

**GUADALUPE UNION SCHOOL DISTRICT
BOARD OF EDUCATION**

**REGULAR SCHOOL BOARD MEETING
Wednesday, February 14, 2018**

5:15 pm – Call to Order, Adjournment to Closed Session

6:00 pm – Reconvene to Public Session

LOCATION OF MEETING: MARY BUREN ELEMENTARY SCHOOL
 MULTIPURPOSE ROOM
 1050 PERALTA STREET, GUADALUPE, CA

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Superintendent's Office at (805)343-2114. Notification of 48 hours prior to the meeting will enable the district to make reasonable arrangements to ensure accessibility to this meeting.

Any of the materials related to items on this agenda are available for viewing at the Office of the District Superintendent, 4465 Ninth Street, Guadalupe, CA during regular business hours, 8:00 am to 5:00 pm, Monday through Friday; telephone 805-343-2114.

I. Call to Order

- A. Roll Call
- B. Pledge of Allegiance
- C. Approve Agenda

II. Adjourn to Closed Session

Closed Session Public Comments: This section of the agenda is intended for members of the public to address the Board of Education on items involving the school district that are being considered **Closed Session**. Such testimony shall be limited to three (3) minutes each person and fifteen (15) minutes each topic. If an answer to a specific question is requested, the Board President will, if appropriate, direct administration to respond in writing.

The Board will consider and may act upon any of the following items in closed session. Any action taken will be reported publicly at the end of closed session.

- A. Certificated and/or Classified Personnel Order 2017/2018-06

(The Board will be asked to review and approve a number of routine transfers, reassignments, promotions, evaluations, terminations, resignations and hiring as reported by the District Superintendent.)

Government Code Section 54957.6

- B. Conference with Labor Negotiators:
Negotiators: Superintendent Cora and Carl Lange
CSEA Chapter #546.
- C. Conference with Labor Negotiators:
Negotiator: Superintendent Cora
Unrepresented Employees: Certificated Management, Classified Management, and Confidential Employees
- D. Public Employee Appointment: Coordinator of Special Projects
- E. Public Employee Dismissal/Release (Gov. Code section 54954.5(e))
- F. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code Section 54956.8)

Property: Approximately 12.5 acres of land located in Guadalupe, CA, APN 113-450-007 ("Property").

Agency Negotiators: Guadalupe Union School District (Buyer) Real Property Negotiators: Ed Cora, Superintendent; Terry Tao, District Counsel.

Negotiating Parties: Guadalupe Union School District (Buyer) and Guadalupe Beach, LLC (Seller).

Under Negotiation: Instruction to Negotiators will concern both price and terms of payment associated with purchase of the identified Property.

III. Reconvene in open session; announce closed session actions.

The Board will announce any action taken on Public Employees Certificated and/or Classified Personnel Order 2017/2018-06, or on any other closed session items.

IV. Open Session – Public Comments

The Board of Trustees will receive comments about items and issues not appearing on tonight's agenda. We ask that those who address the Board limit their remarks to three (3) minutes. Open meeting laws and fairness to other residents who may have an interest in your topic prohibit the Board from taking action or engaging in extended discussion of your concerns. The Board may direct its district staff to meet at a later date with speakers who have specific concerns or needs. The Board may also direct that an issue be placed on a future agenda for discussion and consideration. This permits the Board and staff members to prepare and receive necessary information and for the public to be aware that a topic is being formally considered. We appreciate your cooperation.

Any person may address the Board concerning any item on the agenda and may be granted three (3) minutes to make a presentation to the Board at the time a specific item is under discussion or, in the case of a closed session item, prior to the Board convening

in closed session. A form is available from the Superintendent's secretary that should be completed and returned to her. Please indicate on the form if additional time is requested and state the reason. The president may grant additional time if circumstances permit.

The public may address the board on any matter pertaining to the school district that is not on the agenda.

V. Superintendent's Report

The Superintendent may report to the Board about various matters involving the district. There will be no board discussion except to ask questions or refer matters to staff, and no action will be taken. The item(s) may be listed on a subsequent agenda.

- Vernon Edwards and PMSM Architects will present a construction timeline for the 8-Plex building at Kermit McKenzie Jr. High School.

VI. Administrative Staff Reports

Each Administrator/Director may report to the Board about various matters/events within their school site/department. There will be no board discussion except to ask questions or refer matters to staff, and no action will be taken. The item(s) may be listed on a subsequent agenda.

- **Presentation:** Kermit McKenzie Discipline Report
- **Presentation:** Ms. Julie Lopez will present on the Social Science Pilot
- **Presentation:** Mrs. Alvarez and Mr. Solorio will update the board on CAASPP testing strategies and activities

VII. Board Member Reports

Each member of the Board may report about various matters involving the district. There will be no board discussion except to ask questions or refer matters to staff, and no action will be taken. The item(s) may be listed on a subsequent agenda.

VIII. Consent Agenda

The Board will be asked to approve all of the following items by a single vote, unless any member of the board or if the public asks that an item be removed from the consent agenda and considered and discussed separately.

- A. Approval of Minutes of the Regular Meeting of January 10, 2018.
- B. Approval of Warrant Listing Report of Expenditures.

It is being recommended that Consent Agenda Items VIII. A and B be approved, as presented.

IX. Items Scheduled for Action

A. Business & Finance

1. **Ratification/Approval of the IES Cyberschool Web Hosting Contract.** The board will review and consider the ratification of the Contractual Agreement between the Guadalupe Union School District and IES Cyberschool Web Hosting for the website development, hosting, and launching websites for the district's three sites as outline in the contract.

It is being recommended that the board ratify and approve the IES Cyber school Web-Hosting contract, as presented.

2. **Request for Allowance of Attendance Due to Emergency Conditions Form J-13A.** The board is asked to consider and approve the form J-13A to obtain approval of attendance and instructional time credit pursuant to Education Code Section 41422, 46200, 46391 and California Code of Regulations CRR Title 5, Section 428. The District is requesting for allowance of attendance due to emergency conditions. Due to the epidemic in the county this year, notices were sent to families regarding flu symptoms that indicate their child should be kept home if ill. On Tuesday, January 9, 2018 the attendance at both schools were impacted due to the influenza virus.

It is being recommended that the board approve Form J-13A, Request for Allowance of Attendance Due to Emergency Conditions, as presented.

3. **Approval of the Agreement for Purchase and Sale and Joint Escrow Instructions between Guadalupe Union School District and Guadalupe Beach, LLC.** District Administration has negotiated with Guadalupe Beach, LLC's representative, Mark Kelton, and has prepared a purchase agreement between the District and Guadalupe Beach, LLC for the District's proposed acquisition of approximately 12.5 acres of land located in Guadalupe, CA, APN 113-450-007 (the "Property"). The document entitled "Agreement for Purchase and Sale and Joint Escrow Instructions" comprises the terms for this property transaction. Staff recommends that the Board approve this agreement in order to acquire the Property.

It is being recommended that the board approve the Agreement for Purchase and Sale and Joint Escrow Instructions between Guadalupe Union School District and Guadalupe Beach, LLC, as presented.

B. Facilities

1. **Adoption of Resolution 2017-2018-11 A Resolution of the Board of Trustees of the Guadalupe Union School District Authorizing the Execution, Delivery and Sale of Certificates of Participation in the Maximum Aggregate Principal Amount of \$3,500,000 for the Purpose of**

Financing School Facilities Improvements and approving Related Documents and Actions. The Resolution presented for Board consideration authorizes entering into a traditional long-term tax-exempt financing in the form of Certificates of Participation in an amount not to exceed \$3,500,000 for the purpose of financing capital projects.

Roll Call will be taken for the adoption of Resolution 2017/2018-11, as presented.

C. Personnel

1. **Adoption of Resolution 2017/2018-12, In Recognition of Guadalupe Union School District's Teachers – "Week of the Teacher", May 7 – 11, 2018.** In order for the Board to recognize the teaching staff for their dedication and contributions to the students, staff and community, Resolution 2017/2018-12, is presented for Board consideration and adoption.

Roll Call will be taken for the adoption of Resolution 2017/2018-12, as presented.

2. **Adoption of Resolution 2017/2018-13, In Recognition of Guadalupe Union School District's Classified Professionals – "Classified School Employees Week", May 21–25, 2018.** In order for the Board to recognize the district classified professionals for their dedication and contribution to the students, staff and community, Resolution 2017/2018-13, is presented for Board consideration and adoption.

Roll Call will be taken for the adoption of Resolution 2017/2018-13, as presented.

3. **Approval of the Compensation Adjustment for Unrepresented Employees.** At this time the board is asked to review and consider the approval of a one time, off schedule, one percent (1%) compensation effective February 15, 2018 for the Certificated Administrators, Classified Managers and Confidential Employees.

It is being recommended that the board approve the Compensation Adjustment for Unrepresented Employees, as presented.

X. Items Scheduled for Information/Discussion

A. General Functions

1. 2016/2017 Annual School Accountability Report Cards (SARC): Mary Buren Elementary & Kermit McKenzie Jr. High School.
2. SBCEO – Williams Settlement Quarterly Report.
3. Board Policy Review - BP 4119.22 Personnel - Dress and Grooming.

B. Curriculum and Instruction

1. School Site Council Meeting Agenda/Minutes: Mary Buren Elementary Meeting of January 10, 2018 & Kermit McKenzie Jr. High Meeting of January 23, 2018.

C. Financial and Business

1. GUSD Fund Balance Summary – 1/31/2018.
2. SBCEO Interim Financial Report Analysis and Recommendations.
3. SISC Investment Pool Statement for the Quarter Ended 9-30-2017.

D. Pupil Personnel

1. Inter-District Boundary Transfer Request Summary – February 2018.
2. School Discipline Reports for Mary Buren and Kermit McKenzie Jr. High School.

XI. Future Agenda Items

XII. Adjournment

Next Regular Meeting: March 14, 2018, 5:15 p.m. at Mary Buren Elementary School, 1050 Peralta Street, Guadalupe, CA 93434.



CONTACTS

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Something to Ponder:

Education is for improving the lives of others and for leaving your community and world better than you found it. - Marian Wright Edelman



Go
Bobcats!

Guadalupe Union School District Educational Services

VOLUME 4, ISSUE 5

JANUARY 6, 2018

Health Services:

Flu Update shared out with Parents and Staff via ParentSquare:

Flu update

We are still continuing to see many children with flu symptoms in the Health Offices of both Mary Buren and McKenzie. We have received some confirmations from physicians about students having been diagnosed with influenza, some reports from parents that students have been diagnosed with influenza and many excuses from physicians that cover several days (which is a likely indicator they could be positive for influenza). Many parents are sending kids back to school when they are still ill because they don't want them to miss too many days of school. It is taking a long time for people to recover from this flu bug.

Below is a link from the CDC showing that this flu season is hitting kids especially hard. So far there have been 53 confirmed pediatric deaths from the flu.

<https://www.cdc.gov/flu/weekly/fluactivitysurv.htm>

"(a) A public school maintaining any combination of classes from grade 6 to grade 12, inclusive, that meets the 40-percent pupil poverty threshold required to operate a schoolwide program pursuant to Section 6314(a)(1)(A) of Title 20 of the United States Code shall stock at least 50 percent of the school's restrooms with feminine hygiene products at all times."

Maintenance and Health will be purchasing and installing dispensers for feminine products in the girls' bathroom at Kermit McKenzie that do not require payment.

Attendance:

Discipline:

McKenzie:

Manifestation Determination/ Expulsion Pending: 1

Anne Rigali began serving on the Countywide Plan for Expelled Youth committee on behalf of Ed Cora. The Committee is chaired by SBCEO Assistant Superintendent of Educational Services Kathy Hollis. California Education Code Section 48926 requires each county to develop a plan for providing educational services to expelled pupils. The Countywide Plan for Expelled Youth, along with the required triennial update, must be submitted to the State Superintendent for Public Instruction (SSPI). The next triennial update to the Plan will be due to CDE by June 30, 2018. The Committee will identify programs available, gaps in services and strategies for filling these gaps.

Preschool:

SDC Class, Enrollment: Added 1 new Speech only students

Open Assessments: 6 Speech, 1 Full Assessment

Consideration is being given to increase the Preschool Teacher position to 1 FTE from .6 FTE depending on enrollment and/or ability to multi-purpose the position to support McKenzie RSP/Intervention.

Assessment

ELPAC (English Language Proficiency Assessment of California) has begun. All students tested with the CELDT (California English Language Development Test) in the fall will again be tested this Spring as the CELDT sunsets.

SBAC testing will open April 9. We expect much easier facilitation with the 1 to 1 computers and larger band-width. Principals are encouraged to test early to mid May to extend instructional time.

Social Studies

We will begin training for the Social Studies pilot February 26. Three teachers per grade level, including one DBE will begin using the pilot materials in March.

The Bobcat News

1050 Peralta Street, Guadalupe, CA 93434

www.maryburen.com T: (805) 343-2411



Upcoming Events

January 8: Staff Development Day—NO SCHOOL

January 9: Students Return from Winter Break

January 10: School Board Meeting 5:30 p.m. in MPR

January 15: Dr. Martin Luther King Jr. Holiday—NO SCHOOL

January 25 & 26: Parent/Teacher Conferences—MINIMUM DAYS

January 26: Student of the Month Assemblies (Grades 3, 4, 5 at 9:00; Grades TK, K, 1, 2 at 9:30 a.m.)

January 29: Coffee with the Principal 8:30 a.m. Stage

February 12: Abraham Lincoln Holiday—NO SCHOOL

February 14: School Board Meeting 5:30 p.m. in MPR

February 19: Presidents' Day Holiday—NO SCHOOL

February 23: Student of the Month Assemblies (Grades 3, 4, 5 at 9:00; Grades TK, K, 1, 2 at 9:30 a.m.)

March 2: Read Across America Day

PTO

PTO Family Movie Night is on Friday, January 26 at 6:00 p.m. Movie night admittance and popcorn is FREE. Other food items will be on sale and the movie is raffled off at the end.

Changes in After School Pick-Up Changes to after school pick-up, require a written note to the office/teacher prior. We cannot take your child's verbal confirmation they are going home differently than you have planned for without your note.

JANUARY/FEBRUARY 2018

From the Principal

Dear Bobcat Families,

Happy new year! I hope you had a fantastic winter break making memories and spending quality time with your children, family, and friends. I always hear how special the time together with you is.

Many of our students work hard and show perseverance in coming to school and doing their best daily. In discussions with staff about our students who are struggling, a few common factors come up.

- 1) **A lack of reading at home.** In order for students to thrive and achieve grade level expectations in reading, they must read every day at school *and* at home. We need your help to ensure students read the take-home books we send with them daily.
- 2) **Poor attendance.** When students are tardy and miss school, it has a negative impact on their learning and on the classroom. Please do your best to get your child to school every day, prepared and on time.
- 3) **Adequate sleep.** A rested child is a focused and ready to learn child. We know you have busy schedules, but ensuring your child gets adequate sleep (a minimum of 8-10 hours for elementary aged children) is vital to their academic and social emotional development.

Thank you in advance for supporting our students. Let's keep making it a great year of learning!

Thank you, *Gracias*,
Mrs. Jesely Alvarez, Principal

Learning Focus: Visual and Performing Arts

We believe the arts are an important part of learning for students' academic and social emotional development. We are fortunate to have visual and performing arts residencies this year along with other art opportunities for students. These opportunities were made possible by grants awarded through the Woods Foundation and Santa Barbara Bowl.

The visual arts residency is for our intermediate students in grades 3-5. Students are learning *Sumi-e* Japanese Painting and creating beautiful art pieces. Our primary students in grades TK-2 will be taking choir in the spring. Additionally, all students will have swing dancing lessons later in the spring with a culminating dance performance. We will be having music performance assemblies with Joseph Peck, a steel drum musician, at our school. Our students will surely be getting in the groove to this fun world beat music.

Ask your students to share what they learned in these arts experiences. From what we've seen, it has made a very positive impact on them.

Student Council

Thank you to all of our students and families who participated in the annual **Feed Frosty Fundraiser** last month. Students raised over \$900.00. The top classes that raised the most funds were **Mrs. Minetti's** first grade class and Mrs Student Council hosted a hot chocolate party to celebrate their efforts in raisi

Be safe, be responsible, be respectful—be a great Bobcat role model.

McKenzie Jr. High
Board of Trustees Report
Feb. 5, 2018

- Dept. leads will continue training with our School City Data Management program this Thursday from 12:30-3:00. The goal is to gain a better understanding of the tools and assessments available to us. The leads will help disseminate the information learned to the rest of the staff with the goal of improving upon our assessments and use of program. We look forwards to a productive day.
- The Barajas Foundation will be coming to MJHS this Friday Feb. 9 from 10:30 -12:00. The presentation will take place in the cafeteria where all 8th grade students will be in attendance. Mr. Barajas has a full line-up of guest speakers and they will also be giving out 4 ipad minis to deserving students. We are very fortunate and grateful for the generosity of the Barajas Foundation and look forward to having them on campus!
- Parent teacher conferences were held on Jan. 18-19. As always, the staff did a great job of communicating with parents and offering their support of the students. Many parents attended the meetings and were appreciative of the teachers' time and commitment to students.
- A team from MB and MJH attended the Social Science adoption fair in Santa Barbara this past week. There were a host of publishers on hand to give details about their programs and illustrate what is new in the social sciences curriculum. I look forward to finalizing the adoption and receiving new text and curriculum for our students and staff.
- The girls and boy's basketball teams are off to a great start this year. Mr. Almaguer and Mr. Mendoza have the teams in great shape and playing well to start the season. Mark your calendar and come on out to support the teams! Go Bobcats!



GUADALUPE UNION SCHOOL DISTRICT NUTRITION SERVICES

To: Board of Trustees
From: Dena Boortz
CC: Ed Cora
Date: February 5, 2018
Re: Department Update

The Nutrition Services Department has been busy providing meals and snacks to students and guests.

Counts for January	Mary Buren		Kermit McKenzie	
	2018	2017	2018	2017
Days of Operation	16	15	16	15
Breakfast Served	12,499	11,322	4,673	5,039
Lunch Served	12,440	11,548	5,274	4,842
After-School Snack ¹	806	1,081	1,208	482

¹ Snacks are being served at Mary Buren, Kermit McKenzie, River View, MESA and Homework Club.

Nutrition Services Professional Development

On January 8th, Nutrition Services staff participated in training on Back Care and Injury Prevention provided through Santa Barbara County Superintendent of Schools. Employee also received training on food safety, Civil Rights as related to National School lunch program and basic nutrition. It is mandated that Nutrition Services staff receive a minimum of six (6) hours of training annually.

Kermit McKenzie Nutrition Services Entrée Preference Survey

Nutrition Services conducted an entrée preference survey in January/February to determine the student's favorite and least favorite entrée at breakfast and lunch. There were 218 respondents. Here are the results:

TOP FIVE BREAKFAST ENTREES	TOP FIVE LEAST FAVORITE BREAKFAST ENTREES
1 Chocolate Chip Muffin	1 Burrito – Egg, Ham & Cheese
2 Chocolate Chip Breakfast Bar	2 Burrito – Egg, Sausage & Cheese
3 Breakfast Pizza	3 Burrito – Bean & Cheese
4 Mini Cinnis Cinnamon Rolls	4 Biscuit w/ Egg Patty & Sausage Patty
5 Bagel & Cream Cheese	5 Mini Waffles
TOP FIVE LUNCH ENTREES	TOP FIVE LEAST FAVORITE LUNCH ENTREES
1 Pepperoni Pizza	1 Arroz Con Pollo
2 Pozole	2 Burrito – Beef & Bean
3 Cheese Pizza	3 Chicken Patty Sandwich
4 Nachos with Meat	4 Turkey Sandwich
5 Chicken Tenders / Hamburgers (tie)	5 Beef Tamale

Planning for 2018-19

The Nutrition Services staff is busy preparing for the grade changes at both schools. We are evaluating the staffing needs and potential movement or purchase of additional equipment at Kermit McKenzie Middle School. The current plan is to offer two serving times at lunch. Therefore, we are planning to have only one serving line and reassign our staff to management of collecting and cleaning dining trays. We will share more information as it becomes available.

The Kid's Garden at Mary Buren

The garden continues to be an active location with students participating in planting and maintaining gardening area with Ms. Kathi's support. Currently, we are harvesting and serving lettuce, lemons and celery from the garden at lunch.

Here are some pictures of student's participating in sampling of Garden Salads.



Additional Information

If you have any questions, please do not hesitate to contact me at dboortz@gusdbobcats.com or 343-1150.

Respectfully submitted,

Dena

**GUADALUPE UNION SCHOOL DISTRICT
BOARD OF EDUCATION**

**REGULAR SCHOOL BOARD MEETING
Wednesday, January 10, 2018**

Board President, Diana Arriola, called the regular board meeting of January 10, 2018 to order at 5:15 pm. The flag salute was held at this time.

MEMBERS PRESENT	Diana Arriola, Sheila Cepeda, David Hosking and José Pereyra
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ABSENT	MaryLou Sabedra-Cuello
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STAFF PRESENT	Ed Cora, Superintendent/Board Secretary; Julie Lopez, Director of Educational Services; Gloria Grijalva, CBO; Dena Boortz, Director of Child Nutrition Services; Jesely Alvarez, Mary Buren Principal, Angela Soares, Assistant Principal; Gabriel Solorio, Jr. High Principal; Sam Duarte, Healthy Start Family Services Coordinator, Peter Bedolla, Operations Lead; Carla Benevedo, Executive Assistant to the Superintendent; and Judith Gonzalez; Case Manager Educator.
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OTHERS PRESENT	Crystal Guzman; parent, Mark Mitchell representing RBC Capital and Jon Isom of Isom Advisors.
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ADOPTION	A motion was made by Ms. Cepeda, seconded by Mr. Pereyra and carried to approve the agenda as presented.
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Closed Session Public Comments	None
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Closed Session	Board adjourned to Closed Session at 5:16 pm.
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Reconvene	Board President, Diana Arriola called the regular board meeting back to order at 6:10 pm. Mrs. Arriola announced the following action on Personnel Order 2017/2018-06; approval of Public Employees Certificated and Classified Personnel Order 2017/2018-06. Roll call was held at this time.
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Ayes: Arriola, Cepeda, Hosking and Pereyra
1 Absent

Public Comments	Jesley Alvarez, Principal of Mary Buren Elementary School, publicly thanked Crystal Guzman for her kindness in supporting our CAASPP “Stars”, high achieving students. Ms. Guzman donated her time and talents to produce high quality photographs of our CAASPP Stars in recognition of
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their achievements. The photos are posted in the Mary Buren Media Center to recognize the students.

