of Bonds.** That this County Board hereby authorizes the issuance and negotiated sale by the District, on its own behalf, of the Series A Bonds, pursuant to the powers granted to the County under Education Code Section 15140(b). This authorization set forth herein shall only apply to the specific series of bonds named herein.

**Section 2. Levy of Taxes.** That this County Board levy taxes on property located within the Improvement District's boundaries in an amount sufficient to pay the principal of and interest on the Series A Bonds.

**Section 3. Preparation of Tax Roll.** That the Auditor-Controller of the County of Los Angeles is hereby directed to place on its tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedule for the Series A Bonds, which will be provided to the Auditor-Controller by the District following the sale of the Series A Bonds.

**Section 4. Paying Agent.** That the Treasurer, or the Treasurer's third-party designee, act as Paying Agent for the Series A Bonds. The Treasurer is authorized to contract with a third party to perform the services of Paying Agent.

**Section 5. Legal Documents.** Notwithstanding anything to the contrary contained herein, in the Series A Bonds or in any other document mentioned herein, neither the County nor the County Board shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby and the Series A Bonds shall be payable solely from the monies available therefore as set forth in the District Resolution and herein.

[Remainder of this page intentionally left blank]

**Section 6. Effective Date.** This Resolution shall take effect immediately upon its passage.

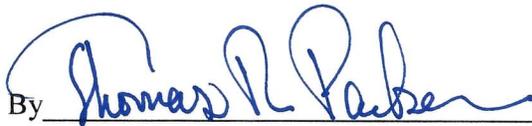
The foregoing resolution was, on the 5<sup>th</sup> day of May, 2015, adopted by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



PATRICK OGAWA, Acting Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By:   
Deputy

APPROVED AS TO FORM:  
MARK J. SALADINO  
COUNTY COUNSEL

By:   
Deputy County Counsel

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**RESOLUTION 2014-15 #52**

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAUGUS UNION SCHOOL DISTRICT PROVIDING FOR THE ISSUANCE OF SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2014-1 OF THE SAUGUS UNION SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2014 ELECTION, SERIES A, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED TWENTY MILLION DOLLARS (\$20,000,000); PRESCRIBING THE TERMS OF THE BONDS AND THEIR SALE; APPROVING FORMS OF BONDS; AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT FOR THE BONDS; AUTHORIZING EXECUTION OF CERTAIN DOCUMENTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF BONDS; MAKING CERTAIN FINDINGS AND DETERMINATIONS AND TAKING RELATED ACTIONS**

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EXHIBITS:

- EXHIBIT A - FORM OF BOND PURCHASE AGREEMENT
- EXHIBIT B - FORM OF SERIES A BOND
- EXHIBIT C - FORM OF CONTINUING DISCLOSURE CERTIFICATE
- EXHIBIT D - ESTIMATED COSTS OF ISSUANCE

RESOLUTION 2014-15 #52

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAUGUS UNION SCHOOL DISTRICT PROVIDING FOR THE ISSUANCE OF SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2014-1 OF THE SAUGUS UNION SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2014 ELECTION, SERIES A, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED TWENTY MILLION DOLLARS (\$20,000,000); PRESCRIBING THE TERMS OF THE BONDS AND THEIR SALE; APPROVING FORMS OF BONDS; AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT FOR THE BONDS; AUTHORIZING EXECUTION OF CERTAIN DOCUMENTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF BONDS; MAKING CERTAIN FINDINGS AND DETERMINATIONS AND TAKING RELATED ACTIONS**

**WHEREAS**, the Saugus Union School District (“District” or “School District”) is a public school district organized and operating within the County of Los Angeles (“County”) pursuant to the laws of the State of California (“State”), including, but not limited to, the California Constitution and the California Education Code (“Education Code”); and

**WHEREAS**, the School District, located within the County, has, pursuant to Chapter 2 of Part 10 of Division 1 of Title 1 of the Education Code, commencing with Section 15300, formed School Facilities Improvement District No. 2014-1 of the Saugus Union School District (“Improvement District No. 2014-1” or the “Improvement District”) to include certain designated portions of the territory within the boundaries of the School District (“Formation Proceedings”); and

**WHEREAS**, the issuance of not to exceed \$148,000,000 aggregate principal amount of general obligation bonds of Improvement District No. 2014-1 was authorized (“Bond Authorization”) at an election duly called and regularly conducted within the Improvement District on November 4, 2014 (further identified as “Measure EE”) (“Bond Election”), which Bond Election was conducted pursuant to the provisions of the “Safer Schools, Smaller Classes and Financial Accountability Act” (also known as “Proposition 39”), the California Constitution and related State law; and

**WHEREAS**, the results of the Bond Election were certified by this Board of Trustees of the School District (“District Board”) by adoption of Resolution 2014-15 #51, adopted on April 21, 2015, pursuant to State law, which Resolution 2014-15 #51 shall be filed as required by State law; and

**WHEREAS**, the proceeds of general obligation bonds issued pursuant to the Bond Authorization are to be used for identified projects (as set out in School District Resolution 2014-15 #15, which is incorporated herein by this reference) as approved by the voters in the Bond Election; and

**WHEREAS**, pursuant to the provisions of Proposition 39, the California Constitution and the Bond Authorization, the School District may, on behalf of the Improvement District, pursuant to the provisions and requirements of California Government Code (“Government Code”) Section 53506 *et seq.*, and, as applicable, the provisions of Article 5 of Chapter 2, and Article 1 of Chapter 1.5, of Part 10 of Division 1 of Title 1 of the Education Code (collectively, the “Act”), proceed to borrow funds, which authorizes the District Board to issue general obligation bonds by way of a resolution and compliance with certain statutory requirements; and

**WHEREAS**, no bonds, notes or other securities have previously been issued pursuant to the Bond Authorization; and

**WHEREAS**, pursuant to the Act, and, to the extent applicable, Education Code Sections 15350 *et seq.*, and 15266(b), the District Board hereby determines that it is in the best interests of the District, on behalf of the Improvement District, at this time to authorize the issuance and sale of general obligation bonds in a principal amount of not to exceed Twenty Million Dollars (\$20,000,000) (“Bonds” or “Series A Bonds”) of the Bond Authorization; and

**WHEREAS**, Proposition 39 and related State statutory provisions require that the District comply with various accountability measures, as further described below, which the District has either previously complied with, is complying with or will comply with, during the course of issuing, selling and delivering the Series A Bonds and/or expending the Series A Bond proceeds; and

**WHEREAS**, the District Board has previously retained Bowie, Arneson, Wiles & Giannone, as Bond Counsel to the District (“Bond Counsel”), Jones Hall, as Disclosure Counsel to the District (“Disclosure Counsel”), and Keygent Advisors, as Financial Advisor to the District (“Financial Advisor”) in connection with the issuance, sale and delivery of the Series A Bonds; and

**WHEREAS**, the District desires to authorize the sale of the Series A Bonds to Stifel, Nicolaus & Company, Incorporated, as Underwriter (“Underwriter”) by a negotiated sale process as further set forth herein; and

**WHEREAS**, pursuant to the Act and Education Code Sections 15350 *et seq.*, 15352 and 15266, the District Board desires that the Series A Bonds be sold by negotiated sale and that the sale thereof may involve the purchase of a municipal bond insurance policy; and

**WHEREAS**, forms of the Preliminary Official Statement, the Bond Purchase Agreement and a Continuing Disclosure Certificate (as defined herein) relating to the Series A Bonds have been prepared and are being concurrently presented to this District Board; and

**WHEREAS**, based upon documentation presented to the District Board, the District Board is prepared to make certain findings and determinations, in certain cases on behalf of the Improvement District, concerning the issuance and sale of the Series A Bonds; and

**WHEREAS**, the District Board confirms its prior request to the Treasurer and Tax Collector of the County (“Treasurer”) to levy on the County tax rolls, as applicable, taxes to be

levied and collected against property within the boundaries of the Improvement District pursuant to State law, in an amount sufficient to pay the principal and interest on the Series A Bonds as and when such shall become due; and

**WHEREAS**, the School District has, on behalf of the Improvement District, undertaken and completed all necessary and appropriate filings with the State Board of Equalization pursuant to Education Code Section 15301 and Government Code Section 54900; and

**WHEREAS**, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including the Series A Bonds, is within all limits prescribed by law; and

**WHEREAS**, based on the foregoing, the District Board has determined that it is appropriate to adopt this Resolution, including making certain findings and directing certain related actions, providing for the issuance and sale of the Series A Bonds on behalf of the Improvement District.

**NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE SAUGUS UNION SCHOOL DISTRICT, ACTING ON BEHALF OF SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2014-1 OF THE SAUGUS UNION SCHOOL DISTRICT, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1. Incorporation of Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference.

**Section 2. Authorization; Conditions Precedent.** The District Board, acting on behalf of Improvement District No. 2014-1, determines that all acts and conditions necessary to be performed by the District or District Board or to have been met precedent to and in the issuance and sale of the Series A Bonds in order to make them legal, valid and binding general obligations of the District secured by the levy of *ad valorem* taxes have been performed and have been met, or will at the time of delivery of the Series A Bonds have been performed and met, in regular and due form as required by law; that the County Board of Supervisors has the power and is obligated to levy *ad valorem* taxes for the payment of the Series A Bonds and the interest thereon without limitation as to rate or amount upon all property within the Improvement District subject to taxation (except for certain classes of personal property); and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series A Bonds.

**Section 3. Amount and Purpose of the Bonds.** The Series A Bonds of the Improvement District in the aggregate Principal Amount (as defined herein) of not to exceed Twenty Million Dollars (\$20,000,000) shall be offered for sale by the District, on behalf of the Improvement District, the proceeds of which are to be used for the purposes set out in District Resolution 2014-15 #15 and as approved at the Bond Election, the California Constitution, Proposition 39, the Bond Authorization, this Resolution, the Act and, as applicable, Sections 15350 *et seq.*, and 15266 of the Education Code and to pay all necessary costs or expenses incurred in the issuance, sale and delivery of the Series A Bonds pursuant to Government Code Sections 53506 *et seq.* and Education Code Section 15145(a).

**Section 4. Authority for Issuance.** The Series A Bonds shall be issued and offered for sale by the District pursuant to and in accordance with the California Constitution, the provisions of Proposition 39, the authorization provided by the County Resolution (as defined herein), this Resolution and the Act.

**Section 5. Sale of Bonds; Designation.** The District is hereby authorized to issue and sell an aggregate Principal Amount of not to exceed Twenty Million Dollars (\$20,000,000) of Series A Bonds authorized at the aforementioned Bond Election to be designated as “**School Facilities Improvement District No. 2014-1 of the Saugus Union School District General Obligation Bonds, 2014 Election, Series A**” or such other designation as the Superintendent of the District (“Superintendent”), the Assistant Superintendent of Business, or the Superintendent’s designee(s) (each a Designated Officer, as defined herein) (as described herein) may approve.

**Section 6. Negotiated Sale.** The Designated Officer (as defined in Section 9 herein) is hereby authorized to negotiate the sale of the Series A Bonds to the Underwriter. The Series A Bonds shall be sold on behalf of the Improvement District pursuant to the applicable provisions of the Government Code and Education Code and the terms and conditions set forth in the Purchase Agreement, as described and defined herein.

**Section 7. Form of Purchase Agreement; Sale of Bonds; Delegation of Authority.** The Series A Bonds will be sold to the Underwriter through a negotiated sale by the Designated Officer pursuant to the terms and conditions set forth in the Purchase Agreement (as defined in Section 9 herein), substantially in the form appended hereto as Exhibit “A” and incorporated by reference herein, and the provisions hereof. The form of the Purchase Agreement is hereby approved and the Designated Officer is hereby authorized to execute and deliver the Purchase Agreement to the Underwriter, with such changes therein, deletions therefrom and modifications thereto as the Designated Officer shall determine, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of the Series A Bonds shall not exceed the period stated below, the true interest cost for the Series A Bonds shall not exceed six and one-half percent (6.50%) and the Underwriter’s discount, not including any original issue premium or discount, if any, shall not exceed 0.55% (exclusive of any original issue discount on the Series A Bonds, which original issue discount shall not exceed 5.00%) (and further excluding any amount held by the Underwriter to pay designated costs of issuance under the terms of the Purchase Agreement), based on the aggregate Principal Amount of Series A Bonds sold pursuant to the Purchase Agreement. True interest cost for purposes of this Section means that nominal interest rate that, when compounded semiannually and used to discount the debt service payments on the Series A Bonds to the dated date(s) of the Series A Bonds, results in an amount equal to the purchase price of the Series A Bonds, excluding interest accrued to the date of delivery. For purposes of this calculation, the premium paid for the policy of municipal bond insurance, if any, shall be treated as interest paid on the Series A Bonds on the date of delivery. The term of the Series A Bonds shall be for not more than 30 years from the date of issuance. The Designated Officer is further authorized to determine the Principal or issue amount of the Series A Bonds of each maturity to be specified in the Purchase Agreement for sale by the District, up to an aggregate principal or issue amount of Twenty Million Dollars (\$20,000,000), to determine, whether to purchase bond insurance, to modify redemption terms for the Series A Bonds and to enter into and execute the Purchase Agreement, if the conditions set forth in this Resolution are satisfied.

If it appears in the best interests of the District to acquire municipal bond insurance to secure the repayment of all, or any portion of, the Series A Bonds, the Designated Officer may so provide in the Purchase Agreement and may take such other and further actions as are necessary or convenient to securing such municipal bond insurance.

Notwithstanding any other provision herein to the contrary, the Series A Bonds shall comply with the requirements of Education Code Section 15144.1. The District shall be furnished with written compliance of such limitations at the time the Series A Bonds are sold.

**Section 8. [Reserved].**

**Section 9. Certain Definitions.** Unless otherwise set forth herein, as used in this Resolution, the terms and phrases set forth below shall have the following meanings ascribed to them:

(a) **“Authorized Investments”** means the County Investment Pool, the County Educational Investment Pool (or other investment pools of the County into which the District may lawfully invest its funds), the Local Agency Investment Fund, any investment authorized pursuant to Government Code Sections 16429.1 and 53601, or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Government Code Section 53635, or in guaranteed investment contracts, float contracts or other investment products (provided that such contracts comply with the requirements of applicable State law and with Section 148 of the Code, and with the requirements of the Bond Insurer, if any, and as shall be applicable).

(b) **“Bond Counsel”** means (a) the firm of Bowie, Arneson, Wiles & Giannone, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

(c) **“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal of, and interest on, all or a portion of the Series A Bonds.