Superintendent's Report

Mr. Cora thanked Ms. Guzman for her photography and stated that he walked to Charly's with the 45 students and other Administrators on the day the students were being recognized. He stated he had a lot of fun and hopes that other students will be inspired by our CAASPP Stars.

He offered his thoughts and prayers for those affected by the Santa Barbara fires and mudslides. He reminded the board and staff that the current number of fatalities are reported to be 15.

Mr. Cora reported that Ed Tech, would provide Professional Development for the teachers this week. Mr. Cora also reported that a construction timeline for the 8-Plex building for Kermit McKenzie would be provided at the following board meeting. Mr. Cora also discussed his Goal Setting activity at the Administrators Recharge and thanked his Administrators for the work they did at the recharge meeting.

This week, CSBA celebrates the week of the school board. Mr. Cora presented each board member with a certificate of recognition in gratitude for their service to our district, schools, students and community.

Mr. Cora introduced Mark Mitchell from RBC Capital to discuss funding options for the 8-Plex building at McKenzie Jr. High School.

Mark Mitchell reported on the general obligation fund and fund improvements. He discussed bridge loan options, and short term borrowing. He explained Jon Isom is the fiduciary of the district. RBC represents both the district and the investors and provide funding for classrooms and gyms. He stated that the district will want to access funds that will be available in 2020. Mr. Mitchell reminded the board that the district will need just under 4 million dollars for the 8-Plex and that district is responsible for finding funds. Thus far, the district has GO Bonds, Developer Fees and State Aid. The district has two options; 1. A Bond Anticipation Note (five years or less) or a Certification of Participation (Long Term Bridge Loan). He stated that the district needs a repayment option based on the District's needs. Mr. Mitchell reviewed the COP Certificates of Participation Scenario Two (2). He encouraged the Board to make a decision today in order to make the timeline that PMSM and Vernon Edwards will report.

Mr. Mitchell reminded the board that PMSM and Vernon Edwards are coming next month to present a construction timeline, and because of this, the board needed to make a decision whether to finance the project with a Bond Anticipation Note or COP. This would allow the closing of the 2018 COPs transaction (funds in the bank) by March 8th and keep construction on schedule.

At 6:58 p.m., after a brief discussion, Board President Diana Arriola stated that there was a consensus of the board to direct Superintendent Ed Cora and Jon Isom of Isom Advisors to move forward with the Certificates of Participation (COP), option number two (2) as presented.

Mr. Cora thanked Mark Mitchell and Jon Isom for traveling to Guadalupe to give the board members the information they needed to make an informed decision.

Mr. Hosking thanked Jon Isom for the advice and guidance Isom Advisors gave the district regarding measures M & N.

Board Member Reports

Jose Pereyra - wished everyone the best 2nd semester.

Sheila Cepeda - welcomed everyone back from break and wished them a Happy New Year.

Diana Arriola – Encouraged everyone to take care, stay healthy and away from the flu.

Consent Agenda

A motion was made by Mr. Hosking, seconded by Mr. Pereyra and carried to approve the Consent Agenda:

A second motion was made by Ms. Cepeda with a correction to “Others Present” to be changed in the meeting minutes of December 13, 2018, seconded by Mr. Pereyra and carried to approve the Consent Agenda.

VIII.A Approval of Minutes of the Regular Meeting of December 13, 2017 and Special Meeting of December 19, 2017.

VIII.B Approval of Warrant Listing Report of Expenditures.

Ayes: Arriola, Cepeda, Hosking and Pereyra

1 Absent

ACTION ITEMS

Acceptance of Donation

Motion was made by Mr. Pereyra and seconded by Ms. Cepeda and carried to acknowledge and accept the donations made by an anonymous donor.

➤ The City of Guadalupe delivered eight Gift Certificates to Esperanza Market to be disbursed to four families at Mary Buren Elementary and four families at Kermit McKenzie Jr. High School. The certificates have a combined total of \$175.00.

Ayes: Arriola, Cepeda, Hosking Pereyra

1 Absent

PUBLIC HEARING

Board President, Diana Arriola opened the Public hearing at 7:04 pm. No public comments were made. The Public Hearing was closed at 7:05 pm.

AB1200 GTA/CTA/NEA

Motion was made by Mr. Pereyra, seconded by Mr. Hosking and carried to approve the Public Disclosure of Proposed Collective Bargaining Agreement in Accordance with AB 1200 – Agreement between the Guadalupe Union School District and the Guadalupe Teachers Association/CTA/NEA Unit.

Ayes: Arriola, Cepeda, Hosking Pereyra

1 Absent

PIP

Motion was made by Ms. Cepeda, seconded by Mr. Pereyra and carried to approve the recommendation to hire Amanda C. Azelton on a Provisional Internship Permit (PIP) for 6th grade Mathematics – Long Term Substitute for the remainder of the 2017-2018 school year.

Ayes: Arriola, Cepeda, Hosking Pereyra

1 Absent

Financial Audit Report

Motion was made by Mr. Hosking, seconded by Mr. Pereyra, and carried to approve the Acceptance and Certification of the Guadalupe Union School District's Annual Financial Audit Report for Year Ended June 30, 2017, as submitted by Vavrinek, Trine, Day & Co. LLP.

Ayes: Arriola, Cepeda, Hosking Pereyra

1 Absent

Items Scheduled for Information/Discussion

A. General Functions

1. Williams Quarterly Report – (October-December 2016) - No comments
2. 2018 Dates to Remember – Board Members - No comments

B. Curriculum & Instruction

1. Benchmark Results – presented by Julie Lopez

Mrs. Lopez reported the Trimester results for 2nd – 5th grades. The Benchmark results listed students as mastery or non-mastery. Currently, the teachers are being instructed on the use of Schoolcity software. A lot can be done on the system and can be overwhelming at times. However, teachers are they are starting assessments and using the program.

C. Financial and Business

1. Fund Balance Summary – Month of December 2017.

D. Pupil Personnel

1. Interdistrict Attendance Request Summary
2. J-18-P1 Attendance Report

II. Future Agenda Items

- A. Vernon Edwards & PMSM Architects Construction Timeline Presentation
- B. Discussion – Employee Dress Code

Closed Session Board adjourned to Closed Session at 7:40 pm.

Closed Session Motion was made by Ms. Cepeda, seconded by Mr. Pereyra and carried to adjourn closed session at 8:01 pm.

Ayes: Arriola, Cepeda, Hosking Pereyra
1 Absent

Reconvene Board President, Diana Arriola, called the regular board meeting back to order 8:02 pm. There were no items to report at this time.

Adjournment Motion was made by Ms. Cepeda, seconded by Mr. Pereyra and carried to adjourn this meeting of January 10, 2018 at 8:02 pm.

Ayes: Arriola, Cepeda, Hosking Pereyra
1 Absent

Next Regular Meeting: February 14, 2018, 5:15 p.m. at Mary Buren Elementary School, 1050 Peralta Street, Guadalupe, CA 93434.

**GUADALUPE UNION SCHOOL DISTRICT
SCHOOL DISTRICT BOARD APPROVAL LIST
February 14, 2018**

WARRANTS ISSUED FROM:

01/1/2018 to 01/31/2018

DISTRICT VENDOR PAYMENTS	525,233.86
CERTIFICATED PAYROLL	713,420.64
CLASSIFIED PAYROLL	240,739.83
PAYROLL BENEFITS	282,630.06

TOTAL WARRANTS ISSUED	1,762,024.39
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The payable and payroll transactions listed above have been issued in accordance with the District's policies and constitute legal claims against the district. It is recommended that the Board of trustees approve them.

Pay Date 01/10/2018 through 01/31/2018

EARNINGS by Earnings Code	Income	Adjustments
No Gross Pay		3,220.50-
Regular	954,160.47	
TOTAL	954,160.47	3,220.50-

EARNINGS by Group	Income	Adjustments
Base Pay	880,343.06	
Docks	3,949.52-	
Miscellaneous	1,948.22	3,220.50-
Overtime	1,149.02	
Stipends	74,669.69	
TOTAL	954,160.47	3,220.50-

EARNINGS	Person Type	Female Employees
Certificated	93	79
Classified	102	72
TOTAL	195	151

Vendor Summary for Pay Date 01/10/2018 thru 01/31/2018

Vendor Checks	45,109.60	20
Vendor Liabilities	614,543.85	75
	659,653.45	95

TAXES	Employee	Employer	Total	Subject Grosses
Federal Withholding	102,187.43		102,187.43	805,994.33
State Withholding	33,480.85		33,480.85	805,994.33
Social Security	13,476.47	13,476.47	26,952.94	217,362.56
Medicare	13,289.76	13,289.76	26,579.52	916,535.67
SUI		457.86	457.86	915,815.67
Workers' Comp		23,115.00	23,115.00	916,535.67
SUBTOTAL	162,434.51	50,339.09	212,773.60	

REDUCTIONS	Employee	Employer	Total	Subject Grosses
PERS	7,426.48	16,477.27	23,903.75	106,092.59
PERS / 62	5,796.32	13,849.47	19,645.79	89,173.15
STRS / 60	60,036.97	83,082.87	143,119.84	596,200.59
STRS / 62	8,979.57	14,076.53	23,056.10	97,550.07
TSAAs	28,302.00		28,302.00	
Benefits	33,071.37	7,750.67	40,822.04	
Misc	1,328.93		1,328.93	
SUBTOTAL	144,941.64	135,236.81	280,178.45	

DEDUCTIONS	Employee	Employer	Total	Subject Grosses
Garn	50.00		50.00	
Benefits	14.76	95,245.98	95,260.74	
Misc	12,715.14	1,808.18	14,523.32	143,334.07
Summer Savings	56,867.34		56,867.34	355,160.77
SUBTOTAL	69,647.24	97,054.16	166,701.40	
TOTALS	377,023.39	282,630.06	659,653.45	

Cancel/Reissue for Process Date 01/10/2018 thru 01/31/2018

Reissued
Cancel Checks
Void ACH

Pay Date 01/10/2018 through 01/31/2018

BALANCING DATA

Gross Earnings	954,160.47	577,137.08	Net Pay
District Liability	282,630.06	377,023.39	Deductions
		282,630.06	Contributions
	1,236,790.53	1,236,790.53	

NET

Direct Deposits	512,642.33	149
Checks	58,732.49	43
Partial Net ACH	369.00	1
Negative Net		
Check Holds	5,393.26	4
Zero Net		
TOTAL	577,137.08	196

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Board Report

Checks Dated 01/01/2018 through 01/31/2018

Board Meeting Date Wednesday, February 14, 2018

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
01-498474	01/08/2018	Rebecca A. Geisler	01-4310	Must Grab 2018 Reimburse Anatex Pathfinder Teaching Material	100.00	
			01-5220	AVID Mileage Reimbursement Mar 2017 Reissue of check	26.96	126.96
01-498475	01/08/2018	Jose E. Pereyra	01-5220	CSBA 2017 Conference Reimburse Mileage		330.63
01-498476	01/08/2018	A.,A.,L.,R.,&R Attorneys at Law	35-5830	Attorney Fees for Facilities		951.48
01-498477	01/08/2018	AAA Network Solutions	22-6400	80 APs, 32 Switches, Install and Config.		161,442.85
01-498478	01/08/2018	All City Management	01-5800	Crossing Guards 2017-18		3,104.64
01-498479	01/08/2018	Amazon Capital Services	01-4300	Document holder	33.34	
			01-4310	Amazon: Extras for student devices, Tech-Silvia	2,218.39	
			01-4400	Chrome Book For Peter Bedolla	322.92	
				Unpaid Tax	170.87-	2,403.78
01-498480	01/08/2018	AMS.NET, Inc	01-5805	AMS.NET OPO 2017-18 Network Support	1,806.98	
				AMS.NET OPO 2017-18 Network Support -KM 51 Meraki AP's	324.00	
				AMS.NET OPO 2017-18 Network Support -MB 51 Meraki AP's	594.00	2,724.98
01-498481	01/08/2018	Brummel, Myrick & Associates	01-5800	Correcting Deficiencies w/HVAC MB Orig.\$11000.00		500.00
01-498482	01/08/2018	Carquest Auto Parts	01-4300	Auto Parts & Supplies		49.47
01-498483	01/08/2018	Casa Pacifica Centers	01-5800	Counseling Services 2016/17 Per Contract 7 Hrs/Wk		1,426.56
01-498484	01/08/2018	Eagle Energy	01-4370	Fuel for District Vehicles		302.54
01-498485	01/08/2018	Educational Data Systems Attn Acct Rec	01-4310	CELDT Testing Excessive Materials		23.73
01-498486	01/08/2018	Ernest Packing Solutions	01-4400	Carpet Master Vacuum: Library		611.27
01-498487	01/08/2018	Ewing Irrigation	01-4300	Landscaping Materials 2017-18		166.03
01-498488	01/08/2018	Great Minds	01-4110	Math Curriculum for DBE Classes	4,192.62	
				Math Curriculum Mary Buren	34,926.23	39,118.85
01-498489	01/08/2018	Guadalupe Hardware Company Inc	01-4300	Maintenance Supplies		229.24
01-498490	01/08/2018	Hayward Lumber Company	01-4300	Maintenance Supplies		737.79
01-498491	01/08/2018	Home Depot	01-4300	Maintenance Supplies		491.57
01-498492	01/08/2018	I.I. Supply	01-4300	Assorted Safety Equipment for MOT Staff		115.47
01-498493	01/08/2018	Julie Avnit	40-5800	Facilities Coordinator -40 & Prop 39 -6230		3,500.00
01-498494	01/08/2018	Kansas State Bank	01-7438	Chromebooks KM - year 2 of 3 year lease	109.74	
			01-7439	Chromebooks KM - year 2 of 3 year lease	1,212.58	1,322.32
01-498495	01/08/2018	Kathi DiPeri	13-5800	GUSD Gardening Services		1,000.00

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Checks Dated 01/01/2018 through 01/31/2018

Board Meeting Date Wednesday, February 14, 2018

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01-498496	01/08/2018	Ken Vertrees Printers	13-4790	Business Cards - Boortz		276.48
01-498497	01/08/2018	Liebert Cassidy Whitmore	01-5830	SBC Legal Consortium		244.00
01-498498	01/08/2018	Mobile Bookkeeping & Payroll	01-5800	Bookkeeping Services		750.00
01-498499	01/08/2018	Nagsco	13-5640	Cafeteria Filters for Kitchen Hood		45.00
01-498500	01/08/2018	No Limit Tire	01-5640	Tires/Tire Repairs -Caravan		55.00
01-498501	01/08/2018	Noble Power Equipment	01-4300	MOT Supplies for Mower & Power Equip		32.59
01-498502	01/08/2018	Office Depot/bus Serv Division	01-4300	Office Supplies District Office	176.95	
			01-4310	Office Supplies: KM Admin/Instr.	184.24	
			13-4300	Cafeteria Office Supplies	3.00-	358.19
01-498503	01/08/2018	PMSM Architects	25-6220	Modular Classroom Building		3,375.00
				PMSM#16155.01		
01-498504	01/08/2018	Postmaster	01-5919	4th Gr. Parent Meeting Notification Letter		78.10
01-498505	01/08/2018	Price, Postel & Parma LLP	01-5830	Attorney Services		14,631.00
01-498506	01/08/2018	Santa Barbara Co.educ. Office	01-4300	District Forms Printed by SBCEO Board	25.99	
				Member Business Cards		
				District Forms Printed by SBCEO Business	3.22	29.21
				Cards Cora		
01-498507	01/08/2018	Santa Barbara County Selpa	01-5220	A.Luna Nonviolent Crisis Int. Training	15.00	
				10/11-12		
				S. Rosas Nonviolent Crisis Int. Training	15.00	30.00
				10/11-12		
01-498508	01/08/2018	Santa Maria J.u. High School	01-4300	Paper Purchase MB, KM, DO	48.53	
			01-4310	Paper Purchase MB, KM, DO	922.03	
			01-4380	Pupil Transportation 2016-2017	724.97	
			01-5640	Pupil Transportation 2016-2017	1,649.19	3,344.72
01-498509	01/08/2018	School Nurse Supply, Inc.	01-4310	Curad 3G Vinyl Powder Free Gloves #5846		55.69
01-498510	01/08/2018	SHI	01-7439	Electronic Recycling Fee Leased		750.00
				Chrombooks		
01-498511	01/08/2018	SHI	01-5835	New Chromebooks replacing old,		245.00
				Tech-Silvia		
01-498512	01/08/2018	Southwest School Office Supply	01-4300	office supplies for lhbt	251.09	
			01-4310	MB Office/Instructional Supplies 2016-17	306.71	557.80
01-498513	01/08/2018	State Of California Office Of Food Distr.	13-4710	Cafeteria - Food Supplies		390.00
01-498514	01/08/2018	Takkens	13-4790	Shoes for Staff		95.02
01-498515	01/08/2018	Terminix	01-5800	Drywood Termite Treatment Plan		292.00
				01/01/18-01/31/19		
01-498516	01/08/2018	Verizon Wireless	01-5910	Verizon Wireless & Mifi District Wide	1,155.61	
			13-5910	Verizon Wireless & Mifi District Wide	155.21	1,310.82

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Board Report

Checks Dated 01/01/2018 through 01/31/2018					Board Meeting Date Wednesday, February 14, 2018	
Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
01-498517	01/08/2018	Wells Fargo Bank Northwest,NA Insight 39001 MAC:U1240-026	22-7438 360 Chromebooks & Mgmnt 3yr Lease: Yr1		245.45	
01-499484	01/12/2018	Alejandra Serrato Mora	22-7439 360 Chromebooks & Mgmnt 3yr Lease: Yr1		2,007.55	2,253.00
01-499485	01/12/2018	Aramark Uniform Services Inc.	01-4310 ASES Reimburse Santa Hats for students sr cntr caroling			90.71
			01-4300 Windshield Towels & Inventory Maintenance		325.50	
01-499486	01/12/2018	Burnham Benefits Ins. Services	13-5560 Food Service Supplies		744.01	1,069.51
01-499487	01/12/2018	California Electric Supply Inc	01-3901 Full-Service Consulting 17/18			2,333.33
01-499488	01/12/2018	Carl B.A. Lange III	01-4300 Electrical Supplies			37.26
01-499489	01/12/2018	City Of Guadalupe	01-5850 Negotiations Consultant			10,867.00
			01-5530 Water Service:GUA-0002/MB		75.62	
			Water Service:GUA-0003/MB		280.21	
			Water Service:GUA-0015/MB		563.03	
			Water Service:MCK-0003/KM		299.81	
			Water Services FSC		123.41	
01-499490	01/12/2018	Culligan	13-5530 Water Service:GUA-0016/Cafe		1,542.63	2,884.71
01-499491	01/12/2018	Eagle Energy	01-5530 Bottled Water Unit:FSC			37.60
01-499492	01/12/2018	Edna's Bakery	01-4370 Fuel for District Vehicles			276.50
01-499493	01/12/2018	Enterprise Rent-A-Car	13-4710 Bakery Items for Cafeteria			81.60
01-499494	01/12/2018	Guadalupe Hardware Company Inc	01-5220 CERA Conference J Alvarez			187.78
01-499495	01/12/2018	Kenneth S. Klein	01-4300 Maintenance Supplies			40.28
01-499496	01/12/2018	La Fuente Deli	01-5800 Media Press Release Services			350.00
01-499497	01/12/2018	Medical Billing Technologies	01-4300 School Site Council Meetings MB			55.84
01-499498	01/12/2018	Office Depot/bus Serv Division	01-5800 Medical Bill. Serv.:9120MAA,5640LEA			1,090.08
			01-4300 Bookcover rolls and gloves-Preschool		6.89	
			Office Supplies District Office		238.83	
01-499499	01/12/2018	Office Equip Finance System	01-4400 Storage Boxes for Study Sync #659275		181.31	427.03
			01-5615 Canon Copier RentDO#JWH16181		204.12	
			Copier Lease DO #QTW13043		116.64	
			Copier Rent MB Library 500-0529407-000		222.24	
			Copier Rent: MB, KM, DO (Curr.)#0421592		1,513.22	
			MB Front Office 500-0529407-000		222.24	2,278.46
01-499500	01/12/2018	P G & E 0055322415-5	01-5520 Electricity MB 0055322415			1,113.27
01-499501	01/12/2018	P G & E 4794541299-8	01-5520 Electricity MB Peralta 4794541299-8			2,165.16
01-499502	01/12/2018	P G & E 5461621090-9	01-5520 Electric Service (FSC)			162.49
01-499503	01/12/2018	P G & E 5888676235-8	01-5520 Electric MB Peralta&10th 5888676235-8			1,170.80
01-499504	01/12/2018	P G & E 6377505170-7	01-5520 Electricity (KM) 6377505170-7			2,701.91

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01-499505	01/12/2018	P G & E 6544954354-8	01-5520	Electric MB Peralta&11th 6544954354-8		421.87
01-499506	01/12/2018	Rayne Water Conditioning	13-4300	Cafeteria:Soft Water Service		108.60
01-499507	01/12/2018	Ready Refresh by Nestle	01-5530	Water D.O., Breakroom, Curriculum	70.35	
				Water Mary Buren	38.87	
				Water McKenzie	73.74	
			13-4300	Water Mary Buren Cafeteria	81.37	264.33
01-499508	01/12/2018	School Health Corp	01-4400	School Health Hearing Screening Pkg Q#3347485		4,360.00
01-499509	01/12/2018	Select Staffing	01-5800	Mariana Torres Covering Front Office MB		806.53
01-499510	01/12/2018	Self-Insured Schools Of Ca	67-9510	January 2018 Health Ins. Premium		115,113.00
01-499511	01/12/2018	So.cal Gas Co. 113-414-6400	01-5510	Natural Gas Service:Utility 4681 11th St.FSC		39.27
01-499512	01/12/2018	So.cal. Gas Co. 161-314-9900	01-5510	Natural Gas Service:Utility 1050 Peralta		272.82
01-499513	01/12/2018	So.cal.gas Co. 159-214-9900	01-5510	Natural Gas Sevice:Utility 1050 Peralta		389.18
01-499514	01/12/2018	So.cal.gas Co. 178-315-3500	01-5510	Natural Gas Service:Utility 4710 Main		418.65
01-499515	01/12/2018	Student Transport.of America	01-5800	Student Transportation 2017-2018		6,979.96
01-499516	01/12/2018	Waste Management - H S S	01-5570	Waste Removal/Recycling (FSC) 20074-25001	278.99	
				Waste Removal/Recycling KM 60078-05001	1,529.62	
				Waste Removal/Recycling MB/DO 60080-05007	515.80	
			13-5570	Waste Removal/Recycling Cafe MB 60079-85003	1,654.73	
				Waste Removal/Recycling KM 60078-05001	102.00	4,081.14
01-500369	01/22/2018	Kevin S. Baldizon	01-4310	Student Attendance Incentives Reimbursement		484.91
01-500370	01/22/2018	Robin M. Sumabat	01-4310	GRANT #6605 GKCF Mini Grant STEM Teaching Supplies		119.57
01-500371	01/22/2018	Access Information Protected	01-5570	Document Shredding Service		119.88
01-500372	01/22/2018	Amazon Capital Services	01-4300	Door Peephole Viewer	52.79	
			01-4400	Chromebook Cover.	21.59	
				Unpaid Tax	5.51-	68.87
01-500373	01/22/2018	American Leak Detection	22-5800	Commercial Gas Line Locate		360.00
01-500374	01/22/2018	Bendele Electric Inc.	01-5800	Add Dedicated Circuit & Fix Damaged Wires		980.00
01-500375	01/22/2018	Berry Man, Inc. dba	13-4700	FFVP Food	535.50	
			13-4710	2017-18 Food Service	2,385.55	2,921.05

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Checks Dated 01/01/2018 through 01/31/2018

Board Meeting Date Wednesday, February 14, 2018

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
01-500376	01/22/2018	Boys & Girls Club Of Sm Valley	01-5800	Services Provided - M.Buren & Mc Kenzie		5,674.25
01-500377	01/22/2018	Calif School Management Consul	01-5800	Erate Program Services Oct-Dec 2017		1,250.00
01-500378	01/22/2018	Children's Plus	01-4210	GRANT-BUSH KM 48 Books Nullmeyer		859.86
01-500379	01/22/2018	Chip Cooper's Roofing, Inc.	01-5640	Bus Garage / repair 2 sky lights.		2,976.00
01-500380	01/22/2018	Edna's Bakery	13-4710	Bakery Items for Cafeteria		316.35
01-500381	01/22/2018	Ernest Packing Solutions	01-4300	Custodial Supplies		1,512.03
01-500382	01/22/2018	Federal Express	12-5919	Pre-School Grant to Townsend		27.80
01-500383	01/22/2018	Foster Farms Dairy	13-4710	Food Service:Milk		1,719.67
01-500384	01/22/2018	Gold Star Foods	13-4710	Cafeteria: Food Supplies		5,083.56
01-500385	01/22/2018	Jay's Automotive	01-5800	Smog Inspections/Repairs Ford Windstar		316.24
01-500386	01/22/2018	Jordano's	13-4710	Cafeteria: Food Supplies		4,106.04
01-500387	01/22/2018	Kathi DiPeri	13-4790	Reimburse Extension Cord and Screws	29.04	
			13-5800	GUSD Gardening Services	800.00	829.04
01-500388	01/22/2018	LAHR Industrial Welding	01-5800	Welding Repairs- Exercise Arm KM		56.25
01-500389	01/22/2018	M & W Pump Inc.	01-5640	Pump Repairs		105.00
01-500390	01/22/2018	Marborg Industries	01-5640	mb recovery renovation	1,656.20	
			01-5800	Temporary Fence For KM Playfield	176.48	1,832.68
01-500391	01/22/2018	Mid-Coast Fire Protection Inc	01-5800	Annual Service:Fire Extinguishers	2,232.16	
			13-5800	Annual Service:Fire Extinguishers	314.34	2,546.50
01-500392	01/22/2018	More Office Solutions	01-4312	Copiers MB/KM/DO/LHBTP	2,959.59	
				Copiers MB/KM/DO/LHBTP	208.85	3,168.44
01-500393	01/22/2018	Office Depot/bus Serv Division	01-4300	Office Supplies District Office		179.61
01-500394	01/22/2018	Peoples'self-Help Housing Corp	01-5800	After School Program ASES		1,944.80
01-500395	01/22/2018	Postmaster	01-5919	POSTMASTER/Q2 REPORT CARDS		121.84
01-500396	01/22/2018	Quality Pest Management	13-5800	Pest Control Services for MB & KM 2017-18		180.00
01-500397	01/22/2018	Santa Barbara Co.educ. Office	01-4300	District Forms Printed by SBCEO		700.00
01-500398	01/22/2018	Stanley Convergent Security So	01-5590	Alarm System Monitoring: MB & KM	129.73	
			01-5800	Alarm System FSC	44.19	173.92
01-500399	01/22/2018	Townsend Public Affairs, Inc	01-5800	Legislative & Funding Advocacy		6,000.00
01-500400	01/22/2018	Trinity Landscape Center	01-4300	Bark And Equipment Front of DO.		1,676.97
01-500401	01/22/2018	U.S. Bank	22-4400	DataPro/ Overhead projector project		209.96
01-500402	01/22/2018	Vavrinek, Trine, Day & Co., LLP	01-5810	Auditing Services Dec 2017 Prop 39 Measure N		4,500.00
01-500403	01/22/2018	U.S. Bank	01-4300	AMAZON Backpack Vacuum refill filters	40.35	
				AMAZON.COM Folding Plastic Table	30.24	
				AMAZON.COM Math Incentives Facts Braclets Cart	97.18	

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Board Report

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Board Meeting Date Wednesday, February 14, 2018

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01-500403	01/22/2018	U.S. Bank		CHARLYS Student Incent Principal's Luncheon	400.00	
				GTA Negotiation LA FUENTE DELI	29.51	
				IHOP Working Brkfst Cepeda.Rigali SpEd	40.51	
				KING FALAFEL Working Lunch Cepeda	16.05	
				Cora		
				MOXIE CAFE Staff Retreat Dev Mtg	55.03	
				ORCHARD Face Masks Thomas Fire ash	90.59	
				SMARTNFINAL Toys for Tots Bags	33.99	
				SUBWAY Board Meeting	21.46	
				THE HOME DEPOT Face Masks Thomas Fire	347.59	
			01-4310	AMAZON A.Azelton LT Tchr Supplies Math	171.16	
				AMAZON.COM DBE 3rd Gr Class Book Additions	81.80	
				ASES LITTLE CAESARS Pizza Party for Students	81.00	
				INSTA-LEARN Geisler Class Supplies	267.14	
				MULTI-HEALTH SYSTEMS Testing Protocols SpEd	8.00	
			01-5220	ACSA Academy Soares EMBASSY SUITES	150.50	
				ACSA Academy Soares FAMOUS DAVE'S	9.53	
				CERA Conf DISNEY RESORTS	743.49	
				CERA Conf EXXONMOBIL	36.05	
				CERA Conf meal -RALPH BRENNAN'S	35.91	
				CERA Conf meal -UNITED ROSE DELI	14.48	
				CSBA Conf HOTEL SOLAMAR Cepeda	819.81	
				CSBA Conf HOTEL SOLAMAR Cora	897.08	
				CSBA Conf HOTEL SOLAMAR Hosking	897.08	
				CSBA Conf HOTEL SOLAMAR Pereyra	819.81	
				CSBA Conf HOTEL SOLAMAR	897.08	
				Sabedra-Cuello		
				CSBA food AMTRAK Cora.Hosking.Sebedra	29.00	
				CSBA food DUSSINI	117.63	
				Cora.Hosking.Sebedra		
				CSBA food JSIX	188.40	
				Cora.Hosking.Sebedra.Cepeda		
				CSBA food SUBWAY	18.52	
				Cora.Hosking.Sebedra		

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Checks Dated 01/01/2018 through 01/31/2018

Board Meeting Date Wednesday, February 14, 2018

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
01-500403	01/22/2018	U.S. Bank		CSBA food THE NEW YORKER	31.67	
				Cora.Hosking.Sebedra.Cepeda		
				CSBA food WATER GRILL	162.23	
				Cora.Hosking.Sebedra.Cepeda.Pereyra		
				FCMAT AMTRAK Arriola	77.45-	
				FCMAT AMTRAK Arriola and Cepeda	163.45-	
				HEBER School Visit B&C RETAIL	68.92	
				HEBER School Visit BURGERS	18.00	
				HEBER School Visit CARL'S JR	7.71	
				HEBER School Visit EL CENTRO HOTEL	148.50	
				HEBER School Visit ENTERPRISE	132.54	
				RENT-A-CAR		
				HEBER School Visit MCDONALD'S	8.48	
				HEBER School Visit PANDA EXPRESS	11.64	
				HEBER School Visit SHELL	10.02	
				HEBER School Visit USA GAS	28.94	
				SCHOOL SERVICES OF CA Grijalva Gov	215.00	
				Budget Wkshp		
			01-5919	STAMPS.COM	24.99	
				USPS Cert Mail Grant Fulton Found	8.55	
				USPS POSTAGE STAMPS.COM	250.00	
			13-4710	SMARTNFINAL Food	207.10	
				SPENCERS Food	13.16	
			13-4790	SMARTNFINAL Supplies	14.21	
			13-5220	ACSA HOLIDAY INN	155.95	
				ACSA 3RD ANNUAL Mid State Conf	199.00	
				ACSA 76 GAS	33.82	
				ACSA fuel YK MARKET	33.38	
				ACSA YK MARKET Fuel	33.64	
				CSBA Conf HOTEL SOLAMAR Cora	21.00	
				HEBER School Visit CHEVRON	40.17	
				HEBER School Visit S C GAS	28.60	
				HEBER School Visit SOLAMAR Lodging	209.65	
				Unpaid Tax	31.00-	9,330.94
01-501283	01/29/2018	Jeffrey R. Foote	01-4300	Reimburse Elective Class Supplies		91.43
01-501284	01/29/2018	Rosa F. Garcia	01-4310	GRANT #6610 Reimburse Teaching Supplies		60.81

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

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ReqPay12d

Board Report

Checks Dated 01/01/2018 through 01/31/2018					Board Meeting Date Wednesday, February 14, 2018	
Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
01-501285	01/29/2018	Cammi Silk	01-5220	Reimburse Mileage Factwise Conference 11/4/17 & 11/8/17		141.03
01-501286	01/29/2018	Robin M. Sumabat	01-4310	GRANT #6605 Reimburse Teaching Supplies		85.49
01-501287	01/29/2018	A.,A.,L.,R.&R Attorneys at Law	35-5830	Attorney Fees for Facilities		1,606.50
01-501288	01/29/2018	Allan Hancock Bus. Serv.	01-5800	Tutoring - Allan Hancock Student Tutors 2017-18		2,867.04
01-501289	01/29/2018	Amazon Capital Services	13-4790	Laptop Computer for Staff		383.99
01-501290	01/29/2018	Armstrong's Lock And Key	01-4300	Lock/Key Supplies		845.90
01-501291	01/29/2018	Berry Man, Inc. dba	13-4700	FFVP Food	1,139.50	
			13-4710	2017-18 Food Service	2,498.00	3,637.50
01-501292	01/29/2018	Children's Plus	01-4210	Books for Library Children's Plus		1,885.39
01-501293	01/29/2018	Crystal Alley	01-4300	Petty Cash - P Bedolla Food for MOT BackSafe Training	12.55	
				Petty Cash- G Morales Wash District Vehicle	15.00	
				Petty Cash- J Gonzalez Wash Borrowed Equipment	15.00	
				Petty Cash- J Gonzalez Wash Mower	96.00	
				Petty Cash- P Bedolla -distilled waster for sweepers	3.18	
				Petty Cash- P Bedolla Food for MOT Asbestos Training	9.70	
				Petty Cash- P Bedolla Wash Windstar Van	7.00	
			01-5800	Petty Cash - D Shiigenaka AVID postage (2day)	6.65	165.08
01-501294	01/29/2018	Eagle Energy	01-4370	Fuel for District Vehicles		329.40
01-501295	01/29/2018	Edna's Bakery	13-4710	Bakery Items for Cafeteria		414.05
01-501296	01/29/2018	Ernest Packing Solutions	01-4300	Custodial Supplies		397.39
01-501297	01/29/2018	Foster Farms Dairy	13-4710	Food Service:Milk		2,024.25
01-501298	01/29/2018	Gold Star Foods	13-4710	Cafeteria: Food Supplies		13,037.97
01-501299	01/29/2018	Granite Telecommunications Client ID#311	01-5590	Phone Service 2017/18 Year		274.62
01-501300	01/29/2018	Guadalupe Hardware Company Inc	01-4300	Maintenance Supplies		935.36
01-501301	01/29/2018	Happy Chef	13-4790	Uniforms Cafeteria Staff		20.95
01-501302	01/29/2018	Home Depot	01-4300	Maintenance Supplies		318.38
01-501303	01/29/2018	James Ungricht	01-5805	Final Payment	6,822.00	
				One Time Payment	205.39	7,027.39
01-501304	01/29/2018	Jordano's	13-4710	Cafeteria: Food Supplies		1,431.42

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

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ReqPay12d

Board Report

Checks Dated 01/01/2018 through 01/31/2018

Board Meeting Date Wednesday, February 14, 2018

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
01-501305	01/29/2018	Kenneth S. Klein	01-5800	Media Press Release Services		350.00
01-501306	01/29/2018	Nagsco	13-5640	Cafeteria Filters for Kitchen Hood		45.00
01-501307	01/29/2018	No Limit Tire	01-5640	Tires/Tire Repairs Pressure washer wheel		39.60
01-501308	01/29/2018	Noble Power Equipment	01-4300	MOT Supplies for Mower & Power Equip		80.00
01-501309	01/29/2018	Ocean Cities Pizza, Inc. dba Domino's Pizza	13-4710	Food Program School Lunch MB		1,009.44
01-501310	01/29/2018	Office Depot/bus Serv Division	01-4300	Office Supplies District Office		48.06
01-501311	01/29/2018	PMSM Architects	25-6220	Modular Classroom Building PMSM#16155.01		6,075.00
01-501312	01/29/2018	Select Staffing	01-5800	Mariana Torres Covering Front Office MB		645.22
01-501313	01/29/2018	Tech-Time Communications	01-5640	Bell Monitoring/Repairs 5640	80.43	
			01-5800	Bell Monitoring/Repairs 5640	231.57	312.00
01-501314	01/29/2018	Trinity Landscape Center	01-4300	Landscaping Supplies 2017/18		254.34
01-501315	01/29/2018	Wells Fargo Bank Northwest,NA Insight 39001 MAC:U1240-026	22-7438	360 Chromebooks & Mgmnt 3yr Lease: Yr1	237.75	
			22-7439	360 Chromebooks & Mgmnt 3yr Lease: Yr1	2,015.25	2,253.00
01-501316	01/29/2018	Western Exterminator Co.	01-5800	Gopher Extermination & Pest Control	526.00	
				Gopher Extermination & Pest Control KM	400.00	926.00
Total Number of Checks					146	525,026.48

Fund Recap

Fund	Description	Check Count	Expensed Amount
01	General Fund	111	183,328.32
12	Child Dvlpmnt Fund	1	27.80
13	Cafeteria Spec Rev Fund	31	44,737.95
22	Building Fund 2 - Measure N	5	166,518.81
25	Capital Facilities Fund	2	9,450.00
35	Cnty Schl Facilities Fund 1	2	2,557.98
40	Spec Resv Cap Outlay Proj 1	1	3,500.00
67	Self-Insurance Fund 1	1	115,113.00
Total Number of Checks		146	525,233.86
Less Unpaid Tax Liability			207.38
Net (Check Amount)			525,026.48

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

Page 9 of 9



Making Information Technology Work for You

Cyberschool Web Hosting

**An Internet communication portal designed for
Schools, teachers, parents and students. Cyberschool is an invaluable addition to any
educational organization that is ready to enter the 21st century.**

Contractual Agreement

District/School Name: Guadalupe Union School District
Contact Name: Dena Boortz
Address: 4465 Ninth Street
City/State: Guadalupe, CA 93434
Phone: (805) 343-2114
Number of Sites: 4 Sites
Requested Service: Web Development

Date: 12/07/2017

**Mohsen Attaran, President
Interactive Educational Services, Inc.
5401 Business Park South, Suite 108, Bakersfield, CA 93309
P: 661.859.1900 F: 661.859.1840**

Website Development, Hosting and Licensing Agreement
Between

Interactive Educational Services, Inc.,

AND

Guadalupe Union School District
(4 Sites)

This Agreement, executed on 12/07/2017, by and between Interactive Educational Services, Inc. (Contractor) and Guadalupe Union School District (District). District desires to receive services provided by Contractor, and Contractor desires to provide said services to District. Therefore, it is mutually agreed between the parties as follows:

1. **SCOPE OF WORK**

District hereby agrees to purchase from Contractor and Contractor hereby agrees to sell to District, the Web Hosting Services specified in the Contractor Summary of pricing attached hereto and labeled Exhibit A.

2. **COMPENSATION AND PAYMENTS**

All billing invoices shall be due and payable in full thirty (30) days after the date of billing (i.e., net 30 day payment terms), with the date of billing being the date indicated on the billing invoice.

3. **OBLIGATIONS OF DISTRICT**

District shall work with Contractor in a timely manner to design, implement, and host the website.

District shall facilitate communication between Contractor and the representatives of each of the participating Districts and the School. District shall oversee the development and implementation of Cyberschool for the District.

District shall assist in the organization for training of selected representatives from the District and participating schools. District will arrange for training of faculty and staff in a timely manner.

4. **INITIAL FEE.** Licensee shall pay a one-time **SPECIAL PRICING fee of \$2,750.00** to Licensor for the development and training of four (4) Websites at the signing of this contract.

ONGOING FEE. Licensee shall pay an **ongoing fee of \$2,000.00 (4 Sites)** to licensor for continued maintenance, website hosting & ongoing support. This fee will start after completion of the online training of the website.

5. **NO UNLAWFUL DISCRIMINATION**

Neither the District nor the Contractor shall discriminate against any person because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sex, or sexual orientation. This prohibition against unlawful discrimination extends to any person who is perceived to have any of the above characteristics or who is associated with someone who has, or who is perceived to have, any of those characteristics.

6. **CONFIDENTIALITY**

Contractor shall comply with all laws, regulations, and professional standards pertaining to the confidentiality of District employment and student records and information which he or she may have access to in the course of performing services for District.

7. **NOTICES**

Any notices herein provided to be given by either party shall be deemed given in writing and deposited in the US mail, postage prepaid and addressed as follows:

TO: Guadalupe Union School District
Attn: Dena Boortz
Address: 4465 Ninth Street
City/State: Guadalupe, CA 93434
Phone: (805) 343-2114

TO: IES, Inc.
5401 Business Park S. Suite 108
Bakersfield, CA 93309
Phone: (661) 859-1900

Either party with a written notice may change the address to which the notices are to be sent. Nothing herein shall preclude the giving of any notice by personal service.

8. **MODIFICATION**

Notwithstanding any of the provisions of this agreement, this writing contains the entire agreement between the parties hereto, and there are no other agreements or understandings written or oral. This Agreement may not be changed or modified except in writing and signed by the parties hereto.

9. **FINGERPRINT CLEARANCE**

Contractor will ensure that Contractor or any employees of Contractor performing services for the District will have minimal contact with students. Consequently, the District has determined pursuant to Education Code 45125.1 (d) that employees of Contractor are not required to have been cleared by a fingerprint check performed by the California Department of Justice.

10. **COPIES OF AGREEMENT**

This Agreement is executed in counterparts, each of which shall be deemed a duplicate original.

11. INDEPENDENT CONTRACTOR STATUS

This Agreement is by and between independent contractors and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association.

12. EXCLUSION OF BENEFITS

Contractor understands and agrees that he or she and all of his or her employees shall not be considered officers, employees, or agents of the District, and are not entitled to benefits of any kind or nature normally provided employees of the District, including but not limited to State Unemployment Compensation Insurance, or Worker's Compensation. Contractor shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, social security and income taxes with respect to Contractor's employees.

13. INDEMNIFICATION

Contractor shall defend, save harmless and indemnify the District and its officers, agents and employees from all liabilities and claims for damages for death, sickness or injury to persons or property, except for the District's consequential damages and any damages resulting from or related to any failure or delay of Contractor in delivery or installation of equipment or from any cause whatsoever arising from or connected with the operations or the services of the Contractor hereunder, whether or not there is concurrent passive negligence on the part of District, its officers, agents, or employees, except for liabilities arising from the sole negligence or willful misconduct of District.

14. CONTENT CONTROL

District is solely responsible for content of the website. Contractor agrees not to make any changes to the content or web site unless otherwise provided for under the terms of this Agreement.

Contractor, other than under the terms of this Agreement, shall not supplement, modify or alter any Work Product which has been accepted by District of any content (other than modifications strictly necessary to upload the Content to the Website) except with District's prior written consent.