(d) **“Bond Payment Date”** or **“Interest Payment Date”** means, unless otherwise provided in the Purchase Agreement, with respect to the interest on the Series A Bonds, February 1 and August 1 (or such other dates as may be established in the Purchase Agreement), and commencing on the date set forth in the Purchase Agreement, with respect to the principal payments on the Series A Bonds.

(e) **“Bond Register”** or **“Registration Books”** means the listing of names and addresses of the current registered owners of the Series A Bonds, as maintained by the Paying Agent in accordance with Section 15 hereof.

(f) **“Bonds”** or **“Series A Bonds”** means the School Facilities Improvement District No. 2014-1 of the Saugus Union School District, General Obligation Bonds, 2014 Election, Series A.

(g) **“Building Fund”** shall have the meaning set forth in Section 22 hereof.

(h) **“Business Day”** means a day which is not (i) a Saturday, Sunday or legal holiday in the State, (ii) a day on which banking institutions in the State, or in any state in which the Office of the Paying Agent is located, are required or authorized by law (including executive order) to close, or (iii) a day on which the New York Stock Exchange is closed.

(i) **“Code”** means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series A Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series A Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

(j) **“County”** means the County of Los Angeles, a political subdivision of the State organized and existing under the Constitution and laws of the State, and any successor thereto.

(k) **“Date of Issuance”** or **“Closing Date”** means the delivery date with respect to the Series A Bonds, as shall be designated by the Purchase Agreement.

(l) **“Debt Service Fund”** shall have the meaning set forth in Section 22 hereof.

(m) **“Designated Officer(s)”** means the District’s Superintendent, Chief Financial Officer, or other persons designated in writing by the District’s Superintendent as a Designated Officer of the District.

(n) **“District”** or **“School District”** means the Saugus Union School District, a public unified school district organized and operating under the Constitution and the laws of the State, and any lawful successor thereto.

(o) **“District Board”** or **“School Board”** means the Board of Trustees of the School District.

(p) **“DTC”** or **“Depository”** means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Series A Bonds.

(q) **“Improvement District”** or **“Improvement District No. 2014-1”** means School Facilities Improvement District No. 2014-1 of the Saugus Union School District, a school facilities improvement district formed by the School District pursuant to the provisions of Education Code Sections 15300 *et seq.*, and the Formation Proceedings.

(r) **“Informational Services”** means the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access (EMMA) system, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a written request of the District delivered to the Paying Agent.

(s) **“Letter of Representations”** or **“Representation Letter”** shall have the meaning set forth in Section 16 hereof.

(t) **“Moody’s”** means Moody’s Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term **“Moody’s”** shall be deemed to refer to any other nationally recognized securities rating agency selected by the School District.

(u) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 16 hereof.

(v) **“Office of the Paying Agent”** means the principal office of the Paying Agent in Los Angeles, California, or such other office as may be specified to the School District by the Paying Agent in writing.

(w) **“Official Statement”** shall have the meaning set forth in Section 26 hereof.

(x) **“Outstanding”** means all Series A Bonds theretofore issued by the School District, except:

(i) Series A Bonds theretofore canceled by the School District or surrendered to the District for cancellation;

(ii) Series A Bonds for the transfer or exchange of or in lieu of or in substitution for which other Series A Bonds shall have been authenticated and delivered by the School District pursuant to the terms hereof; and

(iii) Series A Bonds paid and discharged pursuant to Sections 20 or 21 hereof.

(y) **“Owner”** or **“Bond Owner”** means the current registered holder of any Series A Bond or Series A Bonds to whom payments of Principal and interest are made.

(z) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which DTC holds book-entry certificates as securities depository.

(aa) **“Paying Agent”** means the County Treasurer, or its designated agent, acting in the capacity of paying agent, registrar, authenticating agent and transfer agent or any successor thereto as duly appointed by the County.

(bb) **“Principal”** or **“Principal Amount”** means, with respect to any Series A Bond, the Principal Amount stated thereon.

(cc) **“Purchase Agreement”** or **“Bond Purchase Agreement”** means that certain Bond Purchase Agreement for the purchase and sale of the Series A Bonds as between the School District, on behalf of itself and the Improvement District, and the Underwriter, as such Purchase Agreement shall be executed and delivered.

- (dd) **“Rebate Fund”** shall have the meaning set forth in Section 22 hereof.
- (ee) **“Record Date”** means the close of business on the fifteenth day of the month preceding each Bond Payment Date, whether or not such day is a Business Day.
- (ff) **“Redemption Notice”** shall have the meaning set forth in Section 11(e) hereof.
- (gg) **“Resolution”** or **“Bond Resolution”** means this Resolution, including the Exhibits hereto, as adopted by the District Board and as such may be amended from time to time pursuant to Section 40.
- (hh) **“Securities Depositories”** means the following: The Depository Trust Company, with Cede & Co. as its nominee, Attn: Call Notification Department at such address or through such notification system as The Depository Trust Company shall designate, and in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.
- (ii) **“S&P”** or **“Standard & Poor’s”** means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term **“S&P”** shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.
- (jj) **“State”** means the State of California.
- (kk) **“Tax Certificate”** means the document(s) of that name, executed by the School District, including all attachments thereto, dated the date of delivery of the Series A Bonds.
- (ll) **“Term Bonds”** means those Series A Bonds, if any, for which mandatory sinking fund redemption dates have been established in the Purchase Agreement.
- (mm) **“Transfer Amount”** means, with respect to any Outstanding Series A Bond, the aggregate Principal Amount thereof.
- (nn) **“Treasurer”** means the Treasurer and Tax Collector of the County of Los Angeles, California, or any authorized deputy thereof.
- (oo) **“Underwriter”** means the initial purchaser(s) of the Series A Bonds as identified herein and in the Purchase Agreement.
- (pp) **“Written Request”** means a written request or directive of the School District provided by a Designated Officer.

Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

Headings of sections herein are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

All references herein to "Sections" and other subdivisions are to the corresponding Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Section or subdivision hereof.

**Section 10. Terms of Bonds.** The Series A Bonds shall be issued in one series as further described herein. The Series A Bonds shall consist of current interest bonds as set forth herein and in the Purchase Agreement.

The Series A Bonds shall be dated the Date of Issuance, and shall bear interest at the rate or rates consistent with the interest cost limitations set forth in Section 7, payable on February 1 and August 1 of each year commencing on the date specified in the Purchase Agreement (each an Interest Payment Date, as defined herein), the actual interest rate or rates and the actual maturity schedule to be fixed at the time of sale, subject to the limitations of State law and the limitations set forth herein. Each Series A Bond shall be issued in denominations of \$5,000 or integral multiples thereof, and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Interest Payment Date to the 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 fifteenth day of the month prior to the initial Interest Payment Date, in which event it shall bear interest from the Date of Issuance, computed using a year of 360 days comprised of twelve 30-day months; provided, however, that if at the time of authentication of any Series A Bond, interest is then in default on Outstanding Series A Bonds, such Series A Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. The foregoing terms shall be subject to the terms of the Purchase Agreement.

The Series A Bonds will be sold as provided in Sections 5, 6, and 7 hereof; notwithstanding anything herein to the contrary, the terms of the Series A Bonds, as set forth in this Resolution, may be amended prior to delivery in accordance with the provisions of the Purchase Agreement. The Series A Bond maturities may be adjusted by the Designated Officer(s), in consultation with the Underwriter and Bond Counsel, as appropriate to provide funds to finance school facilities as set forth in the Bond Authorization and pay for the costs of issuance of the Series A Bonds, provided that the total par amount of the Series A Bonds shall not exceed \$20,000,000. In the event of a conflict or inconsistency between this Resolution and the Purchase Agreement relating to the terms of the Series A Bonds, the provisions of the Purchase Agreement shall be controlling.

**Section 11. Redemption Provisions.**

(a) Optional Redemption. The terms for optional redemption of the Series A Bonds shall be as specified in the Purchase Agreement.

(b) Mandatory Sinking Fund Redemption of Term Bonds. The Series A Term Bonds are subject to mandatory sinking fund redemption prior to their maturity date from monies in the

Debt Service Fund established in Section 22 hereof, by lot, without premium, on each August 1 (or other date specified in the Purchase Agreement), in the years and amounts as set forth in the Purchase Agreement. In the event that there are no Series A Term Bonds specified in the Purchase Agreement, this subsection shall not apply.

(c) Selection of Bonds for Redemption. Whenever less than all of the Outstanding Series A Bonds are to be redeemed, the Paying Agent, upon written direction from a Designated Officer, shall select the Bonds to be redeemed as so directed, and if not so directed by the District in inverse order of maturity, and within a maturity, the Paying Agent shall select Series A Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Series A Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof. The Paying Agent shall promptly notify the District of the Series A Bonds so selected for redemption on such date. In the event that Term Bonds are subject to optional redemption pursuant to Section 11(a), there shall be pro rata reductions in the annual sinking fund payments due on such Outstanding Term Bonds, or as otherwise directed by the District.

(d) Form of Notice of Redemption. The Paying Agent shall give notice of each designated redemption ("Redemption Notice") of the Series A Bonds at the expense of the School District. Such Redemption Notice shall specify: (a) that the Series A Bonds or a designated portion thereof are to be redeemed; (b) if less than all of the then outstanding Bonds are to be called for redemption, shall designate the numbers (or state that all Series A Bonds between two stated numbers both inclusive have been called for redemption) and CUSIP® numbers, if any, of the Series A Bonds to be redeemed; (c) the date of notice and the date of redemption; (d) the place or places where the redemption will be made; and (e) descriptive information regarding the Series A Bonds and the specific Series A Bonds to be redeemed, including the dated date, interest rate and stated maturity date of each. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Series A Bond to be redeemed, the portion of the Principal Amount of such Series A Bond to be redeemed, together with interest accrued or accreted, as applicable, to the date of redemption, and redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue or accrete, as applicable.

(e) Provision of Notice of Redemption. Any Redemption Notice shall be mailed, first class mail postage prepaid, to the registered Owners of the Series A Bonds, to a Securities Depository and to a national Information Service, and by first class mail, postage prepaid, to the District and the respective Owners of any registered Series A Bonds designated for redemption at their addresses appearing on the Bond Register, in every case at least thirty (30) days, but not more than sixty (60) days, prior to the designated redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series A Bonds nor entitle the Owner thereof to interest beyond the date given for redemption. A certificate provided by the Paying Agent that notice of such redemption has been given as herein provided shall be conclusive as against all parties, and it shall not be open to a Bond Owner to show that he or she failed to receive notice of such redemption. In case of the redemption as permitted herein of all the Outstanding Bonds of any one maturity, notice of redemption shall be given by mailing as herein provided, except that the notice of redemption need not specify the serial numbers of the Series A Bonds of such maturity.

Neither failure to receive or failure to send, to the Registered Owners, Securities Depositories or Informational Services, any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Series A Bonds. Neither the failure to receive such notice, the failure to send such notice, nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series A Bonds or the cessation of accrual or accretion of interest, as applicable, represented thereby from and after the redemption date.

(f) Contingent Redemption; Rescission of Redemption. Any Redemption Notice may specify that redemption of the Series A Bonds designated for redemption on the specified date will be subject to the receipt by the School District of monies sufficient to cause such redemption (and will specify the proposed source of such monies), and neither the School District nor the Paying Agent will have any liability to the Owners of any Series A Bonds, or any other party, as a result of the School District's failure to redeem the Series A Bonds designated for redemption as a result of insufficient monies therefor.

Additionally, the School District may rescind any optional redemption of the Series A Bonds, and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Series A Bonds so 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 Series A 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. Neither the School District nor the Paying Agent will have any liability to the Owners of any Series A Bonds, or any other party, as a result of the School District's decision to rescind a redemption of any Series A Bonds pursuant to the provisions of this subsection.

(g) Payment of Redeemed Bonds. When a Redemption Notice has been given substantially as provided for herein, and, when the amount necessary for the redemption of the Bonds called for redemption (Principal, interest and premium, if any) is set aside for that purpose in the Debt Service Fund, as provided herein, the Series A Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice, such Bonds shall be redeemed and paid at the redemption price from funds held in the Debt Service Fund.

Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Series A Bonds shall bear or include the CUSIP® number identifying, by issue and maturity, the Series A Bonds being redeemed with the proceeds of such check or other transfer.

If on such redemption date, money for the redemption of all the Series A Bonds to be redeemed as provided in this Section, together with interest to such redemption date, shall be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid (and not rescinded), then from and after such redemption date, interest with respect to the Series A Bonds to be redeemed shall cease to accrue. All money held for the redemption of Series A Bonds shall be held in trust for the account of the registered Owners of the Series A Bonds so to be redeemed. All unpaid interest payable at or prior to the designated redemption date shall continue to be payable to the respective Owners, but without interest thereon.

(h) Effect of Notice of Redemption. Notice having been given as aforesaid, and the monies for the redemption (including the interest to the applicable date of redemption) having been set aside in the Debt Service Fund, or another dedicated fund or account, the Series A Bonds to be redeemed shall become due and payable on such date of redemption.

(i) Purchase in Lieu of Redemption. In lieu of, or partially in lieu of, any mandatory sinking fund redemption of Series A Bonds pursuant to the terms hereof, monies in the Debt Service Fund may be used to purchase the Outstanding Series A Bonds that were to be redeemed with such funds in the manner hereinafter provided. Purchases of Outstanding Series A Bonds may be made by the District or the Treasurer through the Paying Agent prior to the selection of Series A Bonds for redemption at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued or accreted interest as applicable. Any accrued interest payable upon the purchase of Series A Bonds may be paid from the Debt Service Fund for payment of interest on the next following Interest Payment Date. Any Series A Bond purchased in lieu of redemption shall be transmitted to the Paying Agent and shall be canceled by the Paying Agent upon surrender thereof, as provided for in Section 11(l) below and shall not be reissued or resold.

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

(k) Cancellation of Redeemed Bonds. All Series A Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section and Section 19 shall be canceled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Series A Bond purchased by the Treasurer or the District pursuant to subsection (i) above shall be canceled by the Paying Agent and the Paying Agent shall provide a written certification of such cancellation and destruction to the District.

(l) Bonds No Longer Outstanding. When any Series A Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient monies shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Series A Bonds or portions thereof, and, in the case of Series A Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Series A Bonds shall no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

**Section 12. Form of Bonds; Temporary Bonds; CUSIP® Numbers.** The Series A Bonds shall be substantially in conformity with the standard form of registered school district bonds, copies of which are attached hereto as Exhibit "B" and incorporated herein by this reference as if set forth in full, with necessary or appropriate variations, omissions and insertions

as may be permitted or required by this Resolution and to conform with the requirements of the Purchase Agreement. One certificate shall be issued for each maturity of the Series A Bonds of the same interest rate.