District acknowledges that District is fully responsible for all website content, including but not limited to, verbiage, pictures, graphics, links, and for maintaining appropriate policies regarding the content and the use of the web site. District further acknowledges that Contractor has no liability for initial or subsequent website content.

15. EXPANSION OF SERVICES

Services in addition to those specified above may be added to this Agreement by Addendum. Such Addendum will specify the additional services to be provided, the delivery date of such services, and the prices of such additional services. All the terms, provisions, and conditions set forth in this Agreement shall apply to the Addendum.

16. GOVERNING LAW

This Agreement will be governed and construed in accordance with the laws of the State of California without giving effect to principles of conflict of laws. Both parties agree to submit to a jurisdiction in California and further agree that any cause of action arising under this Agreement may be brought in a court in Kern County, California.

17. TERM AND TERMINATION

Termination Prior to Implementation- If terminated by District prior to implementation, Contractor is entitled to an hourly fee of \$150.00 dollars on any work done from signing of the contract. However, if District terminates this Agreement because the product/services are defective, District shall be able to recover any amounts paid to Contractor. If terminated by Contractor prior to implementation, any fees previously paid to Contractor shall be refunded to District. Applicant may terminate this agreement at any time with 30 days' written notice. IES, Inc. will terminate this agreement for nonpayment of fees at any time fees are delinquent for more than 30 days.

Termination After Implementation. Either party can terminate this Agreement effective thirty (30) days after notice of termination. District can terminate for any reason. Contractor can terminate only for the failure of District to pay training, hosting, maintenance, service, and any other costs in a timely manner. Contractor shall provide District a written notice of any such default. District will have ten business days from the time of receipt to cure the default prior to termination of Cyberschool by Contractor.

Termination in First year - There is a \$500.00 cancellation fee if the customer terminates the service in less than one year.

18. Launching of the web site (s)

IES, Inc. will work with District on design and development of the web site(s) and will host the web site(s) when the sites are ready without charging web hosting prior to training.

IN WITNESS THEREOF, each of the parties hereto has executed this Agreement as of the date first written above.

Guadalupe Union School District

Interactive Educational Services, Inc.

Signature: 
Signature of Authorized Person

Signature: _____
Signature of Authorized Person

Name: Ed Cora
Printed Name of Authorized Person

Name: Mohsen Attaran, President
Printed Name of Authorized Person

Date: 1/18/18

Date: _____

Billing Address: _____

Exhibit A

Summary of Services and Pricing for Guadalupe Union School District (3 Sites)

I. Services

A. Website Development

1. Website Design and Installation (\$900.00 \$500.00 x 3 Sites)	\$1,500.00
2. Domain registration	Included
3. Site backup	Included
4. Content Management	Included
5. Search Engine Submission	Included
6. Training Fee - For Site Admins (Discounted)	\$150.00
7. Basic Content Migration (\$300.00 \$150.00 x 3 Sites)	\$450.00

Website Development Fee:	\$2,100.00
---------------------------------	-------------------

This Special Pricing is valid towards the different IES Mockup Sites available to choose from. Of course your site will include your colors, logos, mascots, etc...this way small schools can have a website and afford it as well. To view the IES Mockup Sites, please follow the following steps:

www.cyberschool.com

click on Showcase

click on Layouts

II. Education and Online Training

Licensee staff (2 hr of Online Training)	Included
--	----------

III. Ongoing Annual Hosting Fee (per site)

A. Web hosting, Maintenance, Updates and Support per Year	\$500.00
---	----------

Total Annual Fee: \$500.00 x 3 Sites = \$1,500.00
--

☐ Three-Year Service 2018-2021 School Years

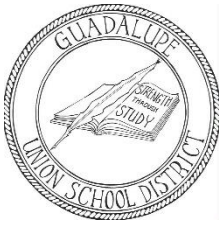
☐ One-Year Service 2018-2019 School Year

By signing below, I have read the contract and acknowledge the Annual Web Hosting Fee will start upon completion of the initial client training session on the administrative use of the website.

At the time of training, IES has to upload the client's web site onto the Server in order for the client to start ADDING CONTENT to their web site. Therefore, client hosting begins.


Signature:  Date: 1/18/18

Print Name: Ed Cora



BUSINESS SERVICES MEMORANDUM

TO: Board of Trustees
Ed Cora, Superintendent

FROM: Gloria Grijalva 
Chief Business Official

BOARD MEETING DATE: February 14, 2018

BOARD AGENDA ITEM: J-13A Attendance Waiver

BACKGROUND: The Guadalupe Union School District will apply for a J-13A Attendance Waiver for January 9, 2018 when school attendance at Mary Buren Elementary and Kermit McKenzie Junior High dropped below the 90% level due to the influenza virus.

The Request for Allowance of Attendance is used to obtain approval of attendance and instructional time credit pursuant to *Education Code (EC)* sections 41422, 46200, 46391, 46392 and *California Code of Regulations (CCR)*, Title 5, Section 428. Approval of a Form J-13A request from the California Department of Education, combined with other attendance records, serve to document a local educational agency's (LEA) compliance with instructional time laws and provide authority to maintain school for less than the required instructional days and minutes without incurring a fiscal penalty to the LEA's Local Control Funding Formula (LCFF) funding.

RECOMMENDATION: It is requested that that the Board of Trustees approve the J-13A Attendance Waiver application.

**REQUEST FOR ALLOWANCE OF ATTENDANCE
DUE TO EMERGENCY CONDITIONS**

Form J-13A

(Revised December 2017)

California Department of Education

School Fiscal Services Division

Website: <https://www.cde.ca.gov/fg/>

Telephone: 916-324-4541

Email: attendanceaccounting@cde.ca.gov

CALIFORNIA DEPARTMENT OF EDUCATION
REQUEST FOR ALLOWANCE OF ATTENDANCE DUE TO EMERGENCY CONDITIONS
 FORM J-13A, REVISED DECEMBER 2017

SECTION A: REQUEST INFORMATION

- This form is used to obtain approval of attendance and instructional time credit pursuant to *Education Code (EC)* sections 41422, 46200, 46391, 46392 and *California Code of Regulations (CCR)*, Title 5, Section 428.
- Only schools that report Principal Apportionment average daily attendance (ADA) for the purpose of calculating a K-12 Local Control Funding Formula (LCFF) entitlement should submit this form.
- Refer to the instructions and frequently asked questions at <https://www.cde.ca.gov/lg/aa/paf13a.asp> for information regarding the completion of this form.

PART I: LOCAL EDUCATIONAL AGENCY (LEA)

LEA NAME: Guadalupe Union School District		COUNTY CODE: 42	DISTRICT CODE: 69203	CHARTER NUMBER (IF APPLICABLE):
LEA SUPERINTENDENT OR ADMINISTRATOR NAME: Ed Cora			FISCAL YEAR: 2018	
ADDRESS: 4465 Ninth Street		COUNTY NAME: Santa Barbara		
CITY: Guadalupe		STATE: CA	ZIP CODE: 93434	
CONTACT NAME: Gloria Grijalva	TITLE: Chief Business Official	PHONE: 805-343-1178	E-MAIL: ggrijalva@gusdbobcats.com	

PART II: LEA TYPE AND SCHOOL SITE INFORMATION APPLICABLE TO THIS REQUEST (Choose only one LEA type):

<input checked="" type="checkbox"/> SCHOOL DISTRICT Choose one of the following: <input checked="" type="checkbox"/> All district school sites <input type="checkbox"/> Select district school sites	<input type="checkbox"/> COUNTY OFFICE OF EDUCATION (COE) Choose one of the following: <input type="checkbox"/> All COE school sites <input type="checkbox"/> Select COE school sites	<input type="checkbox"/> CHARTER SCHOOL
--	---	--

PART III: CONDITION(S) APPLICABLE TO THIS REQUEST:

☐ **SCHOOL CLOSURE:** When one or more schools were closed because of conditions described in *EC* Section 41422, LCFF apportionments should be maintained and instructional time credited in Section B for the school(s) without regard to the fact that the school(s) were closed on the dates listed, due to the nature of the emergency. Approval of this request authorizes the LEA to disregard these days in the computation of ADA (per *EC* Section 41422) without applicable penalty and obtain credit for instructional time for the days and the instructional minutes that would have been regularly offered on those days pursuant to *EC* Section 46200, et seq.

☐ There was a Declaration of a State of Emergency by the Governor of California during the dates associated with this request.

☒ **MATERIAL DECREASE:** When one or more schools were kept open but experienced a material decrease in attendance pursuant to *EC* Section 46392 and *CCR*, Title 5, Section 428. Material decrease requests that include all school sites within the school district must demonstrate that the school district as a whole experienced a material decrease in attendance. Material decrease requests for one or more but not all sites within the school district must show that each site included in the request experienced a material decrease in attendance pursuant to *EC* Section 46392 and *CCR*, Title 5, Section 428. The request for substitution of estimated days of attendance for actual days of attendance is in accordance with the provisions of *EC* Section 46392. Approval of this request will authorize use of the estimated days of attendance in the computation of LCFF apportionments for the described school(s) and dates in Section C during which school attendance was materially decreased due to the nature of the emergency.

☐ There was a Declaration of a State of Emergency by the Governor of California during the dates associated with this request.

☐ **LOST OR DESTROYED ATTENDANCE RECORDS:** When attendance records have been lost or destroyed as described in *EC* Section 46391. Requesting the use of estimated attendance in lieu of attendance that cannot be verified due to the loss or destruction of attendance records. This request is made pursuant to *EC* Section 46391:

"Whenever any attendance records of any district have been lost or destroyed, making it impossible for an accurate report on average daily attendance for the district for any fiscal year to be rendered, which fact shall be shown to the satisfaction of the Superintendent of Public Instruction by the affidavits of the members of the governing board of the district and the county superintendent of schools, the Superintendent of Public Instruction shall estimate the average daily attendance of such district. The estimated average daily attendance shall be deemed to be the actual average daily attendance for that fiscal year for the making of apportionments to the school district from the State School Fund."

SECTION B: SCHOOL CLOSURE

☐ Not Applicable (Proceed to Section C)

PART I: NATURE OF EMERGENCY (Describe in detail.)

☐ Supplemental Page(s) Attached

PART II: SCHOOL INFORMATION (Use the supplemental Excel form at <https://www.cde.ca.gov/fg/aa/paf/j13a.asp> if more than 10 lines are needed for this request. Attach a copy of a school calendar. If the request is for multiple school sites, and the sites have differing school calendars, attach a copy of each different school calendar to the request.)

A	B	C	D	E	F	G	H	I
School Name	School Code	Site Type	Days in School Calendar	Emergency Days Built In	Built In Emergency Days Used	Date(s) of Emergency Closure	Closure Dates Requested	Total Number of Days Requested

PART III: CLOSURE HISTORY (List closure history for all schools in Part II. Refer to the instructions for an example.)

A	B	C	D	E	F
School Name	School Code	Fiscal Year	Closure Dates	Nature	Weather Related Yes/No

SECTION C: MATERIAL DECREASE

☐ Supplemental Page(s) Attached

On Tuesday, January 9, 2018, our schools attendance was impacted due to the influenza virus. Due to the epidemic in the county this year, notices were sent to families regarding flu symptoms that indicate the child should be kept at home.

A	B	C	D	E	F	G*	H
School Name	School Code	"Normal" Attendance (October/May)	Dates Used for Determining "Normal" Attendance	Date of Emergency	Actual Attendance	Qualifier: 90% or Less (F/C)	Net Increase of Apportionment Days (C-F)
Mary Buren Elementary School	6045512	838.50	10/2/17 - 10/31/17	1/9/18	731	0.00%	0.00
Kermit McKenzie Junior High	6045520	426.05	10/2/17 - 10/31/17	1/9/18	383	0.00%	0.00
			-			0.00%	0.00
			-			0.00%	0.00
			-			0.00%	0.00
			-			0.00%	0.00
			-			0.00%	0.00
			-			0.00%	0.00
			-			0.00%	0.00
			-			0.00%	0.00
Total		0.00			0		0.00

A	B	C	D	E	F	G*	H
School Name	School Code	"Normal" Attendance Hours	Date Used for Determining "Normal" Attendance	Date of Emergency	Actual Attendance Hours	Qualifier: 90% or Less (F/C)	Net Increase of Hours (C-F)
						0.00%	0.00
						0.00%	0.00
						0.00%	0.00
						0.00%	0.00
						0.00%	0.00
Total		0.00			0.00		0.00

Form J-13A | 3

SECTION D: LOST OR DESTROYED ATTENDANCE RECORDS

☐ Not Applicable (Proceed to Section E)

PART I: PERIOD OF REQUEST The entire period covered by the lost or destroyed records commences with _____ up to and including _____.

PART II: CIRCUMSTANCES (Describe below circumstances and extent of records lost or destroyed.)

PART III: PROPOSAL (Describe below the proposal to reconstruct attendance records or estimate attendance in the absence of records.)

SECTION E: AFFIDAVIT

PART I: AFFIDAVIT OF SCHOOL DISTRICT, COUNTY OFFICE OF EDUCATION, OR CHARTER SCHOOL GOVERNING BOARD MEMBERS – All applicable sections below must be completed to process this J-13A request.

We, members constituting a majority of the governing board of Guadalupe Union School District, hereby swear (or affirm) that the foregoing statements are true and are based on official records,

Board Members Names

Board Members Signatures

Diana Arriola

Marylou Sabedra Cuello

Sheila Marie Cepeda

David Hosking

Jose Pereyra

At least a majority of the members of the governing board shall execute this affidavit.

Subscribed and sworn (or affirmed) before me, this 14th day of February, 2018

Witness: _____ Title: _____ of Santa Barbara County, California
(Name) (Signature)

PART II: APPROVAL BY SUPERINTENDENT OF CHARTER SCHOOL AUTHORIZER (Only applicable to charter school requests)

Superintendent (or designee): Ed Cora Authorizing LEA Name: Guadalupe Union School District
(Name) (Signature)

PART III: AFFIDAVIT OF COUNTY SUPERINTENDENT OF SCHOOLS

The information and statements contained in the foregoing request are true and correct to the best of my knowledge and belief.

County Superintendent of Schools (or designee): _____
(Name) (Signature)

Subscribed and sworn (or affirmed) before me, this _____ day of _____,

Witness: _____ Title: _____ of _____ County, California
(Name) (Signature)

COE contact/individual responsible for completing this section:

Name: _____ Title: _____ Phone: _____ E-mail: _____

Mary Buren School, K-5

2/5/2018
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2017-2018

MONTHLY ATTENDANCE SUMMARY

Page 1

Month 3 - From 10/2/2017 Through 10/27/2017

October for Mary Buren

Regular Program

Grade Level	Tchr No.	A Tchg Days	B Enroll- ment Carried Fwd	C Gains	D Total Enroll- ment (B+C)	E Losses	F Ending Enroll- ment (D- E)	G Days Not Enroll	H Days Non- Apport Attend	I Actual Days (A*D)	J Total Apport Attend (A*D)-G-H	K Total A.D.A. (J/A)	L Percent Attend J/(A*D)-G	M Loss at End of Last School Day	YEAR TO DATE		
															Total Apport Attendance	Days Taught	Total ADA (N/O)
TK	215	20	17	1	18	0	18	11	8	360	341	17.05	97.71%	0	625	37	16.89
TK	245	20	16	1	17	0	17	5	16	340	319	15.95	95.22%	0	559	37	15.11
TK	TOTAL	20	33	2	35	0	35	16	24	700	660	33.00	96.49%	0	1184	37	32.00
K	0	20	0	0	0	0	0	0	0	0	0	0.00	0	0	0	55	0.00
K	125	20	21	2	23	0	23	6	8	460	446	22.30	98.24%	0	795	37	21.49
K	130	20	25	1	26	0	26	18	22	520	480	24.00	95.62%	0	887	37	23.97
K	205	20	26	0	26	0	26	0	29	520	491	24.55	94.42%	0	884	37	23.89
K	235	20	26	0	26	0	26	0	14	520	506	25.30	97.31%	0	921	37	24.89
K	278	20	23	0	23	0	23	0	15	460	445	22.25	96.74%	0	836	37	22.59
K	505	20	25	1	26	0	26	0	15	520	505	25.25	97.12%	0	901	37	24.35
K	TOTAL	20	146	4	150	0	150	24	103	3000	2873	143.65	96.54%	0	5224	55	141.19
1	0	20	0	0	0	0	0	0	0	0	0	0.00	0	0	0	55	0.00
1	20	20	23	0	23	0	23	0	11	460	449	22.45	97.61%	0	817	37	22.08
1	100	20	23	0	23	0	23	0	16	460	444	22.20	96.52%	0	812	37	21.95
1	195	20	24	0	24	0	24	0	8	480	472	23.60	98.33%	0	875	37	23.65
1	225	20	21	0	21	0	21	0	19	420	401	20.05	95.48%	0	749	37	20.24
1	250	20	23	0	23	0	23	0	17	460	443	22.15	96.30%	0	810	37	21.89
1	273	20	23	0	23	0	23	0	32	460	428	21.40	93.04%	0	796	37	21.51
1	TOTAL	20	137	0	137	0	137	0	103	2740	2637	131.85	96.24%	0	4859	55	131.32
2	115	20	27	0	27	0	27	0	20	540	520	26.00	96.30%	0	959	37	25.92
2	210	20	22	1	23	0	23	0	18	460	442	22.10	96.09%	0	833	37	22.51
2	270	20	27	0	27	0	27	0	13	540	527	26.35	97.59%	0	952	37	25.73
2	279	20	28	0	28	0	28	0	14	560	546	27.30	97.50%	0	998	37	26.97
2	285	20	27	0	27	0	27	0	22	540	518	25.90	95.93%	0	969	37	26.19
2	TOTAL	20	131	1	132	0	132	0	87	2640	2553	127.65	96.70%	0	4711	55	127.32

To the best of my knowledge, the information contained on this document is accurate and complete.

Principal Signature

Date

Mary Buren School, K-5

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2017-2018

MONTHLY ATTENDANCE SUMMARY

Month 3 - From 10/2/2017 Through 10/27/2017

Regular Program

Grade Level	Tchr No.	A Tchg Days	B Enroll- ment Carried Fwd	C Gains	D Total Enroll- ment (B+C)	E Losses	F Ending Enroll- ment (D- E)	G Days Not Enroll	H Days Non- Apport Attend	I Actual Days (A*D)	J Total Apport Attend (A*D)-G-H	K Total A.D.A. (J/A)	L Percent Attend J/(A*D)-G	M Loss at End of Last School Day	YEAR TO DATE		
															Total Apport Attendance	Days Taught	Total ADA (N/O)
3	150	20	23	1	24	0	24	5	4	480	471	23.55	99.16%	0	859	37	23.22
3	274	20	21	0	21	0	21	0	15	420	405	20.25	96.43%	0	715	37	19.32
3	276	20	21	0	21	1	20	0	7	420	413	20.65	98.33%	1	747	37	20.19
3	503	20	20	0	20	0	20	0	9	400	391	19.55	97.75%	0	716	37	19.35
3	507	20	21	0	21	1	20	15	7	420	398	19.90	98.27%	0	726	37	19.62
3	TOTAL	20	106	1	107	2	105	20	42	2140	2078	103.90	98.02%	1	3763	55	101.70
4	TOTAL TK-3	20	553	8	561	2	559	60	359	11220	10801	540.05	96.78%	1	19741	55	533.54
4	0	20	0	0	0	0	0	0	0	0	0	0.00	0	0	0	55	0.00
4	95	20	0	0	0	0	0	0	0	0	0	0.00	0	0	429	37	11.59
4	105	20	22	0	22	0	22	0	14	440	426	21.30	96.82%	0	839	37	22.68
4	140	20	25	0	25	0	25	0	12	500	488	24.40	97.60%	0	881	37	23.81
4	282	20	25	0	25	0	25	0	17	500	483	24.15	96.60%	0	874	37	23.62
4	300	20	26	0	26	0	26	0	21	520	499	24.95	95.96%	0	499	55	9.07
4	504	20	29	0	29	0	29	0	17	580	563	28.15	97.07%	0	1047	37	28.30
4	511	20	24	1	25	0	25	18	18	500	464	23.20	96.27%	0	854	37	23.08
4	TOTAL	20	151	1	152	0	152	18	99	3040	2923	146.15	96.72%	0	5423~	55	142.15
5	0	20	0	0	0	0	0	0	0	0	0	0.00	0	0	0	55	0.00
5	120	20	28	0	28	1	27	15	15	560	530	26.50	97.25%	0	966	37	26.11
5	155	20	23	0	23	0	23	0	6	460	454	22.70	98.70%	0	841	37	22.73
5	200	20	28	0	28	0	28	0	7	560	553	27.65	98.75%	0	1003	37	27.11
5	502	20	27	0	27	0	27	0	18	540	522	26.10	96.67%	0	959	37	25.92
5	508	20	28	0	28	0	28	0	17	560	543	27.15	96.96%	0	1004	37	27.14
5	TOTAL	20	134	0	134	1	133	15	63	2680	2602	130.10	97.64%	0	4773	55	129.00
5	TOTAL 4-6	20	285	1	286	1	285	33	162	5720	5525	276.25	97.15%	0	10196	55	271.15
PROGRAM		20	838	9	847	3	844	93	521	16940	16326	816.30	96.91%	1	29937	55	804.69

To the best of my knowledge, the information contained on this document is accurate and complete.

Principal Signature

Date

Mary Buren School, K-5

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2017-2018

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MONTHLY ATTENDANCE SUMMARY

Month 3 - From 10/2/2017 Through 10/27/2017

Program H Home-Hospital

Grade Level	Tchr No.	A Tchg Days	B Enroll-ment Carried Fwd	C Gains	D Total Enroll-ment (B+C)	E Losses	F Ending Enroll-ment (D-E)	G Days Not Enroll	H Days Non-Apport Attend	I Actual Days (A*D)	J Total Apport Attend (A*D)-G-H	K Total A.D.A. (J/A)	L Percent Attend J/(A*D)-G	M Loss at End of Last School Day	N Total Apport Attendance	O Days Taught	P Total ADA (N/O)
K	0	20	1	0	1	1	0	14	0	20	6	0.30	100.00%	0	24	55	0.44
K	TOTAL	20	1	0	1	1	0	14	0	20	6	0.30	100.00%	0	24	55	0.44
1	0	20	0	0	0	0	0	0	0	0	0	0.00	0	0	10	55	0.18
1	TOTAL	20	0	0	0	0	0	0	0	0	0	0.00	0	0	10	55	0.18
TOTAL TK-3		20	1	0	1	1	0	14	0	20	6	0.30	100.00%	0	34	55	0.62
4	0	20	0	0	0	0	0	0	0	0	0	0.00	0	0	0	55	0.00
4	TOTAL	20	0	0	0	0	0	0	0	0	0	0.00	0	0	0	55	0.00
TOTAL 4-6		20	0	0	0	0	0	0	0	0	0	0.00	0	0	0	55	0.00
PROGRAM		20	1	0	1	1	0	14	0	20	6	0.30	100.00%	0	34	55	0.62

Principal Signature

Date

To the best of my knowledge, the information contained on this document is accurate and complete.

Mary Buren School, K-5

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MONTHLY ATTENDANCE SUMMARY

Month 3 - From 10/2/2017 Through 10/27/2017

Program S SDC

Grade Level	Tchr No.	A Tchg Days	B Enroll-ment Carried Fwd	C Gains	D Total Enroll-ment (B+C)	E Losses	F Ending Enroll-ment (D-E)	G Days Not Enroll	H Days Non-Attend	I Actual Days (A-D)	J Total Apport Attend (A-D)-G-H	K Total A.D.A. (J/A)	L Percent Attend J/(A-D)-G	M Loss at End of Last School Day	YEAR TO DATE		
															Total Apport Attendance	Days Taught	Total ADA (N/O)
K	145	20	8	0	8	0	8	0	1	160	159	7.95	99.38%	0	286	37	7.73
K	506	20	0	1	1	0	1	6	0	20	14	0.70	100.00%	0	14	55	0.25
K	TOTAL	20	8	1	9	0	9	6	1	180	173	8.65	99.43%	0	300	55	7.98
1	145	20	1	0	1	0	1	0	0	20	20	1.00	100.00%	0	37	37	1.00
1	506	20	1	0	1	0	1	0	1	20	19	0.95	95.00%	0	34	55	0.62
1	TOTAL	20	2	0	2	0	2	0	1	40	39	1.95	97.50%	0	71	55	1.62
2	506	20	2	0	2	0	2	0	0	40	40	2.00	100.00%	0	74	55	1.35
2	TOTAL	20	2	0	2	0	2	0	0	40	40	2.00	100.00%	0	74	55	1.35
3	506	20	2	0	2	0	2	0	1	40	39	1.95	97.50%	0	69	55	1.25
3	TOTAL	20	2	0	2	0	2	0	1	40	39	1.95	97.50%	0	69	55	1.25
TOTAL TK-3		20	14	1	15	0	15	6	3	300	291	14.55	98.98%	0	514	55	12.20
4	145	20	3	0	3	0	3	0	2	60	58	2.90	96.67%	0	107	37	2.89
4	506	20	2	0	2	0	2	0	7	40	33	1.65	82.50%	0	63	55	1.15
4	TOTAL	20	5	0	5	0	5	0	9	100	91	4.55	91.00%	0	170	55	4.04
5	506	20	3	0	3	0	3	0	4	60	56	2.80	93.33%	0	106	55	1.93
5	TOTAL	20	3	0	3	0	3	0	4	60	56	2.80	93.33%	0	106	55	1.93
TOTAL 4-6		20	8	0	8	0	8	0	13	160	147	7.35	91.88%	0	276	55	5.96
PROGRAM		20	22	1	23	0	23	6	16	460	438	21.90	96.48%	0	790	55	18.17
REPORT		20	861	10	871	4	867	113	537	17420	16770	838.50	96.90%	1	30761	55	823.48

Principal Signature

Date

To the best of my knowledge, the information contained on this document is accurate and complete.

Mary Buren School, K-5

2/5/2018

2017-2018

Daily Apportionment by Month

Page 1

Month 1						
Day #	Date	Holiday	Enrollment	Apportionment	Difference	Percent Present
1	08/07/2017	@	0	0	0	
2	08/08/2017	@	0	0	0	
3	08/09/2017	@	0	0	0	
4	08/10/2017	%	826	806	20	97.58%
5	08/11/2017		831	815	16	98.07%
6	08/14/2017		842	826	16	98.10%
7	08/15/2017		846	830	16	98.11%
8	08/16/2017		850	828	22	97.41%
9	08/17/2017		853	837	16	98.12%
10	08/18/2017		854	812	42	95.08%
11	08/21/2017		854	783	71	91.69%
12	08/22/2017		854	827	27	96.84%
13	08/23/2017		855	836	19	97.78%
14	08/24/2017		856	831	25	97.08%
15	08/25/2017		859	825	34	96.04%
16	08/28/2017		861	816	45	94.77%
17	08/29/2017		863	836	27	96.87%
18	08/30/2017		862	822	40	95.36%
19	08/31/2017		862	835	27	96.87%
20	09/01/2017		862	826	36	95.82%
Month 1 Average:			852.35	823.00		96.56%

Month 2						
Day #	Date	Holiday	Enrollment	Apportionment	Difference	Percent Present
21	09/04/2017	#	0	0	0	
22	09/05/2017		862	821	41	95.24%
23	09/06/2017		862	839	23	97.33%
24	09/07/2017		861	834	27	96.86%
25	09/08/2017		862	834	28	96.75%
26	09/11/2017	\$	0	0	0	
27	09/12/2017		864	843	21	97.57%
28	09/13/2017		864	840	24	97.22%
29	09/14/2017		866	845	21	97.58%
30	09/15/2017		866	841	25	97.11%
31	09/18/2017		866	820	46	94.69%
32	09/19/2017		867	837	30	96.54%
33	09/20/2017		867	844	23	97.35%
34	09/21/2017		867	842	25	97.12%
35	09/22/2017		866	840	26	97.00%
36	09/25/2017		867	834	33	96.19%
37	09/26/2017		867	835	32	96.31%

Mary Buren School, K-5

2/5/2018

2017-2018

Daily Apportionment by Month

Page 2

38	09/27/2017		867	841	26	97.00%
39	09/28/2017		867	842	25	97.12%
40	09/29/2017		865	838	27	96.88%
Month 2 Average:			865.17	837.22		96.77%

Month 3

October

ADA for Mary Buren

Day #	Date	Holiday	Enrollment	Apportionment	Difference	Percent Present
41	10/02/2017		864	832	32	96.30%
42	10/03/2017	%	864	836	28	96.76%
43	10/04/2017	%	864	842	22	97.45%
44	10/05/2017	%	864	851	13	98.50%
45	10/06/2017	%	864	835	29	96.64%
46	10/09/2017		864	821	43	95.02%
47	10/10/2017		865	846	19	97.80%
48	10/11/2017		865	835	30	96.53%
49	10/12/2017		865	836	29	96.65%
50	10/13/2017		865	836	29	96.65%
51	10/16/2017		865	831	34	96.07%
52	10/17/2017		866	835	31	96.42%
53	10/18/2017		866	836	30	96.54%
54	10/19/2017		866	844	22	97.46%
55	10/20/2017		866	839	27	96.88%
56	10/23/2017		866	831	35	95.96%
57	10/24/2017		866	849	17	98.04%
58	10/25/2017		866	846	20	97.69%
59	10/26/2017		868	850	18	97.93%
60	10/27/2017	%	868	839	29	96.66%
Month 3 Average:			865.35	838.50		96.90%

Month 4

Day #	Date	Holiday	Enrollment	Apportionment	Difference	Percent Present
61	10/30/2017		869	839	30	96.55%
62	10/31/2017		870	846	24	97.24%
63	11/01/2017		871	828	43	95.06%
64	11/02/2017		871	847	24	97.24%
65	11/03/2017		870	821	49	94.37%
66	11/06/2017		867	836	31	96.42%
67	11/07/2017		868	837	31	96.43%
68	11/08/2017		867	838	29	96.66%
69	11/09/2017	\$	0	0	0	
70	11/10/2017	#	0	0	0	
71	11/13/2017		865	816	49	94.34%
72	11/14/2017		866	838	28	96.77%
73	11/15/2017		868	837	31	96.43%

Mary Buren School, K-5

2/5/2018

2017-2018

Daily Apportionment by Month

Page 3

74	11/16/2017		868	852	16	98.16%
75	11/17/2017		868	842	26	97.00%
76	11/20/2017	@	0	0	0	
77	11/21/2017	@	0	0	0	
78	11/22/2017	@	0	0	0	
79	11/23/2017	#	0	0	0	
80	11/24/2017	#	0	0	0	
Month 4 Average:			868.31	836.69		96.36%

Month 5

Day #	Date	Holiday	Enrollment	Apportionment	Difference	Percent Present
81	11/27/2017		865	820	45	94.80%
82	11/28/2017		866	839	27	96.88%
83	11/29/2017		865	838	27	96.88%
84	11/30/2017		865	845	20	97.69%
85	12/01/2017		862	832	30	96.52%
86	12/04/2017		858	801	57	93.36%
87	12/05/2017		858	818	40	95.34%
88	12/06/2017		858	823	35	95.92%
89	12/07/2017		857	823	34	96.03%
90	12/08/2017		857	805	52	93.93%
91	12/11/2017	@	0	0	0	
92	12/12/2017		859	804	55	93.60%
93	12/13/2017		855	802	53	93.80%
94	12/14/2017		855	808	47	94.50%
95	12/15/2017	%	855	790	65	92.40%
96	12/18/2017	@	0	0	0	
97	12/19/2017	@	0	0	0	
98	12/20/2017	@	0	0	0	
99	12/21/2017	@	0	0	0	
100	12/22/2017	@	0	0	0	
Month 5 Average:			859.64	817.71		95.12%

Month 6

Day #	Date	Holiday	Enrollment	Apportionment	Difference	Percent Present
101	01/08/2018	\$	0	0	0	
102	01/09/2018		850	731	119	86.00%
103	01/10/2018		860	793	67	92.21%
104	01/11/2018		863	802	61	92.93%
105	01/12/2018		863	794	69	92.00%
106	01/15/2018	#	0	0	0	
107	01/16/2018		866	813	53	93.88%
108	01/17/2018		868	827	41	95.28%
109	01/18/2018		870	825	45	94.83%

Mary Buren School, K-5

2/5/2018

2017-2018

Daily Apportionment by Month

Page 4

110	01/19/2018	871	820	51	94.14%
111	01/22/2018	872	811	61	93.00%
112	01/23/2018	872	834	38	95.64%
113	01/24/2018	872	837	35	95.99%
114	01/25/2018 %	872	839	33	96.22%
115	01/26/2018 %	872	822	50	94.27%
116	01/29/2018	873	827	46	94.73%
117	01/30/2018	873	873	0	100.00%
118	01/31/2018	874	874	0	100.00%
119	02/01/2018	874	874	0	100.00%
120	02/02/2018	874	874	0	100.00%
Month 6 Average:		868.83	826.11		95.08%
Average Months 1 through 6:		863.32	830.26		96.17%

Kermit McKenzie Junior High

2/5/2018
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2017-2018

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MONTHLY ATTENDANCE SUMMARY

Month 3 - From 10/2/2017 Through 10/27/2017 October for McKenzie

Regular Program

Grade Level	A Tchg Days	B Enroll-ment Carried Fwd	C Gains	D Total Enroll-ment (B+C)	E Losses	F Ending Enroll-ment (D-E)	G Days Not Enroll	H Days Non-Apport Attend	I Actual Days (A*D)	J Total Apport Attend (A*D)-G-H	K Total A.D.A. (J/A)	L Percent Attend J/(A*D)-G	M Loss at End of Last School Day	YEAR TO DATE		
														Total Apport Attendance	Days Taught	Total ADA (N/O)
6 TOTAL	20	148	1	149	0	149	18	60	2980	2902	145.10	97.97%	0	7943	55	144.42
TOTAL 4-6	20	148	1	149	0	149	18	60	2980	2902	145.10	97.97%	0	7943	55	144.42
7 TOTAL	20	139	2	141	0	141	34	82	2820	2704	135.20	97.06%	0	7372	55	134.04
8 TOTAL	20	137	1	138	0	138	5	84	2760	2671	133.55	96.95%	0	7304	55	132.80
TOTAL 7-8	20	276	3	279	0	279	39	166	5580	5375	268.75	97.00%	0	14676	55	266.84
PROGRAM	20	424	4	428	0	428	57	226	8560	8277	413.85	97.34%	0	22619	55	411.25

Principal Signature

Date

To the best of my knowledge, the information contained on this document is accurate and complete.

Kermit McKenzie Junior High

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7:49 AM
Page 2

2017-2018

MONTHLY ATTENDANCE SUMMARY

Month 3 - From 10/2/2017 Through 10/27/2017

Program H Home-Hospital

Grade Level	A Tchg Days	B Enroll-ment Carried Fwd	C Gains	D Total Enroll-ment (B+C)	E Losses	F Ending Enroll-ment (D-E)	G Days Not Enroll	H Days Non-Apport Attend	I Actual Days (A*D)	J Total Apport Attend (A*D)-G-H	K Total A.D.A. (J/A)	L Percent Attend J/(A*D)-G	M Loss at End of Last School Day	YEAR TO DATE		
														Total Apport Attendance	Days Taught	Total ADA (N/O)
7	TOTAL	20	0	1	1	0	1	0	20	19	0.95	100.00%	0	33	55	0.60
	TOTAL 7-8	20	0	1	1	0	1	0	20	19	0.95	100.00%	0	33	55	0.60
	PROGRAM	20	0	1	1	0	1	0	20	19	0.95	100.00%	0	33	55	0.60

Principal Signature

Date

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Kermit McKenzie Junior High

2/5/2018
7:49 AM
Page 3

2017-2018

MONTHLY ATTENDANCE SUMMARY

Month 3 - From 10/2/2017 Through 10/27/2017

Program S SDC

Grade Level	A Tchg Days	B Enroll-ment Carried Fwd	C Gains	D Total Enroll-ment (B+C)	E Losses	F Ending Enroll-ment (D-E)	G Days Not Enroll	H Days Non-Apport Attend	I Actual Days (A*D)	J Total Apport Attend (A*D)-G-H	K Total A.D.A. (J/A)	L Percent Attend J/(A*D)-G	M Loss at End of Last School Day	YEAR TO DATE		
														Total Apport Attendance	Days Taught	Total ADA (N/O)
6 TOTAL	20	8	0	8	0	8	0	8	160	152	7.60	95.00%	0	420	55	7.64
TOTAL 4-6	20	8	0	8	0	8	0	8	160	152	7.60	95.00%	0	420	55	7.64
7 TOTAL	20	3	0	3	0	3	0	6	60	54	2.70	90.00%	0	153	55	2.78
8 TOTAL	20	1	0	1	0	1	0	1	20	19	0.95	95.00%	0	54	55	0.98
TOTAL 7-8	20	4	0	4	0	4	0	7	80	73	3.65	91.25%	0	207	55	3.76
PROGRAM	20	12	0	12	0	12	0	15	240	225	11.25	93.75%	0	627	55	11.40
REPORT	20	437	4	441	1	440	58	241	8820	8521	426.05	97.25%	0	23279	55	423.25

Principal Signature

Date

To the best of my knowledge, the information contained on this document is accurate and complete.

Kermit McKenzie Junior High

2/5/2018

2017-2018

Daily Apportionment by Month

Page 1

Month 1						
Day #	Date	Holiday	Enrollment	Apportionment	Difference	Percent Present
1	08/07/2017	@	0	0	0	
2	08/08/2017	@	0	0	0	
3	08/09/2017	@	0	0	0	
4	08/10/2017	%	392	383	9	97.70%
5	08/11/2017		410	403	7	98.29%
6	08/14/2017		424	418	6	98.58%
7	08/15/2017		426	425	1	99.77%
8	08/16/2017		428	427	1	99.77%
9	08/17/2017		429	426	3	99.30%
10	08/18/2017		429	418	11	97.44%
11	08/21/2017		430	394	36	91.63%
12	08/22/2017		430	417	13	96.98%
13	08/23/2017		430	423	7	98.37%
14	08/24/2017		434	430	4	99.08%
15	08/25/2017		434	425	9	97.93%
16	08/28/2017		434	423	11	97.47%
17	08/29/2017		434	419	15	96.54%
18	08/30/2017		434	427	7	98.39%
19	08/31/2017		434	428	6	98.62%
20	09/01/2017		435	426	9	97.93%
Month 1 Average:			427.47	418.35		97.87%

Month 2						
Day #	Date	Holiday	Enrollment	Apportionment	Difference	Percent Present
21	09/04/2017	#	0	0	0	
22	09/05/2017		436	418	18	95.87%
23	09/06/2017		436	427	9	97.94%
24	09/07/2017		436	424	12	97.25%
25	09/08/2017	%	436	423	13	97.02%
26	09/11/2017	\$	0	0	0	
27	09/12/2017		437	422	15	96.57%
28	09/13/2017		437	426	11	97.48%
29	09/14/2017		438	426	12	97.26%
30	09/15/2017		438	425	13	97.03%
31	09/18/2017		439	415	24	94.53%
32	09/19/2017		439	429	10	97.72%
33	09/20/2017		439	430	9	97.95%
34	09/21/2017		439	426	13	97.04%
35	09/22/2017		438	419	19	95.66%
36	09/25/2017		439	427	12	97.27%
37	09/26/2017		439	428	11	97.49%

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2017-2018

Daily Apportionment by Month

Page 2

38	09/27/2017	439	429	10	97.72%
39	09/28/2017	439	427	12	97.27%
40	09/29/2017	439	425	14	96.81%
Month 2 Average:		437.94	424.78		96.99%

Month 3 October ADA for McKenzie

Day #	Date	Holiday	Enrollment	Apportionment	Difference	Percent Present
41	10/02/2017		437	426	11	97.48%
42	10/03/2017		437	425	12	97.25%
43	10/04/2017		437	427	10	97.71%
44	10/05/2017		437	424	13	97.03%
45	10/06/2017		437	426	11	97.48%
46	10/09/2017		438	418	20	95.43%
47	10/10/2017		438	429	9	97.95%
48	10/11/2017		438	428	10	97.72%
49	10/12/2017		438	430	8	98.17%
50	10/13/2017	%	438	426	12	97.26%
51	10/16/2017		438	425	13	97.03%
52	10/17/2017		438	430	8	98.17%
53	10/18/2017		438	431	7	98.40%
54	10/19/2017		438	429	9	97.95%
55	10/20/2017		438	419	19	95.66%
56	10/23/2017		438	412	26	94.06%
57	10/24/2017		439	425	14	96.81%
58	10/25/2017		439	431	8	98.18%
59	10/26/2017	%	441	432	9	97.96%
60	10/27/2017	%	440	428	12	97.27%
Month 3 Average:			438.10	426.05		97.25%

Month 4

Day #	Date	Holiday	Enrollment	Apportionment	Difference	Percent Present
61	10/30/2017		441	425	16	96.37%
62	10/31/2017		441	436	5	98.87%
63	11/01/2017		441	427	14	96.83%
64	11/02/2017		441	433	8	98.19%
65	11/03/2017		441	428	13	97.05%
66	11/06/2017		441	433	8	98.19%
67	11/07/2017		441	425	16	96.37%
68	11/08/2017	%	440	424	16	96.36%
69	11/09/2017	\$	0	0	0	
70	11/10/2017	#	0	0	0	
71	11/13/2017		440	421	19	95.68%
72	11/14/2017		442	421	21	95.25%
73	11/15/2017		441	432	9	97.96%

Kermit McKenzie Junior High

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Daily Apportionment by Month

Page 3

74	11/16/2017		441	424	17	96.15%
75	11/17/2017		441	421	20	95.46%
76	11/20/2017	@	0	0	0	
77	11/21/2017	@	0	0	0	
78	11/22/2017	@	0	0	0	
79	11/23/2017	#	0	0	0	
80	11/24/2017	#	0	0	0	
Month 4 Average:			440.92	426.92		96.82%

Month 5

Day #	Date	Holiday	Enrollment	Apportionment	Difference	Percent Present
81	11/27/2017		440	419	21	95.23%
82	11/28/2017		439	424	15	96.58%
83	11/29/2017		440	434	6	98.64%
84	11/30/2017		440	425	15	96.59%
85	12/01/2017		440	422	18	95.91%
86	12/04/2017		439	419	20	95.44%
87	12/05/2017		439	424	15	96.58%
88	12/06/2017		439	425	14	96.81%
89	12/07/2017		439	426	13	97.04%
90	12/08/2017		439	423	16	96.36%
91	12/11/2017	@	0	0	0	
92	12/12/2017		438	414	24	94.52%
93	12/13/2017		438	418	20	95.43%
94	12/14/2017		438	413	25	94.29%
95	12/15/2017	%	438	407	31	92.92%
96	12/18/2017	@	0	0	0	
97	12/19/2017	@	0	0	0	
98	12/20/2017	@	0	0	0	
99	12/21/2017	@	0	0	0	
100	12/22/2017	@	0	0	0	
Month 5 Average:			439.00	420.93		95.88%

Month 6

Day #	Date	Holiday	Enrollment	Apportionment	Difference	Percent Present
101	01/08/2018	\$	0	0	0	
102	01/09/2018	%	436	383	53	87.84%
103	01/10/2018		436	408	28	93.58%
104	01/11/2018		436	403	33	92.43%
105	01/12/2018		436	391	45	89.68%
106	01/15/2018	#	0	0	0	
107	01/16/2018		437	414	23	94.74%
108	01/17/2018		437	414	23	94.74%
109	01/18/2018	%	438	407	31	92.92%

Kermit McKenzie Junior High

2/5/2018

2017-2018

Daily Apportionment by Month

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110	01/19/2018	%	438	400	38	91.32%
111	01/22/2018		438	411	27	93.84%
112	01/23/2018		438	421	17	96.12%
113	01/24/2018		438	423	15	96.58%
114	01/25/2018		438	417	21	95.21%
115	01/26/2018		438	411	27	93.84%
116	01/29/2018		438	413	25	94.29%
117	01/30/2018		438	436	2	99.54%
118	01/31/2018		438	437	1	99.77%
119	02/01/2018		438	437	1	99.77%
120	02/02/2018		438	437	1	99.77%
Month 6 Average:			437.44	414.61		94.78%
Average Months 1 through 6:			436.64	421.85		96.61%



Edith Perez <eperez@gusdbobcats.com>

Flu Season is hitting hard this year, keep kids home to prevent spreading the virus / La temporada de gripe está golpeando duro este año, mantenga a los niños en casa para evitar la propagación del virus

1 message

Laurie Brummett via ParentSquare <donotreply@parentsquare.com>

Mon, Jan 8, 2018 at 2:05 PM

Reply-To: lbrummett@gusdbobcats.com

To: eperez@gusdbobcats.com



Guadalupe Union School District


Laurie Brummett posted a message in Guadalupe Union School District

Flu Season is hitting hard this year, keep kids home to prevent spreading the virus / La temporada de gripe está golpeando duro este año, mantenga a los niños en casa para evitar la propagación del virus

Attachments

Parents Keep Our School Healthy

**If your child is sick,
keep your child home.**



Stop the spread of disease at school.