The Series A Bonds may be initially issued in temporary form exchangeable for definitive Series A Bonds when ready for delivery. The temporary Series A Bonds may be printed, or typewritten, shall be of such denominations as may be determined by the Treasurer and the District, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Series A Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Series A Bonds. If the District issues temporary Series A Bonds it will execute and furnish definitive Series A Bonds without delay, and thereupon the temporary Series A Bonds may be surrendered, for cancellation, in exchange therefor at the Office of the Paying Agent and the Paying Agent shall deliver in exchange for such temporary Series A Bonds an equal aggregate Principal Amount of definitive Series A Bonds of authorized denominations. Until so exchanged, the temporary Series A Bonds shall be entitled to the same benefits pursuant to this Resolution as definitive Series A Bonds executed and delivered hereunder.

“CUSIP<sup>®</sup>” identification numbers shall be imprinted on Series A Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series A Bonds and any error or omission with respect thereto shall not constitute cause for refusal of the Purchaser to accept delivery of and pay for the Series A Bonds. In addition, failure on the part of the District to use such CUSIP<sup>®</sup> numbers in any notice to Owners of the Series A Bonds shall not constitute an event of default or any violation of the District’s contract with such Owners and shall not impair the effectiveness of any such notice.

**Section 13. Execution of Series A Bonds; Authentication.** The Series A Bonds shall be signed by the President of the District Board (or in the President’s absence, the Vice-President or acting President) by his or her manual or facsimile signature and countersigned by the manual or facsimile signature of the Clerk of the District Board (or in the Clerk’s absence, an Assistant Clerk or Secretary to the Board), both in their official capacities. The facsimile signatures of the President and Clerk (or such other School District officers as called for herein) may be printed or otherwise mechanically reproduced. The provisions of Education Code Sections 15181 and 15182 shall apply to all signatures affixed to the Series A Bonds.

In case any of such officers who shall have signed or attested any of the Series A Bonds shall cease to be such officers before the Series A Bonds so signed or attested shall have been authenticated or delivered by the Paying Agent, or issued by the School District, such Series A Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the School District as though those who signed and attested the same had continued to be such officers, and also any Series A Bonds may be signed and attested on behalf of the School District by such persons as at the actual date of execution of such Series A Bonds shall be the proper officers of the School District although at the nominal date of such Series A Bonds such person shall not have been such officer of the School District.

No Series A Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Series A Bond is signed by the Paying Agent as authenticating agent for the Series A

Bonds. Authentication by the Paying Agent shall be conclusive evidence that the Series A Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, this Resolution.

**Section 14. Delivery of Series A Bonds.** The proper officials of the School District shall cause the Series A Bonds to be prepared and, following their sale, shall have the Series A Bonds executed and delivered, to the Underwriter upon payment of the purchase price in immediately available funds. The proper officials of the School District shall cause a true transcript of proceedings with reference to the issuance of the Series A Bonds to be prepared and furnished to the Underwriter.

**Section 15. Bond Registration; Transfers.** As hereinafter provided, the Series A Bonds shall be delivered in a form and with such terms as will permit them to be in book-entry only form, deposited with DTC. If the book-entry only system is no longer in effect, the District will cause the Paying Agent to maintain and keep at the Office of the Paying Agent all books and records necessary for the registration, exchange and transfer of certificated Series A Bonds as provided in this Section ("Bond Register"), which shall be open to inspection by the District upon reasonable notice. While the book-entry only system is in effect, such books need not be kept, as the Series A Bonds will be represented by one Series A Bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

Subject to the provisions of Section 16 below, the person in whose name a Series A Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Series A Bond for all purposes of this Resolution. Payment of, or on account of, the Principal of and interest on any Series A Bond shall be made only to or upon the order of the Owner thereof; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Series A Bonds, including interest, to the extent of the amount or amounts so paid.

Any Series A Bond may be exchanged for Series A Bonds of the same series of any other authorized denomination upon presentation and surrender at the principal corporate trust Office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Any Series A Bond may, in accordance with its terms (but only if the District determines no longer to maintain the book-entry only status of the Series A Bonds, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the District to deliver certificated securities to particular DTC Participants) be transferred, upon the books required to be kept pursuant to the provisions of this Section, by the Owner, in person or by their duly authorized attorney, upon surrender of such Series A Bond for cancellation at the Office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Series A Bonds only after the new Series A Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Series A Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Series A Bonds in accordance with the provisions of this Resolution.

All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Series A Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Series A Bonds surrendered upon that exchange or transfer.

Any Series A Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be canceled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Series A Bonds that the District, the Paying Agent or the County may have acquired in any manner whatsoever, and those Series A Bonds shall be promptly canceled by the Paying Agent. Written reports of the surrender and cancellation of Series A Bonds shall be made to the District, and the County by the Paying Agent and updated annually. The canceled Series A Bonds shall be destroyed by the Paying Agent in accordance with its procedures as confirmed in writing to the District.

Neither the District nor the Paying Agent will be required to: (a) issue or transfer any Series A Bonds during a period beginning with the opening of business on the 16th day of the month (whether or not such day is a Business Day) next preceding either any Interest Payment Date or any date of selection of Series A Bonds to be redeemed and ending with the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given; or (b) transfer any Series A Bonds which have been selected or called for redemption in whole or in part.

**Section 16. Book-Entry System.** Except as provided below, the owner of all of the Bonds shall be The Depository Trust Company ("DTC" or "Depository"), and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Bonds shall be initially executed and delivered in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial execution and delivery, as provided for herein, the ownership of such Bond shall be registered in the Bond Register in the name of the Nominee identified below as nominee of The Depository Trust Company, New York, New York, and its successors and assigns. Except as hereinafter provided, all of the Outstanding Bonds shall be registered in the Bond Register in the name of the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section ("Nominee"). With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither the District nor the Paying Agent shall have any responsibility or obligation to any broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository ("Participant") or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the District nor the Paying Agent shall have any responsibility or obligation (unless the District is at such time the Depository) with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds; (ii) the delivery to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the District redeems the Bonds in part; or (iv) the payment to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any amount with respect to Principal of or interest on the Bonds. The District and the Paying

Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of Principal and interest with respect to such Bond, for the purpose of giving notices of redemption, if applicable, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Principal of and interest on the Bonds only to or upon the order of the respective Owner of the Bond, as shown in the Bond Register, or their respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as shown in the Bond Register, shall receive a certificate evidencing the obligation of the District to make payments of Principal and interest. Upon delivery by the Depository to the Owners of the Bonds, and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Resolution shall refer to such nominee of the Depository.

In order to qualify the Bonds for the Depository's book-entry system, the District is executing and delivering to the Depository a letter of representations in a form satisfactory to the Depository ("Representation Letter"). The execution and delivery of the Representation Letter shall not in any other way limit the provisions of this Section or in any other way impose upon the District any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners of the Bonds, as shown on the Bond Register. In addition to the execution and delivery of the Representation Letter, the District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Bonds for the Depository's book-entry program.

In the event: (i) the Depository determines not to continue to act as securities depository for the Bonds; or (ii) the Depository shall no longer so act and gives notice to the District of such determination, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully-registered Bond, per maturity, registered in the name of such successor or substitute qualified securities depository or its nominee. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the Nominee, but shall be registered in whatever name or names Owners of the Bonds transferring or exchanging Bonds shall designate, in accordance with provisions of this Resolution, and the District shall prepare and deliver Bonds to the Owners thereof for such purpose.

If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered Bond, per maturity, registered in the name of such successor or substitute qualified securities depository or its nominee. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the Nominee, but shall be registered in whatever name or names owners of the Bonds transferring or exchanging Bonds shall designate, in accordance with provisions of this Resolution, and the District shall prepare and deliver Bonds to the owners thereof for such purpose.

In the event of a reduction in aggregate Principal Amount of Bonds Outstanding or an advance refunding of part of the Bonds Outstanding, the Depository in its discretion, (a) may request the District to prepare and issue a new Bond or (b) may make an appropriate notation on the Bond indicating the date and amounts of such reduction in principal, but in such event the District records maintained by the Paying Agent shall be conclusive as to what amounts are Outstanding on the Bond, except in the case of final maturity in which case the Bond must be presented to the Paying Agent prior to payment.

Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to Principal of and interest on such Bonds and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository and acceptable to the District. The initial Depository under this Section shall be the Depository. The initial Nominee shall be Cede & Co., as Nominee of the Depository.

The County, 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 Series A Bonds and neither the County, the District or the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including the Depository or its Nominee for any failure of the Depository or its Nominee to provide notices, distribute payments on the Series A Bonds or take other actions concerning the beneficial owners of the Series A Bonds which are the responsibility of the Depository or its Nominee. As to the District, the foregoing is subject to the express provisions of the Representation Letter.

**Section 17. Paying Agent.**

(a) The Treasurer is hereby appointed as the initial authorizing agent, bond registrar, transfer agent and paying agent (collectively, "Paying Agent") for the Series A Bonds. The Treasurer is authorized to contract with any qualified third party to perform the services of Paying Agent. The first annual fees of the Paying Agent shall be paid from proceeds of the Series A Bonds. Subsequent annual fees of the Paying Agent and any other ongoing fees and expenses of administering the Bonds may be paid from the general fund of the District or other funding sources available therefor. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District, subject to the terms hereof.

(b) The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) days' written notice to the District. The Paying Agent may be removed at any time by an instrument filed with such Paying Agent and signed by a Designated Officer. A successor Paying Agent shall be appointed by the District, and shall be a bank or trust company organized under the laws of the State, of any state or the United States, a national banking association or any other financial institution, having capital stock and surplus aggregating to at least Two Hundred Fifty Million Dollars (\$250,000,000) and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Such Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District a written acceptance thereof. Resignation or removal of the Paying

Agent shall be effective only upon appointment and acceptance of a successor Paying Agent. The Paying Agent shall keep accurate records of all funds administered by it and of all Series A 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 District, Paying Agent and the County.

(c) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any monies held by it as Paying Agent to its successor, or, if there is no successor, to the Treasurer. In the event that for any reason there shall be a vacancy in the position of the Paying Agent, the Treasurer shall act as such Paying Agent. The District shall promptly cause to be mailed, at its expense, the name and Office of the Paying Agent appointed to replace any resigned or removed Paying Agent to the Informational Services and to DTC.

(d) Any company or association into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under this Section 17, shall be the successor to the Paying Agent and vested with all of the title to the trust estate and all of the trust, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. All costs associated with the Paying Agent's merger or consolidation with another bank or trust company shall be paid by the successor Paying Agent. No expense resulting from such merger or consolidation shall be billed to the District or the County.

(e) To the extent permitted by law, the Paying Agent may become the Owner of any of the Series A Bonds.

(f) The District shall be responsible to pay all fees, costs and expenses of the Paying Agent, subject to the provisions of Section 18 hereof.

(g) All documents received by the Paying Agent under the provisions of this Resolution shall be retained in its possession at the Office of the Paying Agent and shall be subject during business hours and upon reasonable notice to the inspection of the District, the County or the Owners and their agents and representatives duly authorized in writing.

**Section 18. Source of Payment; Security for the Series A Bonds.** Pursuant to the California Constitution, the Authorization, Education Code Sections 15350 and 15250 *et seq.*, and State law, there shall be levied by the County on all the taxable property in the Improvement District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Series A Bonds are Outstanding, commencing in Fiscal Year 2015/2016, in an amount sufficient to pay the Principal of, interest on, and redemption premium, if any, on the Series A Bonds when due, which monies when collected will be placed in the Debt Service Fund.

The Treasurer is hereby requested to levy, pursuant to Education Code Sections 15350 and 15250 *et seq.*, on its Fiscal Year 2015/2016 tax roll, and all subsequent tax rolls, taxes on taxable property within the Improvement District in an amount sufficient to pay the Principal of,

interest on and redemption premium, if any, on the Series A Bonds as the same shall come due, in accordance with the provisions of this Resolution and State law. The Debt Service Fund is irrevocably pledged for the payment of the Principal of, interest on, and redemption premium, if any, on the Series A Bonds when and as the same fall due. Funds in the Debt Service Fund after payment of Principal of, interest on, and redemption premium, if any, the Series A Bonds, if any still then remain following each August 1 (or such other maturity date for the Series A Bonds, as specified in the Purchase Agreement), may be used to pay administrative costs and expenses for the Series A Bonds, including fees and expenses of the Paying Agent.

The monies in the Debt Service Fund, to the extent necessary to pay the Principal of, interest on, and redemption premium, if any, on the Series A Bonds as the same become due and payable, shall be transferred by the Treasurer, or his or her designee or deputy, to the Paying Agent (sufficiently in advance of each Interest Payment Date to allow for timely payment by the Paying Agent of Principal of, interest on and redemption premium, if any, the Series A Bonds) who in turn, shall pay such monies to the Depository to pay the Principal of, and interest on, and redemption premium, if any, on the Series A Bonds when due. The Depository will thereupon make payments of Principal of, and interest on, and redemption premium, if any, on the Series A Bonds to the Depository Participants who will thereupon make payments of Principal and interest and redemption premium, if any, to the Owners of the Series A Bonds. Any monies remaining in the Debt Service Fund after the Series A Bonds and the interest thereon and redemption premium, if any, have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District pursuant to Education Code Sections 15350 and 15235, or any successor section(s) thereto.

**Section 19. Payment of Principal and Interest.** The Principal of and interest on the Series A Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Paying Agent. Principal shall be payable when due upon presentation and surrender of the Series A Bonds at the Office of the Paying Agent. Interest on Series A Bonds shall be paid on each Bond Payment Date by check mailed by first class mail to the person in whose name the Bond is registered, and to that person's address appearing on the Bond Register on the Record Date. The Owner of an aggregate Principal Amount of Series A Bonds of \$1,000,000 or more may request, in writing, prior to the close of business on the 15th day of the month preceding each Interest Payment Date, whether or not such day is a Business Day, to the Paying Agent that such Owner be paid interest by wire transfer to the bank within the United States of America and account number on file with the Paying Agent as of the Record Date.

Payments of Principal and redemption premiums, if any, with respect to the Series A Bonds shall be payable at maturity or redemption upon surrender at the Office of the Paying Agent, or such other location as the Paying Agent shall designate to the District in writing. In the event the Paying Agent shall provide written notice of a change in the location for payment of Principal and redemption premiums on the Series A Bonds, the Paying Agent shall thereafter provide notice of such change to the Informational Services and Securities Depositories of such change. The Paying Agent is hereby authorized to pay the Series A Bonds when duly presented for payment at maturity and to cancel all Series A Bonds upon payment thereof.