California Department of Health Services, Division of Communicable Disease Control

Flu and other - 800-168-1222

Padres Mantenga Nuestra Escuela Sana

**Si su niño está enfermo,
manténgalo en casa.**



Pare la transmisión de la enfermedad en la escuela.

California Department of Health Services, Division of Communicable Disease Control

Flu and other - 800-168-1222

Keep Our School Healthy

Check your students for these signs of illness:

- ✓ Fever or Chills
- ✓ Unusual spots or rashes
- ✓ Coughing, with other signs of illness
- ✓ Sore throat or trouble swallowing
- ✓ Headache
- ✓ Muscle aches
- ✓ Sneezing
- ✓ Vomiting
- ✓ Diarrhea
- ✓ Breathing trouble



Send a sick child home

Stop the spread of disease at school.

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Mantenga Nuestra Escuela Saludable

Manténgase en alerta ante los signos de enfermedad en sus estudiantes:

- ✓ Fiebre o escalofríos
- ✓ Granos inusuales o erupciones (sarpullidos) en la piel
- ✓ Tos y otros signos de enfermedad
- ✓ Dolor de garganta o dificultad para tragar
- ✓ Dolor de cabeza
- ✓ Dolores musculares
- ✓ Estomudos
- ✓ Vómito
- ✓ Diarrea
- ✓ Dificultad para respirar

Mande los niños enfermos a casa

Pare el contagio de enfermedades en la escuela.

[View in ParentSquare](#)

You can reply to this email to reply to Laurie Brummett.

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Deaths and hospitalizations rise as flu season hits full swing

Kim Painter, Special for USA TODAY

Published 4:28 p.m. ET Jan. 9, 2018 | Updated 8:59 a.m. ET Jan. 10, 2018



(Photo: Tony Dejak, AP)

With flu season now in full swing — causing widespread illness in 46 states — health officials across the country are reporting waves of misery, rising hospitalizations and some deaths.

It is still too soon to say just how bad this flu season will be, but there are troubling signs in some places. For example:

- The Ohio Department of Health on Friday reported 2,104 flu-associated hospitalizations so far, up from 369 by the same time a year ago.
- California Department of Public Health officials said that flu contributed to the deaths of 27 people younger than age 65 across the state by the end of December, up from four deaths a year ago.
- In California's Santa Barbara County, six people over age 65 died of flu in just the last two weeks; that's double the number that died in last year's entire flu season, officials said. "What we are seeing is unprecedented compared to the last 10 years of flu seasons," said Charity Dean, Santa Barbara County public health officer.

• A pregnant woman died from the flu in [Tennessee](https://www.cdc.gov/flu/weekly/) ([/story/news/local/tennessee/2018/01/08/pregnant-woman-dies-flu-middle-tennessee/1015432001/](https://www.cdc.gov/flu/weekly/)), becoming the fourth person in that state reported to die of flu this year, officials said. The three other reported deaths were in children.

The federal Centers for Disease Control and Prevention (CDC), in an [update](https://www.cdc.gov/flu/weekly/) (<https://www.cdc.gov/flu/weekly/>) posted Friday, said 13 children nationwide had died of flu so far this season. About 100 children have died in each of the past several flu seasons.

The season got off to an early start and the number of states reporting widespread activity jumped from 36 to 46 in the last week of December, CDC said.

The overall impact can vary greatly year to year, but flu always takes a substantial toll. CDC [estimates](https://www.cdc.gov/flu/about/disease/us_flu-related_deaths.htm) (https://www.cdc.gov/flu/about/disease/us_flu-related_deaths.htm) that influenza has caused 9 million to 35 million illnesses, 140,000 to 710,000 hospitalizations and 12,000 to 56,000 deaths in the United States each year since 2010. In many cases, hospitalizations and deaths do not show up in official reports, for a variety of reasons — including the fact that most people with flu are never tested for it and that states are not required to report adult flu deaths.

One reason this could be a bad season: A majority of patients tested so far carried a type of influenza virus, called H3N2, that is linked to increased hospitalizations and deaths in young children and people over age 65, according to CDC. Vaccines often are less effective against these viruses than other flu viruses.

Still, CDC officials and other experts continue to say vaccination is the best bet, and not too late.

"We don't know when it's going to end, but we anticipate at least several more weeks of flu activity," said Christy Sadreameli, an assistant professor of pediatrics at Johns Hopkins University, Baltimore, and a volunteer spokesperson for the American Lung Association. Even if the vaccine takes a couple weeks to reach full effectiveness, it should offer some quicker protection, she said.

If you or your children do get flu symptoms — which typically include fever, cough, body aches, headaches and fatigue — it is always a good idea to call your doctor for advice, she said.

That advice might include starting an antiviral medication. Such medications can shorten the illness and reduce complications, especially if started within 48 hours of the first symptoms, CDC says. The agency [recommends treatment](https://www.cdc.gov/flu/professionals/antivirals/summary-clinicians.htm) (<https://www.cdc.gov/flu/professionals/antivirals/summary-clinicians.htm>) for anyone who is hospitalized with the flu or is at high risk of complications due to health conditions ranging from asthma to heart disease to obesity, or due to age (under age 2 or over age 65). Otherwise healthy adults also can also benefit if the medications are started quickly enough, CDC says.

And we can all protect one another during flu season by covering coughs and sneezes with a tissue or an elbow, washing our hands frequently and staying home when we are sick, the [lung association](http://www.lung.org/lung-health-and-diseases/lung-disease-lookup/influenza/preventing-influenza.html?referrer=http://www.lung.org/lung-health-and-diseases/lung-disease-lookup/influenza/?referrer=http://www.lung.org/) (<http://www.lung.org/lung-health-and-diseases/lung-disease-lookup/influenza/preventing-influenza.html?referrer=http://www.lung.org/lung-health-and-diseases/lung-disease-lookup/influenza/?referrer=http://www.lung.org/>) says.

Influenza and Other Respiratory Viruses Weekly Report

California Influenza Surveillance Program



Highlights (Week 2: January 7, 2018 – January 13, 2018)

Statewide Activity

No Activity

Sporadic

Local

Regional

Widespread

 **Regions with
Elevated Activity**



- ▶ **Deaths:** 32 (Age 0-64)
- ▶ **Outbreaks:** 44
- ▶ **Laboratory:** 31.0% positive
- ▶ **Outpatient ILI:** Above expected levels
- ▶ **Hospitalizations:** Above expected levels

Click on images and links for more information

Key messages:

- Influenza is circulating widely in California.
- Influenza A (H3N2) viruses are predominating this season.
- It's not too late to get vaccinated – vaccination is the best protection against this potentially serious disease.
- Take actions to stop the spread of flu: wash hands often, cover coughs and sneezes, and stay home when sick.

Note: This report includes data from many sources of influenza surveillance and it should be viewed as a preliminary "snapshot" of influenza activity for each surveillance week. Because data are preliminary, the information may be updated in later reports as additional data are received. These data should not be considered population-based or representative of all California public health jurisdictions.

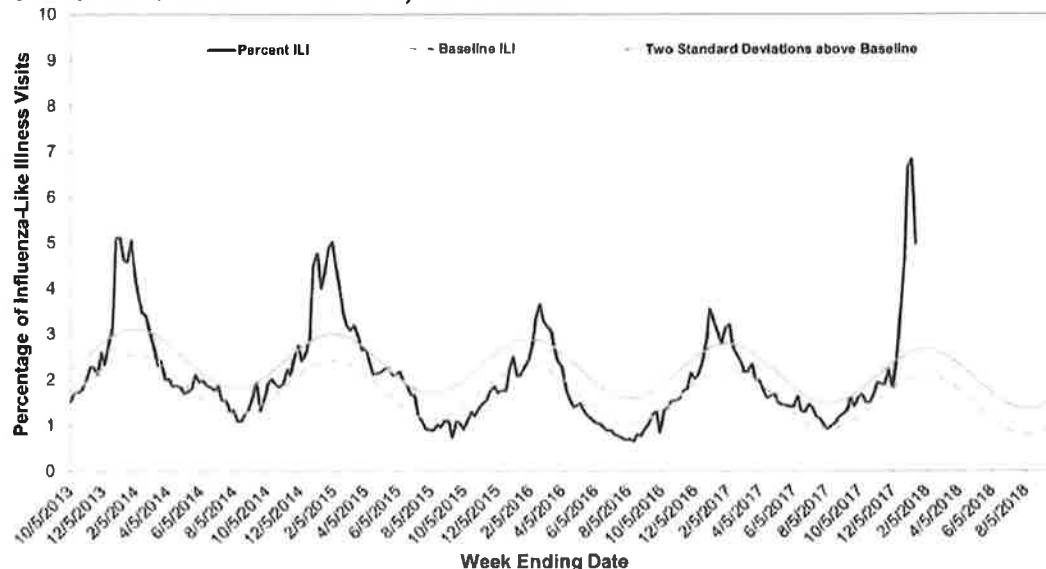
A. Outpatient and Inpatient Data

1. Influenza Sentinel Providers

Sentinel providers (physicians, nurse practitioners, and physician assistants) situated throughout California report on a weekly basis the number of patients seen with influenza-like illness (ILI) and the total number of patients seen for any reason. ILI is defined as any illness with fever ($\geq 100^{\circ}\text{F}$ or 37.8°C) AND cough and/or sore throat (in the absence of a known cause other than influenza).

A total of 74 enrolled sentinel providers have reported data for Week 2. Based on available data, the percentage of visits for ILI during Week 2 was 5.0% compared to Week 1 (6.8%) and is above expected levels for this time of year (Figure 1).

Figure 1. Percentage of Influenza-like Illness Visits Among Patients Seen by California Sentinel Providers, 2013–2018



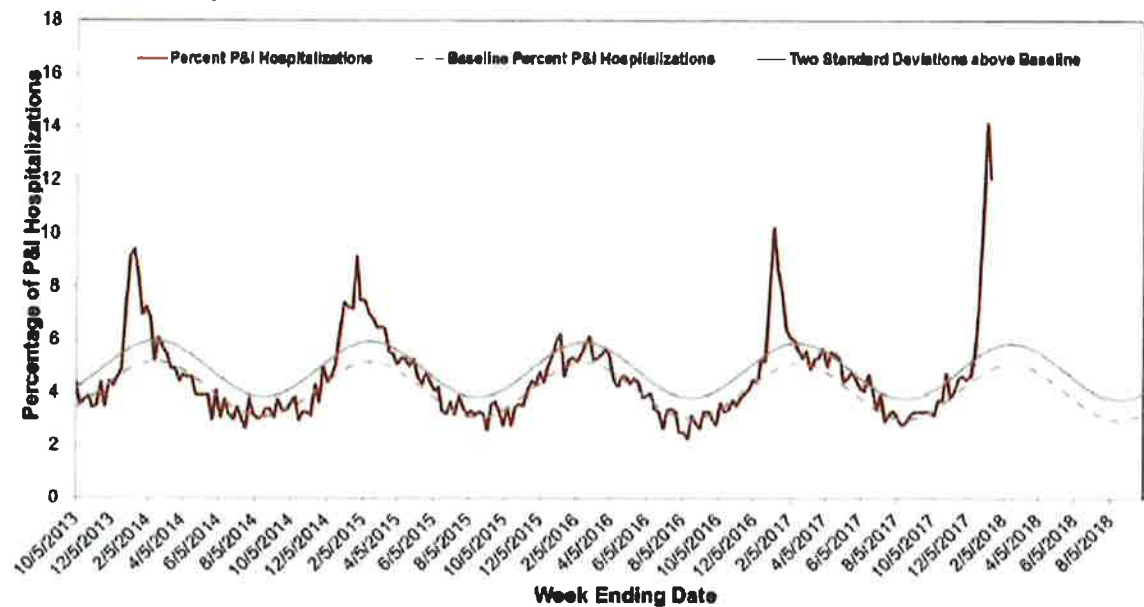
The seasonal baseline was calculated using a regression model applied to data from the previous five years. Two standard deviations above the seasonal baseline is the point at which the observed percentage of ILI is significantly higher than would be expected at that time of year.

2. Kaiser Permanente Hospitalization Data

Inpatients at Kaiser Permanente facilities with an admission diagnosis including the keywords "flu," "influenza," "pneumonia," or variants of the keywords are defined as pneumonia and influenza (P&I)-related admissions. The number of P&I admissions is divided by the total number of hospital admissions occurring in the same time period to estimate the percentage of P&I admissions. Admissions for pregnancy, labor and delivery, birth, and outpatient procedures are excluded from the denominator.

The percentage of hospitalizations for pneumonia and influenza (P&I) in Kaiser Permanente facilities in northern California during Week 2 was 12.0% compared to Week 1 (14.2%) and is above expected levels for this time of the year (Figure 2).

Figure 2. Percentage of P&I Hospitalizations in Kaiser Permanente Northern California Hospitals, 2013–2018



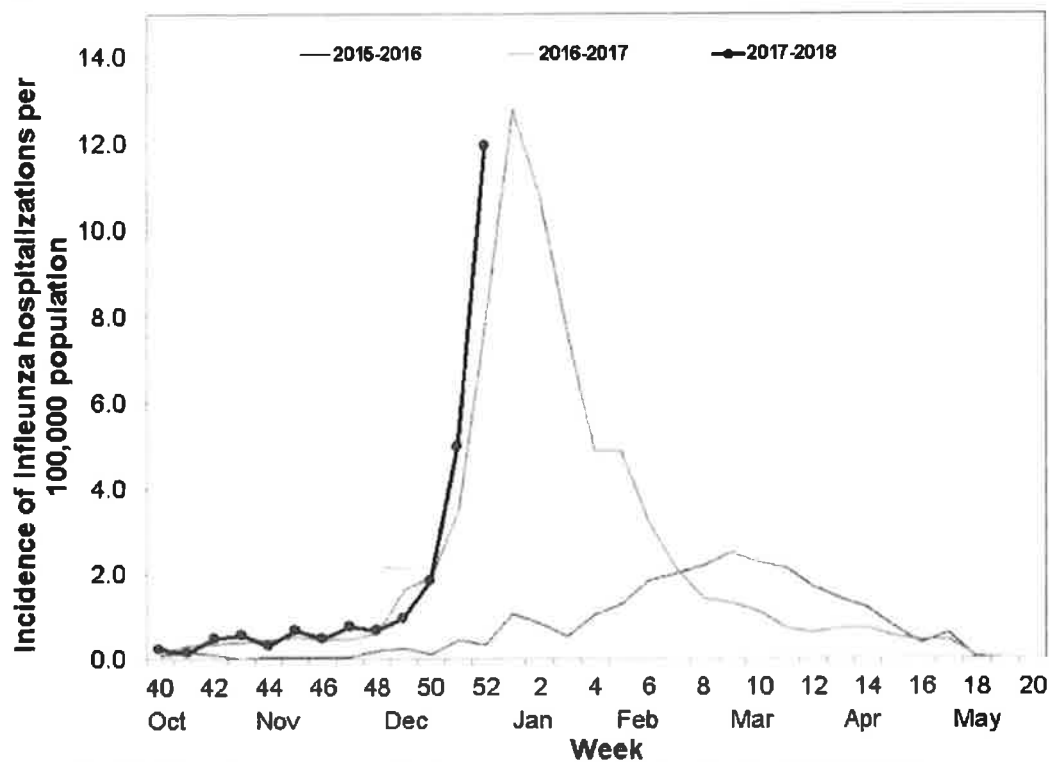
The seasonal baseline was calculated using a regression model applied to data from the previous five years. Two standard deviations above the seasonal baseline is the point at which the observed percentage of pneumonia and influenza hospitalizations in Kaiser Permanente hospitals in northern California is significantly higher than would be expected at that time of year.

3. Influenza-Associated Hospitalizations, California Emerging Infections Program

The California Emerging Infections Program (CEIP), Influenza Surveillance Network (FluSurv-NET) conducts population-based surveillance for laboratory-confirmed influenza-associated hospitalizations among patients of all ages in Alameda, Contra Costa, and San Francisco counties.

The incidence of influenza-associated hospitalizations per 100,000 population was higher in Week 52 (12.0) compared to Week 51 (5.0) (Figure 3). Data for the most recent two weeks are not presented because results are still being collected and are likely to change.

Figure 3. Incidence of Influenza Hospitalizations in CEIP Counties, 2015–2018



Note: The 2014-15 season contains a week 53. Data have been shifted so that week 1 aligns across years.

B. Laboratory Update – Influenza

1. Respiratory Laboratory Network (RLN) and Clinical Sentinel Laboratory Surveillance Results

Laboratory surveillance for influenza and other respiratory viruses involves the use of data from clinical sentinel laboratories (hospital, academic, and private laboratories) and public health laboratories in the Respiratory Laboratory Network located throughout California. These laboratories report the number of laboratory-confirmed influenza and other respiratory virus detections and isolations on a weekly basis.

The overall percentage of influenza detections in clinical sentinel laboratories in Week 2 (31.0%) was lower than Week 1 (38.8%) (Figure 4). Additional details, including influenza typing and subtyping information from public health laboratories can be found in Figures 4 and 5 and Tables 1 and 2.

Neither the RLN nor CDPH-VRDL has identified any influenza viruses by polymerase chain reaction (PCR) that are suggestive of a novel influenza virus.

Figure 4. Percentage of Influenza Detections at Clinical Sentinel Laboratories, 2013–2018

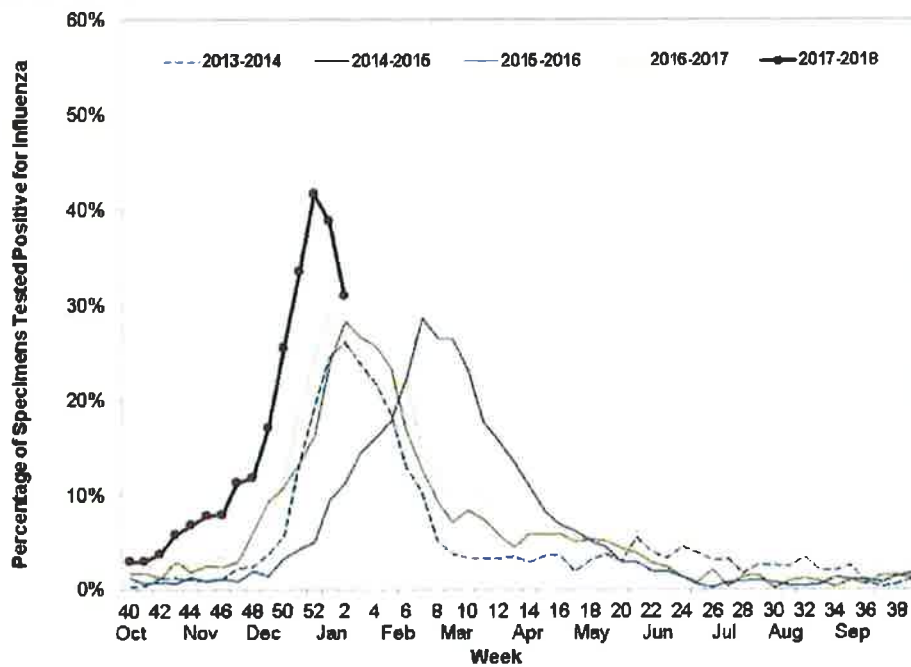


Figure 5. Number of Influenza Detections by Type and Subtype Detected in the Respiratory Laboratory Network, 2017–2018

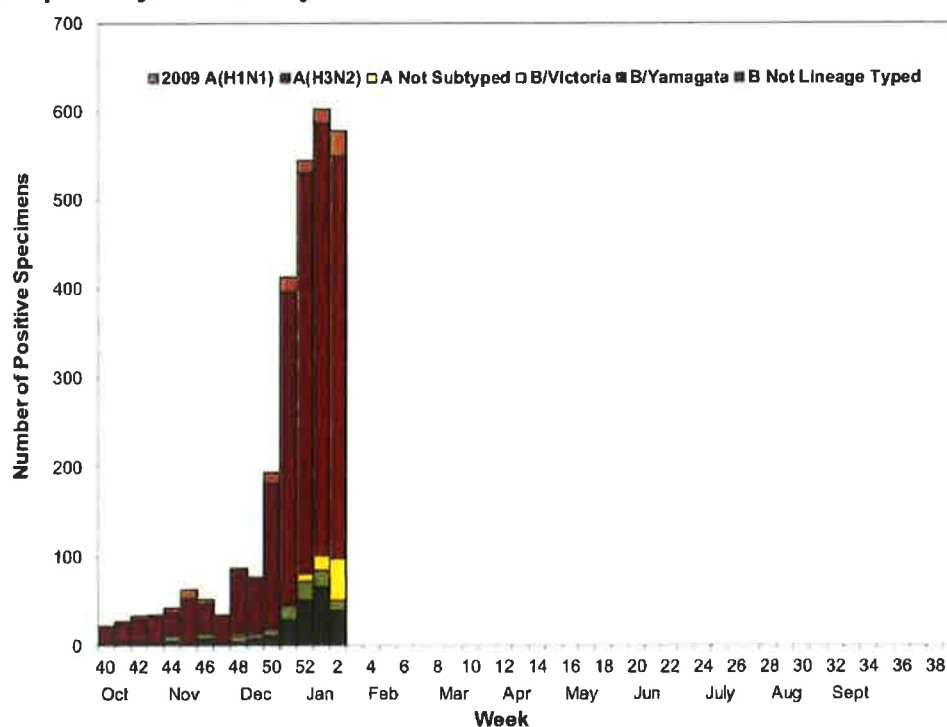


Table 1. Respiratory Specimens Testing Positive for Influenza — Clinical Sentinel Laboratories, Current Week and Season to Date

	Current Week Number	Current Week Percent	Season to Date Number	Season to Date Percent
Number of Specimens Tested	6,977		59,683	
Influenza Positive	2,161	31.0	13,834	23.2
A	1,529	70.8*	10,901	78.8*
B	632	29.2*	2,933	21.2*

* Percent of specimens positive for influenza

Table 2. Respiratory Specimens Testing Positive for Influenza by Influenza Type and Subtype — Respiratory Laboratory Network, Current Week and Season to Date

	Current Week Number	Current Week Percent	Season to Date Number	Season to Date Percent
Influenza Positive	580		2,848	
A	528	91.0*	2,463	86.5*
2009 A (H1)	29	5.5†	115	4.7†
A (H3)	452	85.6†	2,272	92.2†
A, not subtyped	47	8.9†	76	3.1†
B	52	9.0*	385	13.5*
B Victoria	1	1.9‡	41	10.6‡
B Yamagata	11	21.2‡	110	28.6‡
B, not lineage typed	40	76.9‡	234	60.8‡

* Percent of specimens positive for influenza

† Percent of influenza A positives

‡ Percent of influenza B positives

2. Antiviral Resistance Testing

Of the influenza specimens tested by the CDPH-VRDL to date this season, one Influenza 2009 A (H1) specimen has been found to be resistant to Oseltamivir (Table 3).