The Series A Bonds are the general obligations of the District, on behalf of the Improvement District, secured by *ad valorem* taxes levied and collected pursuant to the Bond

Authorization, the California Constitution and State law and do not constitute an obligation of the County except to provide for the levy and collection of the *ad valorem* taxes and payment of funds to the Paying Agent as set forth in Sections 17 and 18 hereof. No part of any fund of the County is pledged or obligated to the payment of the Series A Bonds.

**Section 20. Defeasance.** The Series A Bonds may be defeased prior to maturity in the following ways:

(a) Cash: By irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay all Series A Bonds Outstanding, including all Principal and interest and premium, if any; or

(b) Defeasance Securities: By irrevocably depositing with a bank or trust company, in escrow, noncallable Defeasance Securities, permitted under Section 149(d) of the Code thereto, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Debt Service Fund, to be applied thereto, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Series A Bonds (including all Principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

*then*, notwithstanding that any Series A Bonds shall not have been surrendered for payments, all obligations of the District with respect to all Outstanding Series A Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of the Series A Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, "Defeasance Securities" shall mean:

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) evidence of direct ownership or proportionate interests in future interest or principal payments of such obligations. In the case of investments in such proportionate interests, such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Defeasance Securities; (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 Defeasance Securities; and (c) the underlying Defeasance Securities are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; *provided* that such obligations are rated or assessed at the highest then-prevailing United States Treasury securities credit rating.

For purposes of this Section 20 and Section 21, the escrow agent bank and verification agent shall be selected by the District. Any such escrow bank or trust company shall conform to the successor paying agent requirements of Section 17 hereof. All costs for defeasance of the Series A Bonds shall be paid by the District.

**Section 21. Partial Defeasance.** A portion of the then-Outstanding maturities of the Series A Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, to be applied thereto, as applicable, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Series A Bonds (including all Principal and interest represented thereby and redemption premiums, if any) at or before their maturity date; or

(b) Defeasance Securities: By irrevocably depositing with a bank or trust company, in escrow, noncallable Defeasance Securities, permitted under Section 149(d) of the Code thereto together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, be fully sufficient to pay and discharge the designated Outstanding maturities of the Series A Bonds (including all Principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

*then*, notwithstanding that any of such designated maturities of Series A Bonds shall not have been surrendered for payment, all obligations of the District with respect to such Outstanding maturities of Series A Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 21, to the Owners of the Series A Bonds of such maturities designated for redemption not so surrendered and paid all sums due with respect thereto.

**Section 22. Establishment of Funds; Disposition of Proceeds of the Bonds; Investment.**

(a) The net proceeds from the sale of the Series A Bonds, to the extent of the Principal Amount thereof, shall be paid and credited to the fund established and held by the Treasurer and designated as the "School Facilities Improvement District No. 2014-1 of the Saugus Union School District General Obligation Bonds, 2014 Election, Series A Building Fund" ("Building Fund"), and shall be kept separate and distinct from all other School District and County funds, and those proceeds shall be used solely for the purpose for which the Series A Bonds are being issued and for payment of permissible costs of issuance and provided further that such proceeds shall be applied solely to authorized purposes for which the Series A Bonds were authorized as directed in writing by the School District. The County shall have no responsibility to ensure that the proceeds are applied in accordance with the preceding sentence.

The interest earned on the monies deposited to the Building Fund, or the account(s) thereof, shall be deposited to such Fund and corresponding account(s) and such monies shall be used for the purposes for which the Series A Bonds were authorized at the direction of the School District.

(b) The accrued interest, if any, and any premium received by the School District from the sale of the Series A Bonds, as well as tax revenues collected by the County pursuant to Section 18 hereof and Education Code Sections 15350 and 15250 *et seq.* shall be deposited into the fund hereby created and established by the County and to be designated as the "School

Facilities Improvement District No. 2014-1 of the Saugus Union School District General Obligation Bonds, 2014 Election, Series A Debt Service Fund” (“Debt Service Fund”) for the Series A Bonds and used only for payment of Principal of, and interest on, the Series A Bonds when and as the same shall come due shall be deposited into the Debt Service Fund as a first priority. Funds held in the Debt Service Fund are hereby irrevocably pledged to the payment of Principal of, interest on and redemption premium, if any, on the Series A Bonds when and as the same shall come due, except as required below to satisfy the requirements of Section 148(f) of the Code, as may be applicable. Except as required below to satisfy the requirements of Section 148(f) of the Code, as may be applicable, interest earned on investments of monies held in the Debt Service Fund shall be credited to and retained in the Debt Service Fund and used to pay Principal of, and interest on, the Series A Bonds when due. Prior to each such Bond Payment Date (and subject to the applicable provisions of Section 11 hereof), the Treasurer shall transfer to the Paying Agent, for subsequent disbursement to the beneficial Owners of the Series A Bonds, monies from the Debt Service Fund sufficient to pay Principal of, and interest on, the Series A Bonds due on such Bond Payment Date. The Paying Agent shall hold all such monies transferred to it, pursuant to the foregoing sentence, uninvested. The Debt Service Fund shall be administered by the Treasurer, and shall be kept separate and distinct from all other District and County funds. Funds remaining in the Debt Service Fund, if any, after all payments of debt service on the Outstanding Series A Bonds have been paid for the corresponding year may be used to pay administrative costs of the Series A Bonds, including the current Paying Agent fees and charges. If, after payment in full of all Principal of, redemption premium, if any, and interest on the Series A Bonds, there remain funds in the Debt Service Fund, any such excess amounts shall be transferred to the General Fund of the District.

(c) The Treasurer shall, in consultation with the School District and at such time as shall be necessary, establish and create the “School Facilities Improvement District No. 2014-1 of the Saugus Union School District General Obligation Bonds, 2014 Election, Series A Rebate Fund” (“Rebate Fund”), which fund shall be kept separate and distinct from all other School District and County funds or accounts, and into which the School District shall deposit, or direct deposit of, funds used to satisfy any requirement to make rebate payments to the United States of America pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder as shall be applicable to the Series A Bonds. The Rebate Fund (if and when established pursuant to the requirements of the Tax Certificate) may, at the discretion of the School District, be held by the Paying Agent or the County. Responsibility for determining and calculating rebate payments, if any, due with regard to the Series A Bonds is the sole responsibility of the School District as further set forth in Sections 28 and 30, as applicable. Monies in the Rebate Fund shall be invested, at the School District’s direction, in compliance with the limitations of the Code.

(d) Any proceeds of the Series A Bonds in the Building Fund, inclusive of interest earnings, not needed for the authorized purposes set forth herein, shall be transferred to the Debt Service Fund and applied to the payment of Principal of and interest on the Series A Bonds at the written direction of the School District. If, after payment in full of the Series A Bonds, there remains excess proceeds and/or interest earnings, any such excess amounts shall be transferred to the general fund of the School District to be applied in accordance with law.

(e) (i) Proceeds of the Series A Bonds and proceeds of taxes collected for the payment of Principal of and interest on the Series A Bonds (as further described above)

and deposited into the Building Fund or the Debt Service Fund (for purposes of this subsection only, "Bond Funds"), as shall be applicable, shall be invested by the Treasurer as set forth herein.

(ii) The Treasurer is hereby authorized and directed to invest the Bond Funds, at the Treasurer's discretion, in Authorized Investments.

(iii) Notwithstanding paragraph (ii) above, at the written direction of the District, given by the Superintendent or the Designated Officer, all or any portion of the Building Fund may be invested on behalf of the District in Authorized Investments, including, but not limited to, investment agreements which comply with the requirements of each rating agency which may then be rating the Series A Bonds necessary in order to maintain the then-current rating on the Series A Bonds or in the Local Agency Investment Fund established by the State Treasurer.

**Section 23. Expenditure of Bond Proceeds.** The District hereby covenants to expend all Series A Bond proceeds in accordance with applicable law, including, but not limited to, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the Education Code (commencing with Sections 15100 and 15264, respectively), as amended, the requirements of Proposition 39, related State law, Article XIII A of the California Constitution, the Bond Authorization and the determinations and directives made herein.

**Section 24. County Books and Accounts.** The Treasurer, the County and the Paying Agent (if other than the Treasurer) are requested to keep, or cause to be kept, proper books of record and accounts to record (i) the amount of taxes collected pursuant to Section 18 hereof, (ii) all deposits, expenditure and investment earnings on the Debt Service Fund and the Building Fund and any and all accounts or subaccounts thereof, and (iii) all transfers of funds for the payment of Principal of, or interest or redemption premiums on, the Series A Bonds. The Treasurer shall provide regular periodic written statements of such accounts to the District. Such books of record and accounts shall, upon reasonable notice, during regular business hours be subject to the inspection of the District, the Paying Agent (if other than the Treasurer) and the Owners of not less than ten percent (10%) of the Principal Amount of the Series A Bonds then Outstanding, or their representatives authorized in writing.

**Section 25. Bond Insurance.** In the event the District purchases bond insurance for all or a portion of the Series A Bonds, and to the extent that the Bond Insurer makes payment of the Principal of, or interest on, all or a portion of the Series A Bonds, it shall become the Owner of such Series A Bonds with the right to payment of Principal or interest on the Series A Bonds, as applicable, and shall be fully subrogated to all of the Owners' rights to the extent of such payment(s), including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the Bond Register upon receipt of a copy of the canceled check issued by the Bond Insurer for the payment of such interest to the Owners of the Series A Bonds, and (ii) in the case of subrogation as to claims for past due Principal, the Paying Agent shall note the Bond Insurer as subrogee on the Bond Register upon surrender of the Series A Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer. The officers and officials of the District are authorized to take all other and further necessary actions to arrange for the delivery of the bond insurance policy, if such is purchased

by, or on behalf of, the School District for the Series A Bonds. In the event that the Bond Insurer requires additional agreements, covenants or conditions to the issuance of the bond insurance policy, the Designated Officer may deliver or agree to such; provided, however, that applicable law(s) shall be complied with and any such agreement, covenants or conditions shall be consistent with the provisions of this Resolution and be satisfactory to the Designated Officer.

**Section 26. Preliminary Official Statement; Official Statement.** Pursuant to State law and federal disclosure requirements, the Preliminary Official Statement relating to the Series A Bonds is hereby approved in substantially the form presented to the District Board, and the use and distribution of the Preliminary Official Statement and a final Official Statement in connection with the sale of the Series A Bonds is hereby authorized subject to the provisions of this Section. The Designated Officer is authorized to approve and deliver copies of the Preliminary Official Statement and the final Official Statement, with such changes therein as such officer shall approve, in his or her discretion as being in the best interests of the District, on behalf of the Improvement District. Upon approval of such changes by such officer, the Preliminary Official Statement shall be deemed final as of its date, except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule"). The District Board hereby authorizes and directs the Designated Officer to deliver to the Underwriter a certificate to the effect that the District deems the Preliminary Official Statement, in the form approved by the Designated Officer, to be final as of its date, within the meaning of the Rule (except for the omission of certain final pricing, rating and related information as permitted under such Rule). The District Board hereby also authorizes and directs the Designated Officer to execute and deliver the final form of the Official Statement to the Underwriter upon its final date.

**Section 27. Continuing Disclosure.** The District, acting on behalf of the Improvement District, hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below). Notwithstanding any other provisions of this Resolution, failure of the District, acting on behalf of the Improvement District, to comply with the provisions of the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Series A Bonds; however, any underwriter or any Owner or beneficial Owner of the Series A Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

For purposes of this Section, "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the District, acting on behalf of the Improvement District, and dated the date of issuance and delivery of the Series A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. A form of the Continuing Disclosure Certificate is attached hereto as Exhibit "C" and incorporated by reference herein. The Designated Officer(s) are hereby authorized to approve, execute and deliver the final form of the Continuing Disclosure Certificate with such changes, insertions and deletions as may be approved by the Designated Officer and Disclosure Counsel, which approval shall be conclusively evidenced by execution and delivery thereof.

**Section 28. Tax Covenants.**

(a) The School District, on behalf of the Improvement District, in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series A Bonds, hereby covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code, as set forth in the Tax Certificate and incorporated herein by this reference, as a source of guidance for compliance with such provisions.

(b) The School District, on behalf of the Improvement District, hereby covenants that it shall not, directly or indirectly, use or permit the use of any proceeds of any of the Series A Bonds, or of any of the property financed or refinanced with the proceeds of the Series A Bonds, or other funds of the School District, or take or omit to take any action that would cause the Series A Bonds to be deemed "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the School District shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury promulgated under that Section or any successor section to the extent that such requirements are in effect and applicable to the Series A Bonds.

(c) The School District, on behalf of the Improvement District, covenants that it shall (i) make all calculations in a reasonable and prudent fashion relating to any rebate or excess investment earnings on the proceeds of the Series A Bonds due to the United States Treasury; and (ii) cause to be segregated and set aside from lawfully available sources held in the County treasury the amount such calculations indicate may be required to be paid to the United States Treasury. Based on such rebate calculations, the District will, to the extent required, cause to be set aside, from monies lawfully available, the amount of such rebate in a separate fund that the District hereby agrees to cause to be established and maintained as set forth in Section 22 hereof.

(d) The District Board hereby authorizes Bond Counsel and District staff to draft, complete, execute and include in the documents delivered in connection with the issuance and sale of the Series A Bonds, such statements and directives as may be necessary and convenient in order to meet federal tax goals or requirements in connection with maintaining the tax-exempt status of the Series A Bonds. In addition to the foregoing, District staff is authorized to append to such Tax Certificate a post-issuance compliance policy and procedures (in the form provided by Bond Counsel) to provide for on-going monitoring and compliance actions with respect to the Series A Bonds.

(e) The School District, on behalf of the Improvement District, represents 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 the Series A Bonds under Section 103 of the Code.

**Section 29. Compliance with Proposition 39.** The School District, on behalf of the Improvement District, hereby determines that it has complied, or will comply, with the applicable requirements prescribed by Proposition 39, and related applicable State statutory provisions, as follows:

(a) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the proceeds of the sale of the Series A Bonds (exclusive of costs of issuance and delivery of the

Series A Bonds) (“Bond Proceeds” or “Series A Bond Proceeds”) shall be used only for the purposes specified in the list of specific school facilities projects set forth in Resolution 2014-15 #15 and approved by the voters in the Bond Election (“School Facilities Project List”) and not for any other purpose, including teacher and non-construction related administrator salaries and any other school operating expenses.

(b) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the School Facilities Project List was made available to the public for review prior to and during the Bond Election, which included the District Board's evaluation of safety, class size reduction and information technology needs in developing the School Facilities Project List as set forth in Resolution 2014-15 #15.

(c) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the District Board shall conduct, or cause to be conducted, annual, independent performance audits to ensure that the Series A Bond Proceeds have been expended only on the school facilities projects and capital expenditures identified in the School Facilities Project List.

(d) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the District Board shall conduct, or cause to be conducted, annual, independent financial audits of the Bond Proceeds until all of the Bond Proceeds have been expended for the school facilities projects and capital expenditures identified in the School Facilities Project List.

(e) Measure EE and matters submitted to the voters as part of the Bond Election included statements in compliance with Education Code Section 15272.

(f) The Measure EE election results have been certified by the District Board pursuant to Resolution 2014-15 #51, and such resolution will be filed as required under Education Code Sections 15124 and 15274.

(g) Pursuant to Education Code Sections 15278 *et seq.*, the District Board has established its Measure EE Citizens’ Oversight Committee (“Committee”) and appointed members thereto pursuant to the Committee Policy and Regulations previously adopted by the District Board.

(h) Pursuant to Education Code Section 15268, based on estimates that assessed valuation will increase in accordance with Article XIII A of the California Constitution and as allowed by State law, the tax rate to be levied to meet the requirements of Section 18 of Article XVI of the California Constitution with regard to the Series A Bonds will not exceed Thirty Dollars (\$30) per year per One Hundred Thousand Dollars (\$100,000) of taxable property within the boundaries of the Improvement District. The School District shall provide, or be provided, a certificate specifying the estimated tax rate, and confirming compliance with this statutory requirement, at the time the Series A Bonds are delivered.

**Section 30. Compliance with State Law; Reporting Requirements.** That pursuant to Government Code Section 53410, the District Board hereby finds, determines and directs as follows:

(a) The Series A Bond Proceeds shall be used only for the purposes set forth in the School Facilities Project List.

(b) One or more funds or accounts (which may include subaccounts), as further described herein, shall be created into which the Series A Bond Proceeds shall be deposited.

(c) The School District's Assistant Superintendent of Business shall have the responsibility, no less often than annually, to provide to the District Board a written report which shall contain at least the following information:

- (i) The amount of taxes collected by the County for the payment of debt service on the Series A Bonds expended for such purpose during the applicable reporting period; and
- (ii) The status of the acquisition, construction or financing of the school facility projects, as identified in the School Facilities Project List, with the Series A Bond Proceeds.

The report(s) required by this Section 30(c) may be combined with other periodic reports which include the same information, including, but not limited to, periodic reports made to the California Debt and Investment Advisory Commission (CDIAC), reports to the Committee, which are also presented to the District Board, continuing disclosure reports or other periodic reports made in connection with the Series A Bonds. The requirements of this Section 30(c) shall apply only until all the Series A Bonds are redeemed or defeased, but if the Series A Bonds, or any series of bonds, are refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased.

**Section 31. Additional Findings and Directives.** To the extent applicable, under State law, the District Board hereby finds, determines and directs as follows:

(a) The Series A Bonds shall be sold by negotiated sale to the Underwriter as set forth in Sections 5, 6 and 7 of this Resolution and elsewhere herein.

(b) The Series A Bonds shall be sold by negotiated sale inasmuch as: (i) such a sale will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; (ii) such a sale will allow the District to utilize the services of consultants at an expected lower cost than selecting, retaining and utilizing the services of consultants who are not familiar with the District, its financing needs and related matters; (iii) such a sale will allow the District to control the timing of the sale of the Series A Bonds to the municipal bond market and, potentially, take advantage of interest rate opportunities for favorable sale of the Series A Bonds to such market; and (iv) such a sale will provide more flexibility in the timing of the sale, including an ability to implement the sale in a shorter time period, an increased ability to structure the Series A Bonds to fit the needs of particular purchasers and a greater opportunity for the Underwriter to pre-market the Series A 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) The District confirms the retention of Bowie, Arneson, Wiles & Giannone as Bond Counsel to the District, Jones Hall as Disclosure Counsel to the District, and Keygent Advisors as Financial Advisor to the District. The School District expects to utilize the services of Stifel, Nicolaus & Company, Incorporated, as Underwriter in connection with the issuance and sale of the Series A Bonds.

(d) The District Board estimates that the costs associated with the issuance of the Series A Bonds, including compensation to the Underwriter and any such costs which the Underwriter agrees to pay pursuant to the Purchase Agreement, are set forth in Exhibit "D," attached hereto and incorporated herein by this reference. Such costs of issuance of the Series A Bonds include, but are not limited to, costs of bond insurance, Bond Counsel, Disclosure Counsel and District Counsel fees and expenses, Paying Agent costs for one or more years of service, rating agency fees, County costs, as applicable, and printing costs. The District may elect to allow the utilization of original issue premium on the sale of the Series A Bonds to provide for the Underwriter's compensation for such sale. Such figures are an estimate and shall not constrain or limit the District as to the issuance and sale of the Series A Bonds pursuant to the directives and conditions set forth herein.

(e) The District Board hereby directs that following the sale of the Series A Bonds, the District Board shall be presented with the actual costs of sale, issuance and delivery costs of the Series A Bonds at the next occurring meeting of the District Board for which such information can be determined and presented in accordance with State law.

(f) The District Board hereby directs that following the sale and delivery of the Series A Bonds that an itemized summary of the costs of the sale, issuance and delivery costs of the Series A Bonds shall be provided to the California Debt and Investment Advisory Commission ("CDIAC"). The District Board hereby determines that submission of such information as part of the filing of the Report of Final Sale for the Series A Bonds made to CDIAC pursuant to State law, including Government Code Section 8855, shall constitute compliance with the requirements of Government Code Section 53509.5(b) and, as applicable, Education Code Section 15146(c)(2).

(g) The District Board hereby directs, as part of the authorization for issuance, sale and delivery of the Series A Bonds, that all necessary filings with CDIAC shall be completed by the District staff and/or its consultants on behalf of the District and the Improvement District. The District Board directs that confirmation of such filings shall be included in the transcript of agreements, resolutions, proceedings and documents prepared and delivered in connection with the authorization for issuance, sale and delivery of the Series A Bonds.

(h) The District Board has been provided with a copy of the disclosure made by the proposed Underwriter (Stifel, Nicolaus & Company, Incorporated) in compliance with Rule G-17, adopted by the federal Municipal Securities Rulemaking Board (MSRB).

**Section 32. Unclaimed Monies.** Notwithstanding any of the foregoing provisions of this Resolution and subject to State law, any monies held by the Paying Agent for the payment of the Principal of, redemption premium, if any, or interest on the Series A Bonds remaining unclaimed for one year after the corresponding maturity or redemption date for such Series A Bonds shall be transferred by the Paying Agent to the Treasurer, with any and all interest accrued

thereon, for deposit into the Debt Service Fund. Notwithstanding any other provisions of this Resolution, any monies held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the Principal of, redemption premium, if any, or interest on the Series A Bonds and remaining unclaimed for one year after the Principal of all of the Series A Bonds have become due and payable (whether by maturity or upon prior redemption) shall be, after payment in full of the Series A Bonds, transferred to the general fund of the District to be applied in accordance with law; provided, however, that the Paying Agent, or Treasurer, as may be the case, before making such transfer, shall cause notice to be mailed to the Owners of all Series A Bonds that have not been paid, by first-class mail at the addresses on the Bond Register, postage prepaid, not less than 90 days prior to the date of such transfer.

**Section 33. District Consultants, County Costs and Other Costs.**

(a) The District has retained the services of Bowie, Arneson, Wiles & Giannone to represent the School District as Bond Counsel, Jones Hall to represent the District as Disclosure Counsel, and Keygent Advisors as Financial Advisor. The Superintendent, or a Designated Officer, is hereby authorized to retain or utilize such other and further consultants and services, including, but not limited to, printing services, legal services, assessment information and pricing consultant services as are necessary or desirable to facilitate the issuance and delivery of the Series A Bonds.

(b) The District Board authorizes the payment to the County of out-of-pocket expenses and other costs incurred by the County in connection with the County's participation in the issuance of the Series A Bonds, if any.

(c) The Superintendent, or the Designated Officer, of the District is authorized and directed to retain and/or contract for such other and further services, including legal, financial, printing services and related professional services, or as otherwise necessary or desirable so the District may proceed with, and complete, the issuance, sale and delivery of the Series A Bonds as set forth herein.

(d) As provided in the Purchase Agreement, the Underwriter may be required to pay a portion of the costs of issuance from allocated funds as a condition to the purchase of the Series A Bonds. The District Board hereby authorizes a Designated Officer(s) to enter into a Costs of Issuance Custodian Agreement, or equivalent agreement, with a qualified banking institution. As may be provided in such agreement, amounts provided by the Underwriter for payment of costs of issuance shall be deposited thereunder and the payment of costs of issuance may be requisitioned by a Designated Officer(s), or by the Underwriter, as applicable, in accordance with such agreement.

**Section 34. Execution of Documents by Bond Owners.** Any request, consent or other instrument required by this Resolution to be signed and executed by Bond Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bond Owners in person or by their agent or agents duly appointed in writing. Proof of the execution of any such request consent or other instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the District, if made in the manner provided in this Section 34.

The fact and date of the execution by any person of any such request consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgements of deeds, certifying that the person signing such request consent or other instrument or writing acknowledged to him the execution thereof.

The ownership of the Series A Bonds shall be proved by the Bond Register. Any request, consent or vote of the Owner of any Series A Bond shall bind every future Owner of the same Series A Bond and the Owner of any Series A Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the District, in pursuance of such request, consent or vote.

**Section 35. Tax Rate Determination.** The District has previously formed its Community Facilities District Nos. 2001-1, 2002-1, 2004-1, 2005-1, 2006-1 (and the Improvement Areas thereof) and 2006-2 (and the Improvement Areas thereof), inclusive (collectively the "CFDs"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"). The CFDs were each formed in order to provide financing for public school facilities of the School District. The District Board has been presented with information (which is on file with the Clerk of the District Board) concerning the special tax rates applicable to residential property within the CFDs and information prepared pursuant to Elections Code Section 9401 regarding anticipated annual tax rates on equivalent residential property within the Improvement District after issuance of the authorized general obligation bonds. The District Board hereby determines, pursuant to Education Code Section 15425, that the anticipated annual tax rates on residential property within the Improvement District, based on the issuance and sale of the Series A Bonds, are not expected to exceed the special taxes levied and collected within any of the CFDs, pursuant to the Mello-Roos Act, on equivalent residential property.

**Section 36. County Resolution.** To the extent applicable under Government Code Sections 53506 and following and Sections 15350 *et seq.*, 15140 and/or 15146 of the Education Code, the District Board requests the County Board to adopt a resolution ("County Resolution") to authorize the issuance of the Series A Bonds upon the terms and conditions as provided for herein. The District confirms that it has not filed or received a qualified or negative interim financial report for the current fiscal year. Copies of this Resolution shall be provided to the County as set out in Section 45 hereof.

**Section 37. Benefits Limited to Parties.** Nothing in this Resolution, expressed or implied, is intended to give to any person other than the District, the Paying Agent and the Owners of the Series A Bonds, any right, remedy or claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District are for the sale and exclusive benefit of the District, the Paying Agent and the Owners.

**Section 38. Successor Deemed Included in All References to Predecessor.** Whenever in this Resolution any of the District, the County or the Paying Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the terms and conditions in this Resolution contained by or on behalf of the District or the Paying

Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 39. Approval of Actions.** All actions heretofore taken by officers and agents of the School District with respect to the sale and issuance of the Series A Bonds are hereby approved, confirmed and ratified. The President and Clerk of the District Board and the Superintendent and the Designated Officer(s) are each authorized and directed in the name and on behalf of the School District and the Improvement District to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series A Bonds pursuant to the terms and conditions set forth herein. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

**Section 40. Amendments.** The District may from time to time, and at any time, without notice to or consent of any of the Owners, by action of the District Board, amend the provisions of this Resolution for any of the following reasons:

(a) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or therein, or to make any other provision with respect to matters or questions arising under this Resolution, provided that such action shall not adversely affect the interests of the Bond Owners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in this Resolution which are not contrary to or inconsistent with this Resolution as theretofore in effect; and/or

(c) to modify, alter, amend or supplement this Resolution in any other respect which is not materially adverse to the Bond Owners.

In the event of any such amendment, the District shall promptly provide the County and the Paying Agent with copies of such amendment and the action of the District Board approving such amendment.

No such amendment shall: (i) extend the fixed maturity of any Series A Bond, reduce the amount of Principal thereof or the rate of interest thereon or extend the time of payment thereof, without the consent of the Owner of each Series A Bond so affected, or (ii) modify or amend this Section without the consent of the Owners of all of the Series A Bonds then Outstanding.

Upon the adoption of any amendment pursuant to this Section, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Resolution, of the District, the County, the Paying Agent and all Owners shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such amendment

shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

The provisions of this Section shall not prevent any Owner from accepting any modification or amendment as to the particular Series A Bonds held by such Owner.

**Section 41. Partial Invalidity; Severability.** If any one or more of the covenants or agreements, or portions thereof, provided in this Resolution to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Resolution or of the Series A Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The District hereby declares that it would have approved this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance, sale and delivery of the Series A Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

**Section 42. Other Actions.** The President and Clerk of the District Board, and the Designated Officers of the District, are authorized and directed to execute all documents and to take all actions necessary to cause or facilitate the issuance, sale and delivery of the Series A Bonds.

**Section 43. Governing Law.** This Resolution shall be construed under, and governed in accordance with, the laws of the State of California.

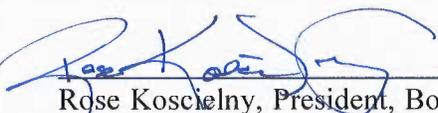
**Section 44. Effective Date.** This Resolution shall take effect immediately upon adoption.

**Section 45. County Filing.** The Clerk of the District Board is hereby directed to file a certified copy of this Resolution with the Clerk of the County Board and provide a copy hereof to the Superintendent of Schools of the County.

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**ADOPTED, SIGNED AND APPROVED** this 21st day of April, 2015, by the Board of Trustees of the Saugus Union School District, acting on behalf of School Facilities Improvement District No. 2014-1 of the Saugus Union School District, County of Los Angeles, State of California.