Table 3. Number of Specimens Tested for Oseltamivir Resistance, 2017–2018

	Oseltamivir Resistance
Influenza 2009A (H1)	1/13
Influenza A (H3)	0/53
Influenza B	0/24

3. Influenza Virus Strain Characterization

To date in California, all influenza 2009 A (H1) and A (H3) antigenically characterized viruses have matched the influenza 2009 A (H1) and A (H3) components included in the trivalent and quadrivalent influenza vaccines (Table 4). In addition, all influenza B antigenically characterized viruses in California have matched the influenza B Victoria lineage virus in the trivalent and quadrivalent influenza vaccines and the B Yamagata lineage virus included in the quadrivalent influenza vaccine.

Table 4. Number of Influenza Viruses Antigenically Characterized that Matched Vaccine Strains — California and the United States, 2017–2018

Influenza Subtype/Lineage	Vaccine Strain	California	United States
Influenza A (H1)	A/Michigan/45/2015-like	9/9	85/85
Influenza A (H3)	A/Hong Kong/4801/2014-like	5/5	160/162
Influenza B Victoria*	B/Brisbane/60/2008-like	10/10	15/21
Influenza B Yamagata†	B/Phuket/3073/2013-like	15/15	71/71

* The influenza B Victoria lineage virus is included in both the 2017–2018 trivalent and quadrivalent influenza vaccines

† The influenza B Yamagata lineage virus is included in only the 2017–2018 quadrivalent influenza vaccine

C. Laboratory-Confirmed Severe Influenza-associated Case Reports

Currently, as mandated under Section 2500 of the California Code of Regulations, deaths among patients aged 0–64 years with laboratory-confirmed influenza are reportable to CDPH. The weekly influenza report includes confirmed deaths formally reported to CDPH through January 13, 2018 (Week 2).

Thirty-two laboratory-confirmed influenza-associated fatalities were reported to CDPH during Week 2. To date, CDPH has received 74 reports of laboratory-confirmed influenza-associated deaths among patients <65 years of age during the 2017–2018 influenza season.

Figure 6. Number of Laboratory-Confirmed Influenza-Associated Fatalities in Persons <65 Years of Age by Week of Onset, 2016–2018

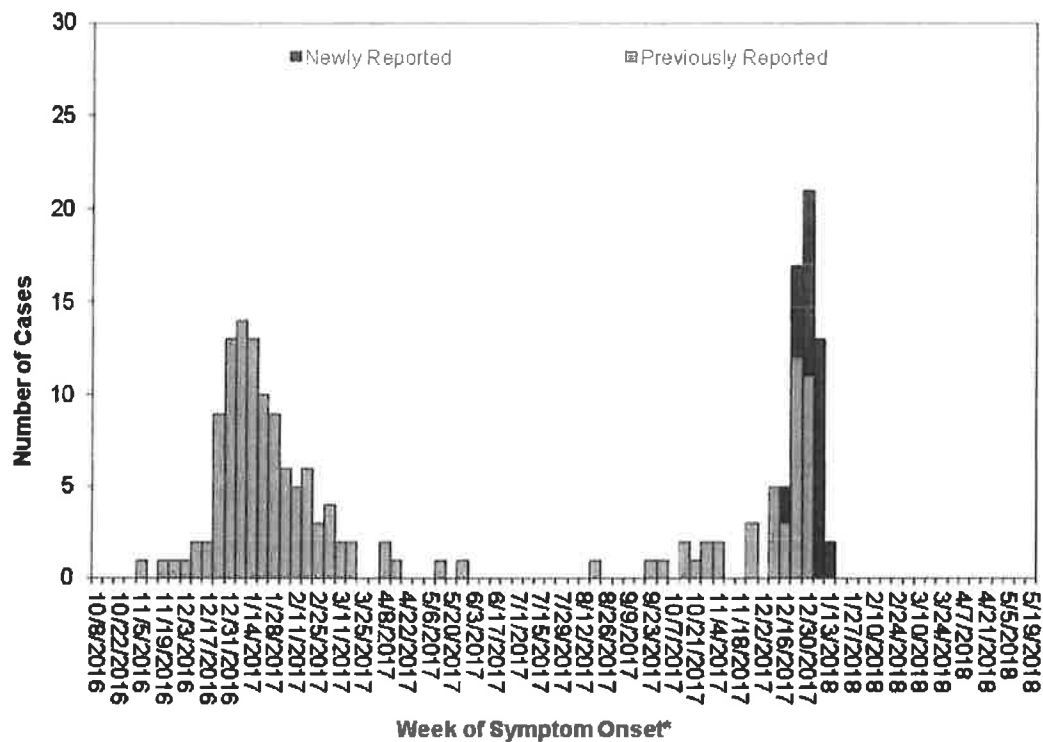
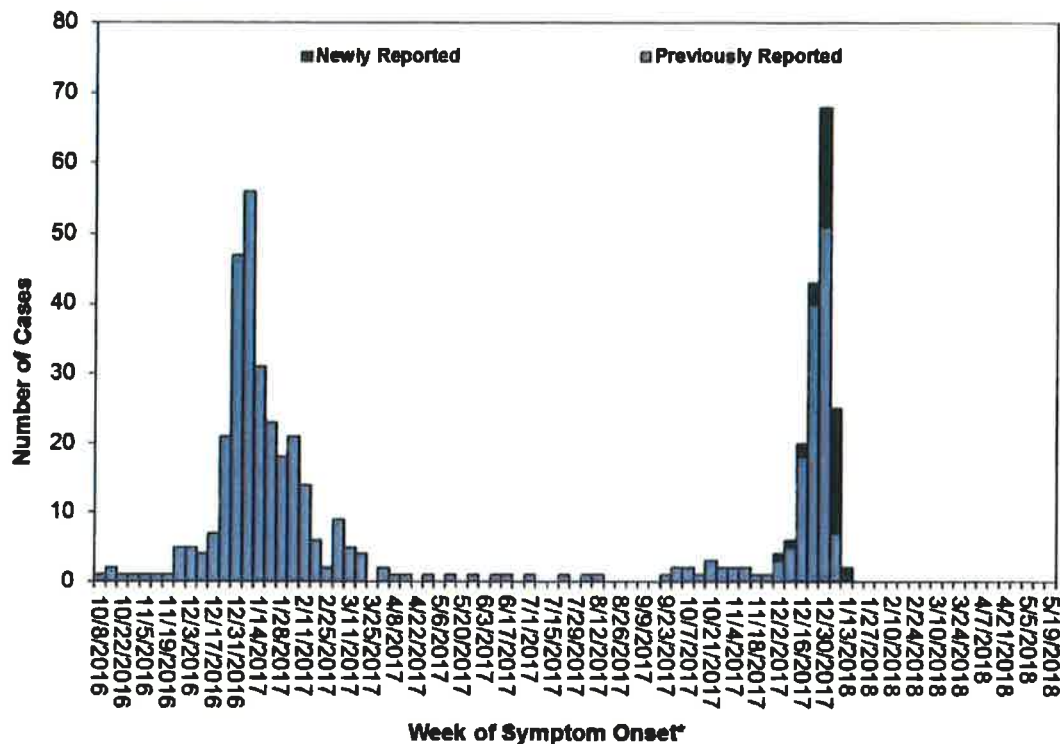


Figure 7. Number of Laboratory-Confirmed Influenza-Associated Outbreaks by Week of First Onset, 2016–2018



*Earliest date associated with the outbreak was used for outbreaks without reported date of first patient's symptom onset.

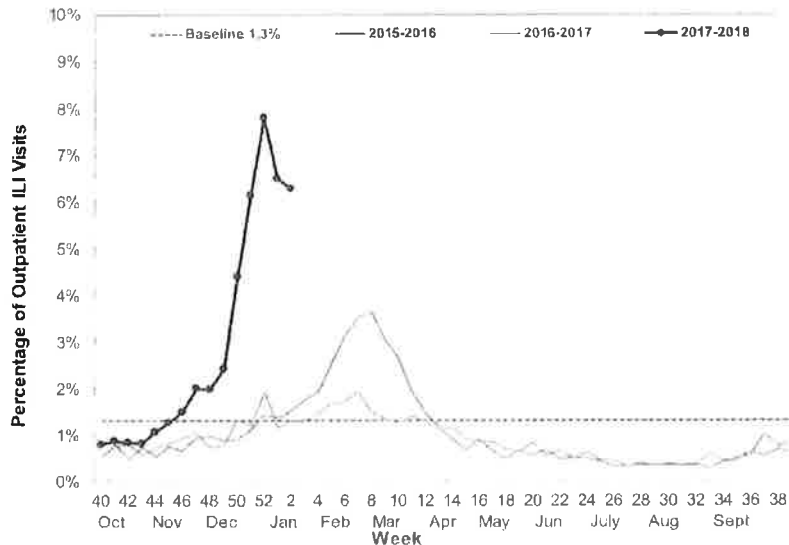
E. California Border Region Influenza Surveillance Network Data

The border influenza surveillance network is comprised of outpatient provider sentinel sites whose geographical coverage extends approximately 100 kilometers (60 miles) north of the California-Baja California border and includes Imperial and San Diego Counties, as well as some parts of Riverside County.

1. Syndromic Surveillance Update

A total of 11 border region sentinel providers reported data during Week 2. The total number of patients screened by all sentinel sites for ILI during Week 2 was 7,325. Outpatient ILI activity was 6.3% in Week 2. ILI activity for the California border region during Week 2 was higher when compared to activity for the same week during the 2015–2016 and 2016–2017 seasons (Figure 8). All influenza syndromic data summarized for the border region represent a subset of CDC influenza sentinel providers in California.

Figure 8. Percentage of Influenza-like Illness Visits among Patients Seen by Sentinel Providers — California Border Region, 2015–2018



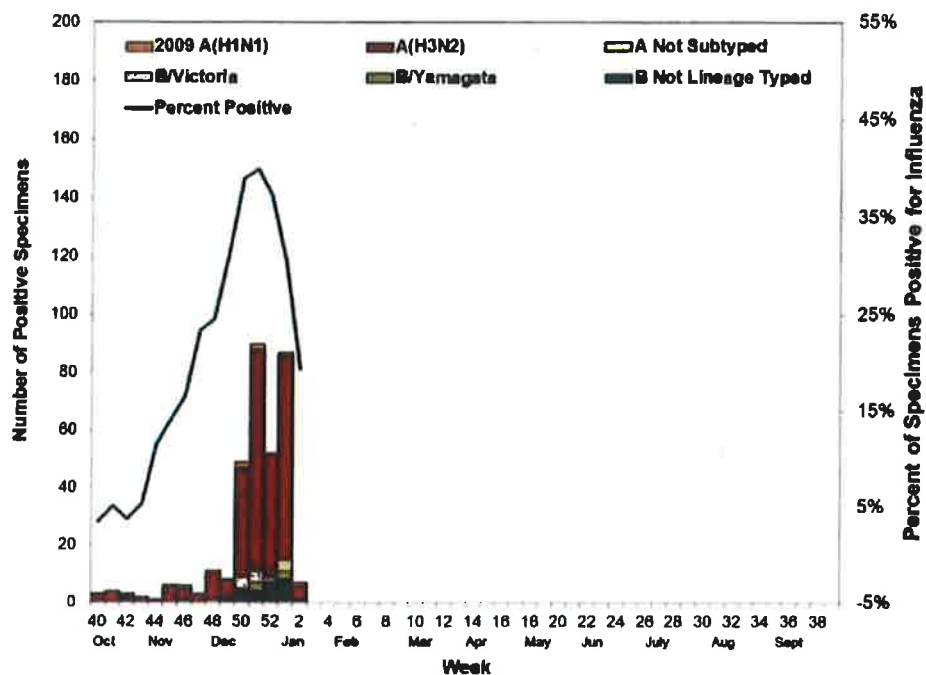
2. Virologic Surveillance Update

During Week 2, a total of 1,037 respiratory specimens were tested from border region sentinel clinical laboratories; of these, 201 (19.4%) tested positive for influenza (117 [58.2%] influenza A; 84 [41.8%] influenza B). Cumulatively this season, a total of 12,698 respiratory specimens were tested from border region sentinel clinical laboratories; of these, 3,571 (28.1%) tested positive for influenza (3,026 [84.7%] influenza A, 545 [15.3%] influenza B).

During Week 2, seven influenza positive specimens were detected at border region RLN laboratories, of which six (85.7%) were influenza A, and one (14.3%) was influenza B. Of the specimens that tested positive for influenza A at RLN laboratories, one (16.7%) was subtyped as 2009 A (H1), and five (83.3%) were subtyped as A (H3). The specimen that tested positive for influenza B had no further lineage typing performed. Cumulatively this season, a total of 332 influenza positive specimens have been detected at border region RLN laboratories, of which 281 (84.6%) were influenza A, and 51 (15.4%) were influenza B. Of the 281 specimens that tested positive for influenza A at RLN laboratories, seven (2.5%) were subtyped as 2009 A (H1), 271 (96.4%) were subtyped as A (H3), and three (1.1%) had no further subtyping performed. Of the 51 specimens that tested positive for influenza B, 11 (21.6%) were lineage typed as B (Yamagata), 13 (25.5%) were lineage typed as B (Victoria), and 27 (52.9%) had no further lineage typing performed.

Laboratory data summarized in Figure 9 include data from border region influenza clinical sentinel laboratories (percentage of specimens testing positive for influenza) as well as data from border region RLN laboratories (influenza type and subtype/lineage type).

Figure 9. Number of Influenza Detections by Type and Subtype Detected in Respiratory Laboratory Network Laboratories and the Percentage of Specimens Testing Positive at Clinical Sentinel Laboratories – California Border Region, 2017–2018



F. Other Respiratory Viruses

1. Laboratory-Confirmed Severe Respiratory Syncytial Virus Case Reports

Currently, as mandated under Section 2500 of the California Code of Regulations, deaths among children aged 0–4 years with laboratory-confirmed respiratory syncytial virus (RSV) are reportable to CDPH. The weekly influenza report includes confirmed deaths formally reported to CDPH through January 13, 2018 (Week 2).

No laboratory-confirmed RSV fatalities were reported to CDPH during Week 2. To date, CDPH has received one report of a laboratory-confirmed RSV-associated death among children <5 years of age during the 2017–2018 influenza season.

2. Other Respiratory Virus Laboratory Update

During Week 2, 5,447 specimens were tested for RSV and 532 (9.8%) were positive, which was higher than Week 1 (7.7%) (Figure 10). During Week 2, rhinovirus/enterovirus activity decreased; human metapneumovirus, parainfluenza virus, adenovirus, and coronavirus activity remained similar to the previous week (Figure 11).

Figure 10. Percentage of RSV Detections at Clinical Sentinel Laboratories, 2013–2018

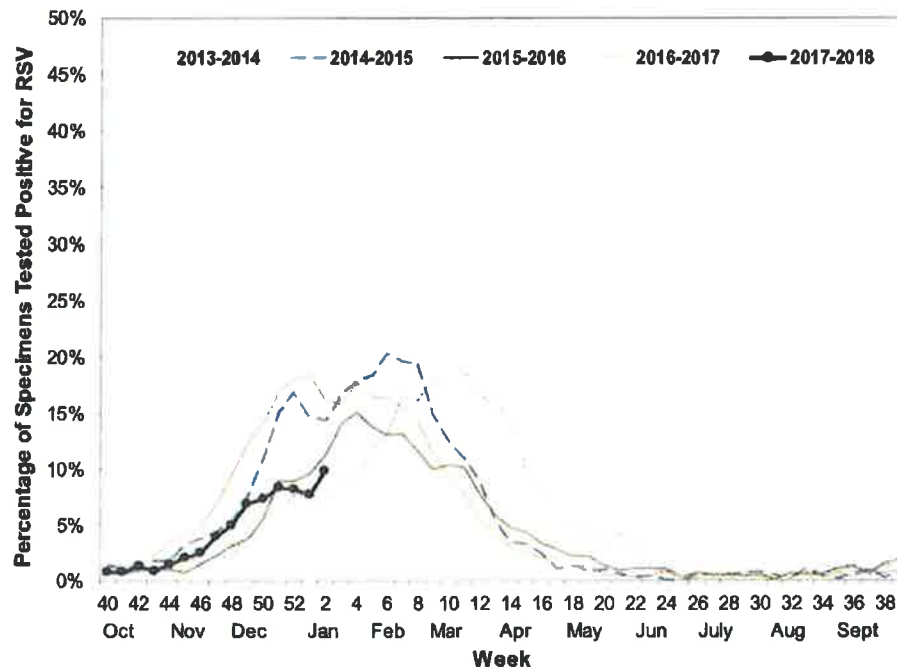
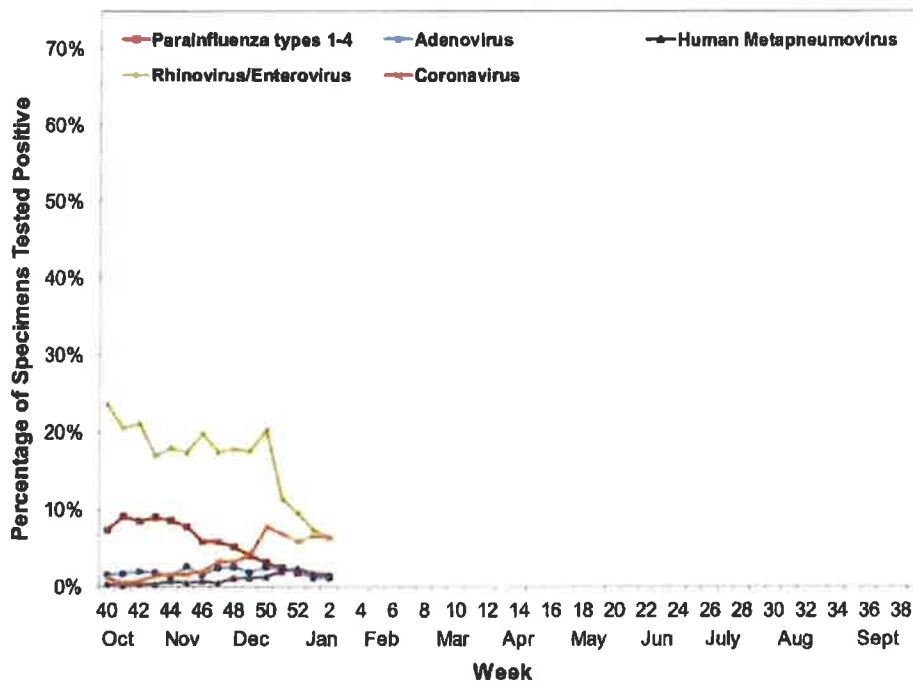


Figure 11. Percentage of Other Respiratory Pathogen Detections at Clinical Sentinel Laboratories, 2017–2018



Activity Levels:

No Activity: No laboratory-confirmed cases of influenza and no reported increase in the number of cases of ILI.

Sporadic: Small numbers of laboratory-confirmed influenza cases or a single laboratory-confirmed influenza outbreak has been reported, but there is no increase in cases of ILI.

Local: Outbreaks of influenza or increases in ILI cases and recent laboratory-confirmed influenza in a single region of the state.

Regional: Outbreaks of influenza or increases in ILI and recent laboratory confirmed influenza in at least two but less than half the regions of the state with recent laboratory evidence of influenza in those regions.

Widespread: Outbreaks of influenza or increases in ILI cases and recent laboratory-confirmed influenza in at least half the regions of the state with recent laboratory evidence of influenza in the state.