**BOARD OF TRUSTEES OF THE SAUGUS  
UNION SCHOOL DISTRICT**

By:   
Rose Koscielny, President, Board of Trustees  
of the Saugus Union School District

By:   
Judy Egan Umeck, Clerk, Board of Trustees  
of the Saugus Union School District

STATE OF CALIFORNIA            )  
                                          ) ss.  
COUNTY OF LOS ANGELES        )

I, Judy Egan Umeck, Clerk of the Board of Trustees of the Saugus Union School District, do hereby certify that the foregoing Resolution was duly adopted by the Board of Trustees of the Saugus Union School District, acting on behalf of School Facilities Improvement District No. 2014-1 of the Saugus Union School District, at a meeting of such Board on the 21st day of April, 2015, at which a quorum of such Board was present and acting throughout and for which notice and an agenda was prepared and posted as required by law, and that it was so adopted by the following vote:

AYES: Mr. De La Cerda, Mrs. Koscielny, Dr. Powell, Mr. Truneky and Mrs. Umeck

NOES: None

ABSTAIN: None

ABSENT: None

By Judy Egan Umeck  
Clerk of the Board of Trustees of the  
Saugus Union School District

STATE OF CALIFORNIA            )  
                                          ) ss.  
COUNTY OF LOS ANGELES        )

I, Judy Egan Umeck, Clerk of the Board of Trustees of the Saugus Union School District, do hereby certify that the foregoing is a full, true and correct copy of Resolution 2014-15 #52, of said Board and that the same has not been amended or repealed.

Dated: April 21, 2015

By Judy Egan Umeck  
Clerk of the Board of Trustees of the  
Saugus Union School District

**EXHIBIT "A"**

**FORM OF BOND PURCHASE AGREEMENT**

§ \_\_\_\_\_  
**SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2014-1  
OF THE SAUGUS UNION SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, 2014 ELECTION, SERIES A**  
(Los Angeles County, California)

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2015

Board of Trustees  
Saugus Union School District  
24930 Avenue Stanford  
Santa Clarita, CA 91355

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Saugus Union School District (the “School District”), on behalf of School Facilities Improvement District No. 2014-1 of the Saugus Union School District (the “Improvement District”), which, upon your acceptance hereof, will be binding upon the School District and the Underwriter. This offer is made subject to the written acceptance of the Purchase Agreement by the School District and delivery of such acceptance to the Underwriter at or prior to 11:59 P.M., California Time, on the date hereof. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution (as defined below).

The School District acknowledges and agrees that (i) the purchase and sale of the Bonds (as hereinafter defined) pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the School District and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and not as the agent or fiduciary of the School District, (iii) the Underwriter has not assumed an advisory or a fiduciary responsibility in favor of the School District with respect to (a) the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the School District on other matters) or (b) any other obligations to the School District except the obligations expressly set forth in this Purchase Agreement or otherwise imposed by law; and (iv) the School District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with this transaction. The School District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (“MSRB”). The School District, for itself and acting on behalf of the Improvement District, acknowledges that it has engaged Keygent Advisors, as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1 (“Rule 15Ba1”), and for financial advice purposes, will rely only on the advice of Keygent Advisors.

**1. Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the School District for reoffering to the public, and the School District hereby agrees to sell in the name and on behalf of the School District to the Underwriter for such purpose, all (but not less than all) of \$\_\_\_\_\_ aggregate principal amount of School Facilities Improvement District No. 2014-1 of the Saugus Union School District General Obligation Bonds, 2014 Election, Series A (the “Bonds”). The

Underwriter shall purchase the Bonds at a price of \$ \_\_\_\_\_, which is equal to the principal amount of the Bonds, plus a net original issue premium of \$ \_\_\_\_\_, less the Underwriter's discount of \$ \_\_\_\_\_.

**2. The Bonds.** The Bonds shall be dated their date of delivery and shall accrue interest from the date thereof on each February 1 and August 1, commencing August 1, 2015, at the rates, shall mature in the years and shall be subject to redemption as shown on Appendix A hereto, which is incorporated herein by this reference. The Bonds shall be issued and secured pursuant to the provisions of the Resolution of the School District adopted on behalf of the Improvement District on April 21, 2015 (the "Bond Resolution"), Section 53506 *et seq.* of the California Government Code, and, as applicable, Article 5 of Chapter 2, and Article 1 of Chapter 1.5, of Part 10 of Division 1 of Title 5 of the California Government Code (collectively, the "Act") and other applicable law.

Certain provisions for the optional and mandatory redemption of the Bonds not otherwise specified in the Bond Resolution are shown in Appendix A hereto, all as provided in the Bond Resolution.

The Bonds shall be executed and delivered under and in accordance with the provisions of the Purchase Agreement and the Bond Resolution.

The Bonds shall be in book-entry form, shall bear CUSIP® numbers, shall be in fully-registered form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). The Bonds shall initially be in authorized denominations of \$5,000 principal or maturity amount or any integral multiple of \$5,000 thereof. The form of the Bonds shall be made available to the Underwriter for purposes of inspection at least three business days prior to the Closing (as defined below).

The Treasurer-Tax Collector's Office of Los Angeles County (the "Paying Agent") shall serve as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds.

**3. Use of Documents.** The School District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, the Purchase Agreement, the Official Statement (defined below), and the Bond Resolution, the Continuing Disclosure Agreement, and all information contained herein and therein, and all of the documents, certificates or statements furnished by the School District or the County to the Underwriter in connection with the transactions contemplated by the Purchase Agreement (except as such documents otherwise provide).

**4. Public Offering of the Bonds.** The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields as set forth on the inside cover page of the Official Statement and Appendix A hereto and incorporated herein by reference. Subsequent to such initial public offering, the Underwriter reserves the right to change such public offering prices or yields as it deems necessary in connection with the marketing of the Bonds; *provided* that the Underwriter shall not change the interest rates set forth in Appendix A. The Underwriter agrees, upon request, to furnish to the School District or to Bond Counsel (as defined below), reasonable written verification of its compliance with this paragraph. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Underwriter reserves the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market; and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

**5. Review of Preliminary Official Statement and Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated \_\_\_\_\_, 2015 (the "Preliminary Official Statement"). The School District represents that

it deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) 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 ("SEC") under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") and consents to and ratifies the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the public offering of the Bonds by the Underwriter.

The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed to by the School District and the Underwriter. The School District confirms that it does not object to distribution of the Preliminary Official Statement or the Official Statement in electronic form. A copy of the most recent Preliminary Official Statement sent to a potential purchaser shall be sent by first class mail or electronically (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Underwriter hereby represents that it will provide, consistent with the requirements of MSRB Rule G-32, for the delivery of a copy of the Official Statement to each customer who purchases any Bonds during the underwriting period (as such term is defined in MSRB Rule G-11), and deliver a copy of the Official Statement to a national repository on or before the Closing Date (as defined below), and that it will otherwise comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, Rule 15c2-12 and MSRB Rule G-32.

References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto and any amendments or supplements thereto.

**6. Closing.** At 8:00 a.m., California time, on \_\_\_\_\_, 2015, or at such other time or on such other date as shall have been mutually agreed upon by the School District and the Underwriter, the School District will deliver to the Underwriter (except as otherwise provided in the Bond Resolution), through the facilities of DTC utilizing DTC's FAST delivery system, or at such other place as the parties may agree upon, the Bonds in fully-registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Bowie, Arneson, Wiles & Giannone ("Bond Counsel"), in Newport Beach, California, the other documents listed in Section 10(e) to be delivered by the School District; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by check, draft or wire transfer to or upon the order of the School District, and deliver the other documents listed in Section 10(e) to be delivered by the Underwriter. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing" and the date on which the Closing occurs is herein called the "Closing Date."

**7. Representations, Warranties and Agreements of the School District.** The School District, acting on behalf of itself and the Improvement District, hereby represents, warrants and agrees with the Underwriter that:

(a) **Due Organization.** The School District is a school district duly organized and validly existing under the laws of the State of California, with the power to request the issuance of the Bonds pursuant to the Act. The Improvement District is a school facilities improvement district duly organized and validly existing under the laws of the State of California.

(b) Due Authorization. (i) At or prior to the Closing, the School District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the School District has full legal right, power and authority to enter into the Purchase Agreement, and the Continuing Disclosure Agreement, to adopt the Bond Resolution and to perform its obligations under each such document or instrument; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Bond Resolution, this Purchase Agreement, and the Continuing Disclosure Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; and (iv) the Purchase Agreement, and the Continuing Disclosure Agreement constitute the valid and legally binding obligations of the School District.

(c) Consents. Except for the actions of the parties hereto, 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 execution and delivery of the Purchase Agreement, or the Continuing Disclosure Agreement, issuance, delivery or sale of the Bonds or the consummation of the other transactions 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 of America as the Underwriter may reasonably request, or which have not been taken or obtained.

(d) Internal Revenue Code. The School District has covenanted to comply with the Internal Revenue Code of 1986, as amended, with respect to the Bonds and the School District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax, of the interest on the Bonds.

(e) No Conflicts. To the best knowledge of the School District, the issuance of the Bonds, and the execution, delivery and performance of the Purchase Agreement, the Continuing Disclosure Agreement, the Bond Resolution and the Bonds, and compliance with the provisions hereof, do not conflict with or constitute on the part of the School District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution or other instrument to which the School District is a party or is otherwise subject and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the School District is a party or by which it is bound or to which it is subject.

(f) Litigation. As of the time of acceptance hereof and based on the advice of Bowie, Arneson, Wiles & Giannone ("School District Counsel"), no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the School District, threatened against the School District: (i) in any way affecting the existence of the School District or in any way challenging the respective powers or titles of the officials of the School District who are required to execute any contracts, certificates, or official statements in connection with the delivery of the Bonds to their respective offices, or the powers of those offices; or (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 or collection of taxes within the Improvement District required to be collected and applied to pay the principal of and interest on the Bonds, or the application thereof, or the pledge thereof, or the levy of any taxes contemplated by the Bond Resolution or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, the Purchase Agreement, or the Continuing Disclosure Agreement or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the School District or the performance of the School District's obligations under the

Bond Resolution, the Bonds or hereunder, or the transactions contemplated by the Purchase Agreement or the Bond Resolution, (b) declare the Purchase Agreement or the Continuing Disclosure 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 and the exemption of such interest from California personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the School District directly, nor any other governmental agency or other body on behalf of the School District will have issued in the name and on behalf of the School District or the Improvement District, any bonds, notes, or other obligations for borrowed money, except for such borrowings as may be described in or contemplated by the Preliminary Official Statement and the Official Statement.

(h) Continuing Disclosure. To assist the Underwriter in complying with SEC Rule 15c2-12(b)(5), the School District will undertake, pursuant to the Bond Resolution and a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), dated as of \_\_\_ 1, 2015, by and between the School District and Keygent Advisors, as dissemination agent, to provide annual reports and notices of certain events as and when required. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Except as disclosed in the Preliminary Official Statement and the Official Statement, the School District has complied with all of its previous continuing disclosure obligations under SEC Rule 15c2-12.

(i) Statements Correct. Preparation and distribution of the Official Statement pertaining to the Bonds have been duly authorized by the School District, and the information contained therein (excluding the statements and information relating to the book entry system, and any information provided by the Underwriter, and so identified as source thereof, for inclusion in the Official Statement) is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The School District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Official Statement in reliance upon and in conformity with information furnished in writing to the School District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

(k) Financial Information. The financial statements of, and other financial information regarding, the School District contained in the Official Statement fairly present the financial position of the School District as of the dates and for the periods therein set forth, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, (ii) the unaudited financial statements (if any) have been prepared on a basis substantially consistent with the audited financial statements included in the Official Statement and reflect all adjustments necessary to that affect; and (iii) the other financial information has been determined on a basis substantially consistent with that of the School District's audited financial statements included in the Official Statement.

(l) Levy of Tax. The School District hereby agrees to take any and all actions as may be required by the County or otherwise necessary in order to arrange for the levy and collection of taxes, the payment of the Bonds and the deposit and investment of Bond proceeds. In particular, the School District hereby agrees to provide, or arrange to provide, the following to the Auditor-Controller and the Treasurer-Tax Collector of the County, all in accordance with and

to the extent required by Education Code Section 15140(c): (A) a copy of the Resolution, (B) a copy of Exhibit A hereto, and (C) the full debt service schedule for the Bonds.

(j) Certificates. Any certificates signed by any officer of the School District and delivered to the Underwriter shall be deemed a representation by the School District to the Underwriter, but not necessarily by the person signing the same, as to the statements made therein.

**8. Representations and Agreements of the Underwriter.** The Underwriter represents to and agrees with the School District that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute and deliver this Purchase Agreement and to take any action under the Purchase Agreement required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the School District, and is not prohibited thereby from acting as underwriter with respect to securities of the School District. The Underwriter is in compliance with MSRB Rule G-17 with respect to the School District.

(c) The Underwriter has, and has had, no financial advisory relationship with the School District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship, within the meaning of California Government Code Section 53590, or otherwise.

(d) The Underwriter has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm or person (including, but not limited to, the School District's financial consultants, or any officer, agent or employee thereof), other than a bona fide officer, agent or employee working for the Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Agreement.

(e) The Underwriter has reasonably determined that the School District's undertaking in the Continuing Disclosure Agreement to provide continuing disclosure with respect to the Bonds is sufficient to effect compliance with the Rule.

**9. Covenants of the School District.** The School District, acting on behalf of itself and the Improvement District, covenants and agrees with the Underwriter that:

(a) Securities Laws. The School District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request, at the Underwriter's cost and expense, 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, *provided, however*, that the School District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof;

(b) Official Statement. The School District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date the Purchase Agreement is signed, and in sufficient time to accompany any confirmation that requests payment from any customer, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the School District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the "Official Statement") in such

quantities (including a representative number of originally executed copies) as may be reasonably requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB and the School District authorizes the Underwriter to file, to the extent required by applicable SEC or MSRB rule, and the Underwriter agrees to file or cause to be filed, the Official Statement with the MSRB or its designee (including the MSRB's Electronic Municipal Market Access system) or other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above);

(c) Subsequent Events. The School District hereby agrees to notify the Underwriter of any event or occurrence that may affect in any material respect the accuracy or completeness of any information set forth in the Official Statement relating to the School District, until the date which is ninety (90) days following the Closing or until such time (if earlier) as the Underwriter no longer holds any of the Bonds for sale;

(d) Amendments to Official Statement. During the period ending on the twenty-fifth (25th) day after the End of the Underwriting Period (as defined below), the School District (i) shall not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter objects in writing or which is disapproved by the Underwriter, provided that the Underwriter may not unreasonably withhold such approval and that the Underwriter may not object to such amendments or supplements if they result in a correction of the Official Statement; and (ii) shall notify the Underwriter promptly if any event occurs, or information comes to the attention of the School District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the School District shall as soon as practicable prepare and furnish to the Underwriter, at the School District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the School District and the Underwriter, as the Underwriter may reasonably request which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time such supplemental Official Statement is delivered to a purchaser, not misleading. If any such amendment or supplement of the Official Statement occurs after the Closing Date, the School District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such amendment or supplement to the Official Statement. For purposes hereof, the phrase "End of the Underwriting Period" shall occur on the later of (a) the Closing Date or (b) when the Underwriter no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter on or prior to the Closing Date, or otherwise agreed to by the School District and the Underwriter, the School District may assume that the End of the Underwriting Period is the Closing Date.

(e) Application of Proceeds. The School District will apply the proceeds from the sale of the Bonds for the purposes specified in the Bond Resolution and the Official Statement.

**10. Conditions to Closing.** The Underwriter has entered into the Purchase Agreement in reliance upon the representations and warranties of the School District, on behalf of itself and the Improvement District, contained herein and the performance by the School District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under

the Purchase Agreement are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the School District contained herein shall be true, complete and correct in all material respects 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 Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the School District shall be in compliance with each of the agreements made by it in the Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, the Purchase Agreement, the Continuing Disclosure Agreement, and the Bond Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) all actions under State 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; and (iii) the School District shall perform or have performed all of its obligations required under or specified in the Resolution, the Purchase Agreement, the Continuing Disclosure Agreement, or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of the Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the School District, be pending or threatened which would constitute a ground for termination of the Purchase Agreement by the Underwriter, or which has any of the effects described in Section 7(f) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability of the Bonds, or the ability of the Underwriter 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 in the reasonable judgment of the Underwriter (evidenced by a written notice to the School District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted by or introduced in the Congress or recommended for passage by the President of the United States of America or a member of the President's Cabinet, or a decision rendered by a court established under Article III of the Constitution of the United States of America 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, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; or

(ii) by or on behalf of the SEC, 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;

(2) legislation enacted by or introduced in the legislature of the State of California (the "State"), or favorably reported out of committee or a decision rendered by a court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof;

(3) the declaration of war or engagement in major military hostilities by the United States of America or the occurrence of any other national or international emergency or calamity which interrupts or causes disorder to the operation of the United States of America government, the State government or the financial markets in the United States of America;

(4) the declaration of a general banking moratorium by federal, New York or California authorities, 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 SEC or any other governmental authority having jurisdiction;

(5) 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, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(6) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the SEC, 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;

(7) the withdrawal or downgrading of any rating of the School District's outstanding indebtedness by any national rating agency then rating the Bonds;

(8) any event occurring or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material 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 to make the statements made therein, in light of the circumstances under which they were made, not misleading and which the School District fails or is unwilling to correct by the submission of supplemental information; or

(9) the commencement or threat against the School District of any action, suit, proceeding, hearing or investigation described in Section 7(f).

(e) Delivery of Documents. At or prior to the date of the Closing, Bond Counsel shall deliver sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Counsel Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the School District;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in (e)(1) above;

(3) Supplemental Opinion(s). A supplemental opinion or opinions of Bond Counsel addressed to the School District and the Underwriter, in form and substance acceptable to Disclosure Counsel and the Underwriter, and dated the date of the closing, to the effect that: (i) this Purchase Agreement, and the Continuing Disclosure Agreement have been duly authorized, executed and delivered by the School District and, assuming due authorization, execution and delivery by the other parties thereto, are legally valid and binding agreements of the School District, enforceable in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and is subject to general principles of equity (regardless of whether such enforcement is considered in equity or at law); (ii) the statements contained in the Official Statement on the cover and under the captions "INTRODUCTION" (other than under the subheading "Other Information" as to which no opinion need be expressed), "THE BONDS" (other than under the subheading "Book-Entry-Only System" as to which no opinion need be expressed), "TAX MATTERS" and "OTHER LEGAL MATTERS – Absence of Material Litigation" and APPENDIX D – PROPOSED FORM OF OPINION OF BOND COUNSEL, insofar as such opinions expressly summarize the Bonds, the Bond Resolution and the opinion of Bond Counsel with respect to the exclusion from gross income of interest on the Bonds for federal and State of California income tax purposes, are accurate in all material respects; and (iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Bond Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(4) Certificate of the State Board of Equalization. Evidence of filing with the State Board of Equalization regarding formation of the Improvement District;

(5) Certificate of the County. A certificate signed by appropriate officials of the County to the effect that the County has reviewed APPENDIX G – "LOS ANGELES COUNTY INVESTMENT POOL" and the information contained therein concerning the Treasury Pool of Los Angeles County and the Investment Policy prepared by the County Treasurer is correct as of its date;

(6) Certificate(s) of the School District. One or more certificates signed by appropriate officials of the School District, acting on behalf of itself and the Improvement District, to the effect that: (i) such officials are authorized to execute the Purchase Agreement, and the Continuing Disclosure Agreement, (ii) the representations, agreements and warranties of the School District herein are true and correct in all material respects as of the date of Closing, (iii) the School District has complied with all the terms of the Bond Resolution, the Purchase Agreement, and the Continuing Disclosure Agreement, which are necessary to be complied with prior to or concurrently with the Closing, and such documents are in full force and effect, (iv) to the best of the School District's knowledge, no litigation is pending 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, the Resolution, the Purchase Agreement, or the Continuing Disclosure Agreement or (C) in any way contesting the existence or powers of the School District, and (v) the School District has reviewed the Preliminary Official Statement and the Official Statement and on such basis certifies that the Preliminary Official Statement as of its date did not, and the Official Statement (excluding therefrom information regarding DTC and its book-entry only system, information regarding the initial offering of the Bonds and information regarding the investment portfolio, policies, practices and valuation procedures of the County Treasurer, as to which no view is expressed) as of its date and as of the Closing does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading;

(7) Rule 15c2-12 Certificate. A certificate of an appropriate official of the School District dated the date of the Preliminary Official Statement evidencing the determination regarding the Preliminary Official Statement in accordance with Rule 15c2-12;

(8) Arbitrage. A non-arbitrage (tax) certificate of the School District in a form satisfactory to Bond Counsel;

(9) Ratings. Evidence satisfactory to the Underwriter that the Bonds shall have been rated “\_\_” by Moody’s Investors Service and “\_\_” by Standard & Poor’s Ratings Group and that such ratings have not been revoked or downgraded;

(10) Bond Resolution. A certificate, together with copies of the Bond Resolution, of the Clerk of the School District Board of Education to the effect that:

(i) such copies are true and correct copies of the Bond Resolution;  
and

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

(11) School District Counsel Opinion. An opinion of Counsel to the School District in substantially the form attached as Appendix B;

(12) Disclosure Counsel Opinion. An opinion of Disclosure Counsel in substantially the form attached as Appendix C addressed to the School District and the Underwriter;

(13) Official Statement. The Official Statement executed by an authorized officer of the School District;

(14) Continuing Disclosure Agreement. A signed copy of the Continuing Disclosure Agreement of the School District in substantially the form given in the Preliminary Official Statement and Official Statement;

(15) Letter of Representations. A copy of the signed Letter of Representations as filed with The Depository Trust Company (DTC);

(16) Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing;

(17) CDIAC Statements. A copy of the filings with the California Debt and Investment Advisory Commission pursuant to the applicable provisions of the California Government Code; and Government Code;

(18) Certificate Regarding Compliance with Continuing Disclosure. A certificate of Keygent Advisors, dated on or before the date of the Preliminary Official Statement and addressed to the Underwriter and the School District in a form satisfactory to the Underwriter and School District; and

(19) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence (i) compliance by the School District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the School District herein contained and (iii) the due performance or satisfaction by the School District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the School District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the School District to the Underwriter prior to the close of business, California time, on \_\_\_\_\_, 2015, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect.

If the School District is unable to satisfy the conditions to the Underwriter's obligations contained in the Purchase Agreement or if the Underwriter's obligations are terminated for any reason permitted by the Purchase Agreement, the Purchase Agreement may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the School District in writing, or by telephone, facsimile or e-mail transmission, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the School District hereunder, and the performance of any and all conditions contained herein for the benefit of the Underwriter, may be waived by the Underwriter in writing at its sole discretion.

**11. Conditions to Obligations of the School District.** The performance by the School District of its obligations hereunder is conditioned upon: (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the School District of opinions and certificates being delivered at the Closing by persons and entities other than the School District.

**12. Expenses.** (a) The School District shall pay all expenses and costs incident to the authorization, execution, delivery and sale of the Bonds, including but not limited to the following: (i) the cost of the preparation and reproduction of the Bond Resolution, (ii) the fees and disbursements of Bond Counsel, Disclosure Counsel, School District Counsel and other School District consultants; (iii) the cost of the preparation and delivery of the Bonds, and the Continuing Disclosure Agreement; (iv) the fees for bond ratings, including all necessary travel expenses; (v) the cost of the preparation, printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) costs incurred by the County, if any, (vii) the initial fees, if any, of the Paying Agent and (viii) all other fees and expenses incident to the issuance and sale of the Bonds, exclusive of the fees and expenses set forth in subparagraph (b) below.

(b) The Underwriter shall pay all of its out-of-pocket expenses, including, but not limited to, the California Debt and Investment Advisory Commission fee, the fees and expenses of its counsel, CUSIP Bureau registration fees and travel expenses.

**13. Notices.** Any notice or other communication to be given under the Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing as follows: (i) if to the School District, to the Superintendent, Saugus Union School District, 24930 Avenue Stanford, Santa Clara, CA 91355; or (ii) if to the Underwriter, to Stifel, Nicolaus & Company, Incorporated, 515 South Figueroa Street, Suite 1800, Los Angeles, California 90071. Notices may be given by personal or courier delivery, registered or certified mail, facsimile transmission or electronic communication, provided that delivery by facsimile transmission or electronic communication must be confirmed by the sender.

**14. Parties in Interest; Survival of Representations and Warranties.** The Purchase Agreement, when accepted by the School District in writing as heretofore specified, shall constitute the entire agreement between the School District and the Underwriter. The Purchase Agreement is made solely for the benefit of the School District and the Underwriter (including the successors or assigns of the Underwriter). The term "successor" shall not include any owner of any Bonds merely by virtue of such holding. No person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the School District in the Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter and (b) delivery of and payment by the Underwriter for the Bonds hereunder.

**15. 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 thereof.

**16. Nonassignment.** Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior consent of the other party hereto; provided, however, that the Purchase Agreement shall be binding on any successor to the Underwriter by merger or acquisition.

**17. Entire Agreement.** This Purchase Agreement, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto, including their permitted successors and assigns, respectively.

**18. Execution in Counterparts.** The 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.

**19. Applicable Law.** The Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California, applicable to contracts made and performed in such State.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By: \_\_\_\_\_  
Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

SAUGUS UNION SCHOOL DISTRICT

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

Time of Execution: \_\_\_\_\_, 2015  
\_\_\_\_\_, Pacific Time

[EXECUTION PAGE OF BOND PURCHASE AGREEMENT]

APPENDIX A

INTEREST RATES, REOFFERING PRICES, MATURITIES AND  
OPTIONAL AND MANDATORY REDEMPTION PROVISIONS

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2014-1  
OF THE SAUGUS UNION SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, 2014 ELECTION, SERIES A

BOND PRICING REPORT

Maturity ( <u>August 1</u> )	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>Price</u>
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<sup>c</sup> Priced to call date of August 1, 20\_\_.

**SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2014-1  
OF THE SAUGUS UNION SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, 2014 ELECTION, SERIES A**

**Optional Redemption**

The Bonds maturing on or before August 1, 20\_\_, are not subject to optional redemption prior to their fixed maturity dates. Bonds maturing on or after August 1, 20\_\_, may be redeemed prior to maturity, at the option of the School District, in whole or in part from any source of available funds on August 1, 20\_\_, or on any date thereafter at a redemption price equal to the principal amount of such Bonds to be redeemed, plus accrued interest represented thereby to the redemption date, without premium.

**APPENDIX B**

**FORM OF SCHOOL DISTRICT COUNSEL OPINION**

\_\_\_\_\_, 2015

Board of Trustees  
Saugus Union School District  
24930 Avenue Stanford  
Santa Clarita, CA 91355

Stifel, Nicolaus & Company, Incorporated  
515 South Figueroa Street, Suite 1800  
Los Angeles, California 90071

Re: **\$\_\_\_\_\_ School Facilities Improvement District No. 2014-1 of the Saugus Union School District General Obligation Bonds, 2014 Election, Series A Opinion of District Counsel**

Ladies and Gentlemen:

We have acted as District Counsel for the Saugus Union School District (“District”) acting for School Facilities Improvement District No. 2014-1 of the Saugus Union School District (“Improvement District”), in connection with the proceedings for the issuance and sale by the School District of \$\_\_\_\_\_ principal amount of School Facilities Improvement District No. 2014-1 of the Saugus Union School District General Obligation Bonds, 2014 Election, Series A (the “Bonds”). The Bonds are being issued pursuant to the Bond Resolution of the Board of Trustees of the School District, adopted on behalf of the Improvement District on April 21, 2015 (“Bond Resolution”), and in accordance with the provisions of the California Constitution, the statutory authority set forth in Section 53506 *et seq.* of the California Government Code, and, as applicable, Article 5 of Chapter 2, and Article 1 of Chapter 1.5, of Part 10 of Division 1 of Title 5 of the California Government Code (collectively, the “Act”) and other applicable law.

This letter is delivered to you pursuant to Section 10(e)(11) of the Bond Purchase Agreement, dated \_\_\_\_\_, 2015 (“Purchase Agreement”), by and between the School District, acting on behalf of the Improvement District, and Stifel, Nicolaus & Company, Incorporated (“Underwriter”).

Capitalized terms not otherwise defined herein shall have the meaning(s) ascribed thereto in the Purchase Agreement.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. The opinions may be affected by actions or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether (or not) any such actions or events occur. As to questions of fact material to our opinions, we have relied upon the documents and matters referred to herein, and we have not undertaken by independent investigation to verify the authenticity of signatures or the accuracy of the factual matters represented, warranted or certified therein. In making our examination of the documents referenced herein, we have assumed that each party to one or more of the documents referenced herein, other than the School District, has the power to enter into and perform its obligations thereunder, has duly authorized, executed and delivered such documents, and that such documents constitute the legal, valid and binding obligations of such party.

Furthermore, we have assumed all compliance with all covenants contained in the Bond Resolution and in certain other documents. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum or waiver provisions contained in the documents described herein.

As District Counsel, we have examined a record of the proceedings in connection with the execution and delivery of the Bonds, including, without limitation, the following:

- (i) the proceedings of the School District relating to the formation of the Improvement District;
- (ii) the proceedings relating to the call and conduct of the general obligation bond election conducted on November 4, 2014, within the boundaries of the Improvement District (“Election”);
- (iii) the Bond Resolution;
- (iv) the Purchase Agreement;
- (v) the Continuing Disclosure Agreement; and
- (vi) such other documents, including, but not limited to, certificates of the School District delivered in connection with the issuance of the Bonds, as we have deemed necessary to render the opinions set forth below.

With regard to the opinion expressed in paragraph (iv) below, we have conducted a search for existing civil actions as against the School District, which has consisted of searches of records within the Los Angeles County Superior Court, the Federal District Court with jurisdiction over the boundaries of the School District (which include the boundaries of the Improvement District) and an electronic search for any such civil proceedings. We have further assumed the existence of normal and customary liability insurance, or equivalent self-insurance, on behalf of the School District in such regard. We have also expressly relied upon the factual representations made to us by the School District as to such matters. This opinion may be affected by actions or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether (or not) any such actions or events occur.

Attention is called to the fact that we have not been requested to examine, and have not examined, any documents or information relating to the School District other than the record of proceedings herein referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been, or may be, supplied to any purchaser of the Bonds.

The Bond Resolution and other related documents refer to certain requirements and procedures which may be changed and certain actions which may be taken, in circumstances and subject to terms and conditions set forth in such documents, upon the advice or with an approving opinion of nationally recognized bond counsel. No opinion is expressed herein as to any Bond, or any related document, if any such change is made or action is taken upon the advice or approval of counsel other than ourselves.

It is to be understood that the rights and obligations under the Bond Resolution, and related documents are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws heretofore or hereafter enacted, affecting the enforcement of creditors’ rights and remedies, to the application of equitable principles when equitable remedies are sought, and to the exercise of judicial discretion in appropriate cases.

Based on and subject to the foregoing, and in reliance thereon, and our consideration of such questions of law as we have deemed relevant to the circumstances, and under existing law, we are of the following opinions:

- (i) The School District is a school district duly organized and existing under the Constitution and the laws of the State of California ("State");
- (ii) The Improvement District is a school facilities improvement district duly organized and validly existing under the laws of the State;
- (iii) The Bond Resolution was duly adopted at meetings of the Board of Trustees of the School District which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;
- (iv) To the best of our knowledge, based on the litigation search and other informational sources referenced herein, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the School District (i) impacting the existence of the School District or the titles of its officers to their respective offices, (ii) which would adversely impact the School District's ability to cause the Bonds to be issued, or which would restrain or enjoin the issuance, sale or delivery of the Bonds or the levy or collection of tax revenues pledged for the Bonds, (iii) in any way contesting or affecting the validity of the Election, the Purchase Agreement, the Bond Resolution or the Bonds wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the Election, the Purchase Agreement, the Bond Resolution or the Bonds, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (v) in which a final adverse decision would result in any material adverse change in the ability of the School District to pay debt service on the Bonds, or (vi) contesting the status of the interest on the Bonds as excludable from gross income for federal income tax purpose or as exempt from any applicable state tax, in each case as described in the Official Statement;
- (v) To the best of our knowledge, the obligations of the School District under the Bonds, and the approval, execution and delivery of the Official Statement and the execution of and performance of the provisions of the Purchase Agreement, and the Continuing Disclosure Agreement under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the School District a breach of or default under any agreement or other instrument to which the School District is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the School District is subject;
- (vi) The Election was validly ordered and, to the best of our knowledge, the proceedings relating thereto were conducted in compliance with all requirements of the Constitution and the laws of the State; and
- (vii) No authorization, approval, consent, or other order of the State, or other governmental authority or agency within the State, is required, other than any which have been obtained or secured, for the valid authorization, issuance and sale of the Bonds upon the terms set forth in the Bond Resolution and the Purchase Agreement, the execution of the Purchase Agreement, and the Continuing Disclosure Agreement or the approval, distribution and execution of the Official Statement.

We express no opinion with respect to the effect of laws, other than the laws and regulations of the State in full force and effect on the date hereof, upon the validity and binding effect of the Purchase Agreement.

We have not undertaken any duty and expressly disclaim any responsibility to advise you as to events occurring after the date hereof with respect to the Bonds. We have not undertaken any duty and expressly disclaim any responsibility to supplement or update this opinion letter nor to advise you or any other party if there is a change in law or facts or new facts come to our attention subsequent to the date hereof which may affect the opinions expressed above and/or which may cause us to amend any portion of this opinion letter in full or in part. Furthermore, future acts or omissions of the parties may serve to modify, alter or change the circumstances under which this opinion letter was prepared and upon which the opinions herein were rendered. We have not undertaken to determine, or to inform any person, whether (or not) any such actions or events occur. Also, actions, conduct or omissions by a party may create a situation of waiver, estoppel or novation which would supplant the opinions set forth in this opinion letter. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

The opinions expressed herein are based on the facts (as we know, believe or have assumed them to be) and law as in effect on the date of this opinion and, as such, this opinion shall be effective only as of the date of this letter. This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters expressly so stated. We bring to your attention the fact that our legal opinions are an expression of professional judgment and are not a guarantee of a result. No attorney-client relationship has existed or exists between our firm and Stifel, Nicolaus & Company, Incorporated in connection with the authorization, issuance and delivery of the Bonds or related matters thereto. This opinion is issued with all the exclusions and limitations set forth herein. This letter is not to be used, circulated, quoted, or otherwise referred to by you for any other purpose whatsoever or delivered to any other person without our prior written consent.

Very truly yours,

**APPENDIX C**

**FORM OF DISCLOSURE COUNSEL OPINION**

[FORM TO COME FROM DISCLOSURE COUNSEL]



next preceding that Bond Payment Date, whether or not such day is a business day ("Record Date"). The Registered Owner of an aggregate Principal Amount of \$1,000,000 or more may request in writing to the Paying Agent that such Registered Owner be paid interest by wire transfer to the bank within the United States of America and account number on file with the Paying Agent as of the Record Date.

This Bond is one of an aggregate amount of \$\_\_\_\_\_ of Bonds issued for the acquisition and construction of school facilities to serve the Saugus Union School District ("School District") under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent (55%) favorable vote of the electors of the Improvement District obtained at an election held on November 4, 2014, upon the question of issuing Bonds in the amount of \$148,000,000, the resolution of the Board of Trustees of the School District, acting on behalf of the Improvement District, adopted on April 21, 2015 ("Bond Resolution"), as authorized by a resolution of the County Board of Supervisors adopted on \_\_\_\_\_, 2015 ("County Resolution"). This Bond and the issue of which this Bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the Improvement District, which taxes are unlimited as to rate or amount. The Bonds of this issue are general obligations of the School District, on behalf of the Improvement District, and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds of this issue.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the 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 an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 20\_\_\_, are not subject to optional redemption prior their respective state maturity dates. The Bonds maturing on or after August 1, 20\_\_\_, are subject to redemption prior to maturity, at the option of the District, from any source of available funds, as a whole or in part, as shall be directed by the District, and if not so directed, in inverse order of maturities, and by lot within each maturity, on August 1, 20\_\_\_, or on any date thereafter at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest to the date of redemption, without premium.

[THE FOLLOWING TO APPEAR ON THE TERM BONDS, IF ANY:]

[The Term Bonds maturing on August 1, 20\_\_\_ are subject to mandatory sinking fund redemption in part by lot, on August 1 of each year, commencing August 1, 20\_\_\_ and on each August 1 thereafter in accordance with the schedule set forth below. The Term Bonds so called

for mandatory sinking fund redemption shall be redeemed at the Principal Amount of such Bonds to be redeemed, plus accrued but unpaid interest, without premium.

<u>Redemption Year</u>	<u>Principal Amount</u>
_____	_____
_____	_____
_____	_____
_____	_____

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

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the Principal Amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the Principal Amount of such Bond by \$5,000. If less than all of the Bonds shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by lot in any manner which the District in its discretion shall determine.

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP® numbers, if any, of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the issue of Bonds and the specific Bonds redeemed, including the dated date, interest rate and stated maturity date of each. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, together with interest accrued to such date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue.

Notice of redemption shall be transmitted by registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, or if the original purchaser is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the District, the County and the respective owners of any registered Bonds designated for redemption at their addresses appearing on the Bond Register, in every case at least 30 days, but not more than 60 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds, nor entitle the owner thereof to interest beyond the date given for redemption. Any notice of redemption of the Series A Bonds may provide, as set forth in the Bond Resolution, that such redemption is contingent upon receipt of funds by the District. Any optional redemption of the

Series A Bonds may be rescinded by the District, prior to the date fixed for such redemption, upon the terms and conditions set out in the Bond Resolution.

Neither the District nor the Paying Agent will be required: (a) to issue or transfer any Bond during a period beginning with the opening of business on the 16th day of the month next preceding either any Bond Payment Date (whether or not such day is a business day) or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given; or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

The rights and obligations of the District and of the Registered Owners of the Bonds may be amended at any time, and in certain cases without the consent of the Registered Owners, to the extent and upon the terms and conditions provided in the Bond Resolution.

The Bond Resolution contains provisions permitting the District to make provision for the payment of the interest on, and the Principal and premium, if any, of any of the Bonds so that the Bonds shall no longer be deemed to be outstanding under the terms of the Bond Resolution.

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

**IT IS CERTIFIED AND RECITED** that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds by the District in order to make them legal, valid and binding general obligations of the School District, on behalf of the Improvement District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

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

**IN WITNESS WHEREOF**, the Saugus Union School District, acting on behalf of School Facilities Improvement District No. 2014-1, County of Los Angeles, State of California, has caused this Bond to be executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015, in their official capacities by the manual or facsimile signatures of the President of the Board of the District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of the District, all as of the date stated above.

SAUGUS UNION SCHOOL DISTRICT, acting on behalf of School Facilities Improvement District No. 2014-1

**- EXHIBIT -**

By: \_\_\_\_\_  
President of the Board

COUNTERSIGNED:

**- EXHIBIT -**

By: \_\_\_\_\_  
Clerk of the Board

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds described in the Bond Resolution referred to herein.

Date of Registration and Authentication: \_\_\_\_\_

**TREASURER AND TAX COLLECTOR OF THE COUNTY OF LOS ANGELES**, Paying Agent, as authenticating agent

*- EXHIBIT -*

By: \_\_\_\_\_  
Authorized Signatory

**FORM OF ASSIGNMENT**

For value received, the undersigned sells, assigns and transfers unto

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(print/type name, address, zip code, tax identification or Social Security number of assignee) the within Bond and do(es) irrevocably constitute and appoint \_\_\_\_\_ attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Date: \_\_\_\_\_

***-EXHIBIT-***

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

***-EXHIBIT-***

Signature must be guaranteed by an eligible guarantor institution.

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

**FORM OF BOND COUNSEL OPINION**

*[Text of Opinion]*

**EXHIBIT "C"**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

FORM OF CONTINUING DISCLOSURE CERTIFICATE

§ \_\_\_\_\_  
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2014-1  
OF THE SAUGUS UNION SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, 2014 ELECTION, SERIES A

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the School Facilities Improvement District No. 2014-1 of the Saugus Union School District (the "District") in connection with the issuance of the bonds captioned above (the "Bonds"). The Bonds are being issued by the District under a resolution adopted by the Governing Board of the District on April 21, 2015 (the "Bond Resolution"). The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2. Definitions. In addition to the definitions set forth above and in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is six months after the end of the District's fiscal year (currently December 31 based on the District's fiscal year end of June 30).

"*Dissemination Agent*" means Keygent LLC, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement dated \_\_\_\_\_, 2015, executed by the District in connection with the issuance of the Bonds.

*"Participating Underwriter"* means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

*"Rule"* means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing December 31, 2015, with the report for the 2014-15 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A, with a copy to the Participating Underwriter.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District, with a copy to the Participating Underwriter, certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following documents and information:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed pursuant to the preceding clause (a), the Annual Report shall contain information showing:

(i) the average daily attendance in District schools on an aggregate basis for the preceding fiscal year;

(ii) pension plan contributions made by the District for the preceding fiscal year;

(iii) aggregate principal amount of short-term borrowings, lease obligations and other long-term borrowings of the District as of the end of the preceding fiscal year;

(iv) description of amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year;

(v) the District's total revenue limit for the preceding fiscal year;

(vi) prior fiscal year total secured property tax levy and collections, showing current collections as a percent of the total levy;

(vii) current fiscal year assessed valuation of taxable properties in the District;

(viii) the balance in the Debt Service Fund as of a date within 45 days preceding the date of the Annual Report;

(ix) the balance in any fund, account or subaccount thereunder, if any, as of a date within 45 days preceding the date of the Annual Report related to the Bonds not referenced in clauses (i), (iii) or (iv) hereof; and

(x) the top twenty property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value and their percentage of total secured assessed value, if the aggregate percentage of the top ten property owners of the total secured assessed value is greater than 5%.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the District shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

#### Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the School District.
- (13) The consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material.

(b) If a Listed Event occurs, and, if the Listed Event is described in subsections (a)(2), (a)(6), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13) or (a)(14) above, the School District determines that knowledge of the occurrence of that Listed Event would be material under applicable Federal securities law, the School District shall, or shall notify the Dissemination Agent (if not the School District) in writing and direct the Dissemination Agent to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event, with a copy to the Participating Underwriter. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Bond Resolution.

(c) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the School District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the earliest to occur of the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5.

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a different Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative

form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: \_\_\_\_\_, 2015

SAUGUS UNION SCHOOL DISTRICT

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

ACCEPTED AND AGREED:

Keygent LLC,  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: School Facilities Improvement District No. 2014-1  
of the Saugus Union School District

Name of Bond Issue: General Obligation Bonds, 2014 Election, Series A,

Date of Issuance: \_\_\_\_\_, 2015

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated \_\_\_\_\_, 2015, executed by the District with respect to the Bonds. The District anticipates that the Annual Report will be filed by \_\_\_\_\_.

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

SAUGUS UNION SCHOOL DISTRICT

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