California Regions:

Northern: Alpine, Amador, Butte, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Yolo, and Yuba counties

Bay Area: Alameda, Contra Costa, Marin, Napa, Solano, San Francisco, San Mateo, Santa Clara, Santa Cruz, and Sonoma counties

Central Valley: Calaveras, Fresno, Inyo, Kings, Mono, Madera, Mariposa, Merced, Monterey, San Benito, San Joaquin, Stanislaus, Tulare, and Tuolumne counties

Upper Southern: Kern, Los Angeles, San Luis Obispo, Santa Barbara, and Ventura counties

Lower Southern: Imperial, Orange, Riverside, San Bernardino, and San Diego counties

For questions regarding influenza surveillance and reporting in California, please email InfluenzaSurveillance@cdph.ca.gov. This account is monitored daily by several epidemiologists.

To obtain additional information regarding influenza, please visit the [CDPH influenza website](https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/Influenza.aspx)

(<https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/Influenza.aspx>).

A copy of the case report form for reporting any laboratory-confirmed influenza case that was either admitted to the ICU or died can be downloaded from the [CDPH influenza website](https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/Influenza.aspx)

(<https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/Influenza.aspx>).

For information about national influenza activity, please visit the Centers for Disease Control and Prevention's [FluView](https://www.cdc.gov/flu/weekly/index.htm) (<https://www.cdc.gov/flu/weekly/index.htm>) and [FluView Interactive](https://www.cdc.gov/flu/weekly/fluviewinteractive.htm) (<https://www.cdc.gov/flu/weekly/fluviewinteractive.htm>) websites.

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**AGREEMENT FOR PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS**

Between

GUADALUPE UNION SCHOOL DISTRICT

and

**GUADALUPE BEACH, LLC,
a California limited liability company**

Effective Date: May 14, 2015 (Signed on February 14, 2018)

AGREEMENT FOR PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (“Agreement”) is entered into this 14 day of May 2015 (“Effective Date”) by and between the GUADALUPE UNION SCHOOL DISTRICT, a public school district duly organized and validly existing under the Constitution and Laws of the State of California (“Buyer” and/or “District” depending on context) and GUADALUPE BEACH, LLC, a California limited liability company (“Seller”). The Agreement is signed on February 14, 2018. District and Seller are sometimes hereinafter referred to individually as a “Party” and collectively as the “Parties.”

R E C I T A L S

A. Seller is one of the owners of approximately 209 acres of unimproved land in the City of Guadalupe that is intended to be developed into a mixed use residential and commercial project (the “Project”) and has heretofore received specific plan approval by the City of Guadalupe (the “City”).

B. The Project includes within its boundaries a proposed school site, consisting of approximately 12.5 net acres. Seller is the owner in fee, of that certain real property consisting of approximately 12.5 acres of land, APN 113-450-007, and as more particularly described in the legal description attached to this Agreement as Exhibit “A,” incorporated herein by reference (the “Land”).

C. Located adjacent to the Land is a planned joint use school and park site consisting of approximately net 5.1 acres of land, APN 113-450-007, and as more particularly described in the legal description attached to this Agreement as Exhibit “B,” incorporated herein by reference (the “Joint Use Site”).

D. Buyer and Seller’s predecessor-in-interest, D.J. Farming Company, a California general partnership, entered into a certain Guadalupe Elementary and Junior High School Mitigation Agreement dated April 1, 1997 (the “Mitigation Agreement”) describing the Land as part of the plan for its development and use as a public school facility in the context of the overall Project.

E. Buyer has heretofore received approval from the Department of Education of the State of California along with the Office of Public School Construction for the acquisition of the Land and its development as a public school facility (“State Approval”).

F. In tandem with the development of the Land, Buyer, by way of separate agreements with the City plans to jointly develop and operate the Joint Use Site in a manner that will permit its joint use for the City park and recreational services along with school outdoor recreational and playground use, and comprising an overall public school facility site of approximately 17.6 acres.

G. The afore-described State Approval is based in part on the joint development and use

of the Land and the Joint Use Site for public school and community park services.

H. Seller desires to sell to Buyer and Buyer desires to purchase from Seller, upon the terms and conditions set forth in this Agreement, the Land, together with all improvements located thereon, infrastructure to be installed and constructed by Seller pursuant to this Agreement, all easements, licenses, and interests appurtenant thereto, and all land entitlements, owned or held by Seller in connection with the Land (collectively, the “Property”).

I. Buyer intends to evaluate and purchase the Property for use as a site for future public school facilities. Prior to the purchase of the Property, Buyer must complete its evaluation including, but not limited to, required studies and feasibility analysis of the Property for its intended use.

J. Seller acknowledges that the Buyer is a public agency that can use its power of eminent domain to obtain title to the Property and Seller has entered into this Agreement as an alternative to eminent domain proceedings.

NOW THEREFORE, in consideration of the mutual agreements set forth herein and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

A G R E E M E N T

1. PURCHASE AND SALE OF PROPERTY.

1.1 Agreement to Purchase. Subject to all the terms, conditions, and provisions of this Agreement, and for the consideration herein set forth, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property.

1.2 Amount of Purchase Price. The Purchase Price shall be One Million Seven Hundred Four Thousand Five Hundred Forty-Five Dollars (\$ 1,704,545.00), the fair market value of the Property determined by an appraisal prepared by a Member of the American Institute of Appraisers in accordance with the State Allocation Board regulations applicable to the acquisition of school sites (the “Appraisal”). The Appraisal shall take into consideration site improvements and the costs associated with each of the improvements to be constructed and installed by Seller. The Purchase Price paid by Buyer to Seller is all-inclusive of Seller’s interest in the Property and any rights or obligations which exist or may arise out of the acquisition of the Property, including without limitation Seller’s fee interest in the land and any improvements located thereon, severance damages, relocation expenses, loss of business goodwill, costs, interest, attorney’s fees, and any claim whatsoever of Seller which might arise out of or relate in any respect to the acquisition of the Property by Buyer.

1.3 Payment of Purchase Price. No later than 1:00 p.m. on the business day preceding the Closing Date, as defined in Section 3.2, or such earlier time as required by Escrow Holder in order to close Escrow on the Closing Date, Buyer shall deposit with Escrow Holder the Purchase Price. The installation and acceptance of the Site Improvements as described in Exhibit “F” are

express conditions precedent to Buyer's obligation to pay the Purchase Price for the Property. At Close of Escrow, Seller shall receive compensation for any completed Site Improvements. The Parties acknowledge that the remaining Site Improvements, if any, as set forth hereto in Exhibit "F," shall be constructed by Seller or its designees, in accordance with the overall development plans for the Project. After the Closing Date, upon the completion of any portion of the Site Improvements that have been agreed upon through a mutually agreeable third party administrator at Seller's cost, Seller shall submit to Buyer a list of the Site Improvements constructed during such phase. Within a reasonable time, not to exceed 30 calendar days, Buyer shall review such list for confirmation, sign-off, acceptance, and approval from any and all the appropriate agencies, and promptly thereafter, the Parties shall deliver joint escrow instructions to the Escrow Holder authorizing payment to Seller from escrowed funds, of the respective costs, associated with the Site Improvements constructed during such phase. Third party administrator fees shall be deducted from the Purchase Price paid to Seller.

1.4 Completion of Site Improvements. In the event that the Site Improvements are not complete, including confirmation, sign-off, acceptance, and approval from any and all the appropriate agencies, on or before the date that the Buyer issues its two hundred seventy-ninth (279th) Certificate of Compliance for the Project, Buyer will cease issuing Certificates of Compliance for the Project, until such time as all Site Improvements are complete, including confirmation, sign-off, acceptance, and approval from any and all the appropriate agencies.

1.5 Independent Contract Consideration. Concurrently with the mutual execution of this Agreement, Buyer shall deliver to Seller the amount of ONE HUNDRED DOLLARS (\$100.00) as independent consideration ("Independent Contract Consideration") for Seller's execution of this Agreement and agreement to sell the Property to Buyer on and subject to the terms and conditions of this Agreement, including, without limitation, the grant to Buyer of the right to conduct its due diligence investigation of the Property and the grant to Buyer of the right to terminate this Agreement in connection with such due diligence investigation. The Independent Contract Consideration is applicable to the Purchase Price, but shall be retained by the Seller in the event of any termination of this agreement notwithstanding any other provisions in this Agreement.

2. INSPECTIONS AND REVIEW.

2.1 Delivery of Due Diligence Materials. Within ten (10) business days of the Effective Date, Seller shall deliver to District copies of all documents, reports, agreements, or other items in its possession or control relating to the Property, which Seller has not already provided to the Buyer, including, without limitation, the following (collectively, the "Due Diligence Materials"): (i) all licenses, leases, and permits affecting or relating to the ownership, subdivision, possession or development of the Property or the construction of improvements thereon, and all amendments and modifications thereto; (ii) applications and correspondence or other written communications to or from any governmental entity, department or agency other than District regarding any permit, approval, consent or authorization with respect to the development of the Property or the construction of improvements thereon; (iii) the most recent civil engineering survey, if any, pertaining to the Property or any portion thereof; and (iv) soils

reports, engineering data and environmental reports, and other data or studies pertaining to the Property or any portion thereof. Much of the documentation has already been shared as of the date of this Agreement and specific representations are set forth below.

As used in this agreement, items and or matters known to Seller and the terms “to Seller’s knowledge”, “to the best of Seller’s knowledge” or other similar phrases, shall be deemed to mean only those items or matters actually known to the current officers or shareholders of Seller and are represented as further detailed on Exhibit “G.” generally described to be the following:

- (1) The Property was used in the past and is currently in use as agricultural property;
- (2) The Property has been used for oil and gas purposes in the past
- (3) The Property has expansive soil
- (4) There is a planned high pressure gas trunk line nearby;
- (5) There is a railroad nearby

Other than as set forth in this Article, Seller has no other knowledge of the Property.

2.2 Inspections. Buyer and its representatives, agents, engineers, consultants, contractors, and designees shall have the right to enter onto the Property from and after the date of this Agreement through and including the date which is forty-five (45) days after the date of this Agreement (the “Due Diligence Period”) for purposes of examining, inspecting and investigating the Property including the site, soil, subsurface soils, drainage, seismic and other geological and topographical matters, location of asbestos, toxic substances, hazardous materials or wastes, if any, and, at Buyer’s sole and absolute discretion, determining whether the Property is acceptable to Buyer. Buyer shall, in a timely manner, repair any and all damage to the Property caused by such inspections or investigations. Buyer shall indemnify and hold Seller harmless from all damage, liability, cost, expense, liens, personal injury, property damage, loss or other claim that may arise from or in connection with such entry onto the Property by Buyer, and its agents, consultants, engineers, and other professionals during the Due Diligence Period. Buyer understands that the Properties are currently being leased for farming and Buyer shall use all reasonable efforts to provide adequate prior written notice to Seller and Seller’s farming tenant regarding potential additional investigations of the Properties and to use reasonable efforts to coordinate its investigations with the existing farming tenant. Buyer’s indemnification of Seller pursuant to this agreement shall include any claims or damage sustained by the farming tenant relating in any way to Buyer’s due diligence activities on the Properties.

2.3 Disapproval/Termination. District shall notify Seller and Escrow Holder in writing (“District’s Due Diligence Notice”) on or before the expiration of the Due Diligence Period of District’s approval or disapproval of the Due Diligence Materials, the condition of the Property and District’s investigations with respect thereto. District’s disapproval of any of said items shall constitute District’s election to terminate this Agreement and cancel the Escrow. District’s failure

to deliver District's Due Diligence Notice on or before the expiration of the Due Diligence Period shall be conclusively deemed District's approval thereof, provided Seller provides District ten (10) days written notice of said failure to deliver District's Due Diligence Notice on or before the expiration of the Due Diligence Period.

2.4 Title Review. Within ten (10) business days of the Effective Date, the District shall obtain an updated preliminary title report for the Property, together with copies of all written instruments creating the exceptions specified therein, and plat maps plotting all easements specified therein (collectively, the "Title Report"). Within fifteen (15) business days of District's receipt of the Title Report, District shall notify Seller in writing ("District's Objection Notice") of any objections District may have to the title exceptions contained in the Title Report. District's failure to provide Seller with a District's Objection Notice within said period shall constitute District's approval of all exceptions to title shown on the Title Report, provided Seller provides District ten (10) days written notice of said failure to provide Seller with a District's Objection Notice within said period. Seller shall have a period of ten (10) days after receipt of District's Objection Notice in which to deliver written notice to District ("Seller's Notice") of Seller's election to either (i) agree to remove or cure the objected to items prior to the Close of Escrow, or (ii) decline to remove or cure any such title exceptions. and terminate Escrow and this Agreement. Seller shall not be required to incur any current or future expense to cure such "objected to" title item. In addition, the decision whether or not to remove and/or cure any title matters objected to by Buyer shall be in Seller's sole, absolute and arbitrary discretion. If Seller notifies District of its election to terminate Escrow rather than remove and cure the objected to items, District shall have the right, by written notice delivered to Seller within ten (10) days after District's receipt of Seller's Notice, to agree to accept the Property subject to the objected to items, in which event Seller's election to terminate the Escrow shall be of no effect, and District shall take title at the Close of Escrow subject to such objected to items without any adjustment to or credit against the Purchase Price.

Upon the issuance of any amendment or supplement to the Title Report which adds additional exceptions, or adds any new requirement, the foregoing right of review and approval shall also apply to said amendment or supplement; provided, however, that District's initial period of review and approval or disapproval of any such additional exceptions shall be limited to ten (10) business days following District's and District's attorney's receipt of the instrument(s) creating such additional exceptions.

2.5 Disclaimer; AS-IS. Upon the Close of Escrow, subject to the terms set forth in this Agreement, Buyer shall acquire the Property in its "AS-IS" condition and shall be responsible for any defects in the Property, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Property, and the existence of any contamination, Hazardous Materials, debris, or other structures located on, under or about the Property. Except as expressly set forth herein, Seller makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property, the suitability of the Property for the Project, or the present use of the Property.

3. ESCROW.

3.1 Opening of Escrow. Within five (5) business days following the execution of this Agreement by Buyer and Seller, the Parties shall open an escrow (the "Escrow") with First American Title Company ("Escrow Holder"), at its offices located at 411 East Betteravia, P.O. Box 1842 (93456), Santa Maria, CA 93454; Tel: (805) 922-5861; Fax: (866) 223-4941; Attn: _____, by causing an executed copy of this Agreement to be deposited with Escrow Holder. Escrow shall be deemed open on the date that a fully executed copy of this Agreement is delivered to Escrow Holder (the "Opening of Escrow"). Escrow Holder shall provide each of the parties in Section 6.3 with written confirmation of the date of the Opening of Escrow. First American Title Company shall also provide title insurance services related to this Agreement.

3.2 Close of Escrow; Closing Date. Escrow shall close on _____, 2017 (the "Closing Date"). The terms the "Close of Escrow," and/or the "Closing" are used herein to mean the date the Grant Deed (as the term is defined in Section 3.4 herein) is recorded in the Office of the County Recorder of Santa Barbara, California. Possession of the Property shall be delivered to Buyer at the Close of Escrow free and clear of all tenancies, lessees, occupants, licensees, and all possessory rights of any kind or nature, except for any Permitted Exceptions, as set forth and defined in Section 4.1.3 herein.

3.3 Escrow Instructions. This Agreement, together with any standard instructions of Escrow Holder, shall constitute the joint escrow instructions of Buyer and Seller to Escrow Holder as well as an agreement between Buyer and Seller. In the event of any conflict between the provisions of this Agreement and Escrow Holder's standard instructions, this Agreement shall prevail.

3.4 Deliveries by Seller. No later than 1:00 p.m. on the business day preceding the Closing Date, Seller shall deliver to Escrow Holder:

- (a) a grant deed in the form of Exhibit "C" attached to this Agreement (the "Grant Deed") conveying to Buyer fee simple title to the Property, duly executed and acknowledged by Seller;
- (b) a certificate of non-foreign status in the form attached hereto as Exhibit "E" and California Franchise Tax Board Form 590-RE, each executed by Seller;
- (c) any and all other sums and documents required by Escrow Holder to carry out and close the Escrow pursuant to this Agreement, including Seller's portion of prorations, if any.

3.5 Deliveries by Buyer. No later than 1:00 p.m. on the business day preceding the Closing Date, Buyer shall deliver to Escrow Holder:

- (a) the Purchase Price less any payments made, if any;
- (b) a Public Agency Certificate of Acceptance in the form attached hereto as

Exhibit "D" ;

- (c) All other sums and documents required by Escrow Holder to carry out and close the Escrow pursuant to this Agreement, including the Escrow fees and Buyer's portion of prorations, if any.

3.6 Closing, Recording and Disbursements. On or before the Closing Date, and when all of the conditions precedent to the Close of Escrow set forth in Section 4 of this Agreement have been satisfied or waived in writing, Escrow Holder shall take the actions set forth in this Section 3.6.

3.6.1 Recording. Escrow Holder shall cause the Grant Deed to be recorded in the Official Records of Santa Barbara County, California, in that order.

3.6.2 Disbursement of Funds. Escrow Holder shall disburse to Seller the Purchase Price, less prorations chargeable to Seller, if any.

3.6.3 Title Policy. Escrow Holder shall deliver to Buyer a commitment to issue the Title Policy referred to in Section 4.1.3 of this Agreement.

3.6.4 Delivery of Documents to Buyer. Escrow Holder shall deliver to Buyer a conformed copy of the Grant Deed, and any other documents (or copies thereof) deposited by Seller with Escrow Holder pursuant to this Agreement. The original of the Grant Deed shall be returned to Buyer after recordation.

3.6.5 Delivery of Documents to Seller. Escrow Holder shall deliver to Seller a conformed copy of the Grant Deed, and any documents (or copies thereof) deposited by Buyer with Escrow Holder pursuant to this Agreement.

3.6.6 Real Property Taxes. All non-delinquent general and special real property taxes and assessments shall be prorated as of the Close of Escrow.

3.7 Payment of Costs. Buyer and Seller shall split the cost of all deed recording fees, escrow fees, settlement fees, tax certificates, notary fees, appraisals, and lot line adjustment engineering costs. Seller shall pay all title insurance premiums for the CLTA standard owner's form policy, and Buyer shall pay for all charges associated with the title insurance premium for any additional cost of obtaining any additional coverage requested by the Buyer, including the difference between a CLTA standard owner's policy and an ALTA extended owner's policy. Seller shall be responsible for all property taxes due and any liens and/or abstracts of judgment of record. Buyer and Seller shall each be responsible for their respective attorneys' fees and consultants.

4. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.

4.1 Conditions to Buyer's Obligations. Buyer's obligation to purchase the Property,

and the Close of Escrow, shall be subject to the satisfaction or written waiver by the District of each of the conditions precedent set forth in this Section 4.1.

4.1.1 Seller's Performance. Seller is not in material default of any term or condition of this Agreement.

4.1.2 Seller Deliveries Made. Seller has deposited with Escrow Holder all documents required of Seller by this Agreement.

4.1.3 Title Policy. First American Title Company ("Title Company") has committed to issue to Buyer a CLTA standard, or at Buyer's choice, an ALTA extended coverage owner's policy of title insurance ("Title Policy"), with liability in the amount of the Purchase Price, showing fee title to the Property vested in the District, subject only to:

- (a) the standard printed exceptions and exclusions contained in the form of the Title Policy commonly used by Title Company;
- (b) title exceptions approved by Buyer pursuant to Section 2.4 of this Agreement;
- (c) title exceptions resulting from documents being recorded or delivered through Escrow pursuant to this Agreement; and
- (d) any other exceptions approved in writing by Buyer in its sole and absolute discretion.

The terms of sub-sections (a) through (d), inclusive, being herein collectively referred to as the "Permitted Exceptions."

4.1.4 Representations and Warranties. All representations and warranties made by Seller in this Agreement, to Seller's best knowledge, are true and correct as of the Closing as though made at that time.

4.1.5 Hazardous Materials; Environmental Compliance. As a result of Buyer's inspection pursuant to Section 2.2 herein Buyer intends to satisfy itself that the Property is not in violation of any federal, state, or local law, ordinance, or regulation relating to Hazardous Materials, industrial hygiene, or to the environmental conditions on, under, or about the Property, or any portion thereof, including, but not limited to, soil and groundwater conditions ("Environmental Laws"). There shall be no violation of Environmental Laws as of the Closing Date. The term "Hazardous Materials" when used in this Agreement shall mean any hazardous waste, hazardous substance, hazardous materials or toxic substances as defined, as of the Closing Date, in any federal, state, or local statute, ordinance, rule, or regulation applicable to the Property, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (Title 42 United States Code sections 9601-9675), the Resource Conservation and Recovery Act (Title 42 United States Code sections 6901-6992k), the

Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code sections 25300-25395), Hazardous Waste Control Law (Health and Safety Code section 25100-25250.25); the Hazardous Materials Transportation Act, as amended (Title 49 United States Code Sections 1801-1819); and any substance defined as “hazardous waste” in Health and Safety Code Section 25117 or as a “hazardous substance” in Health and Safety Code Section 25316, and in the regulations adopted and publications promulgated under these laws. “Hazardous Materials” shall also include asbestos or asbestos-containing materials, radon gas, and petroleum or petroleum fractions, whether or not defined as a hazardous waste or hazardous substance in any such statute, ordinance, rule, or regulation as of the Closing Date.

4.1.6 Compliance with California Law Applicable to Acquisition of Property for School Sites. The Close of Escrow shall be conditioned upon the sale and Property being in compliance with all applicable California laws relating to the acquisition of sites including, without limitation, Education Code section 17210 et seq. and Title 5 of the California Code of Regulations, Section 14000 et seq.; California Environmental Quality Act (Public Resources Code section 21000 et seq.); any additional requirements of the State of California, the California Department of Education, the State Allocation Board, the Office of Public School Construction, and the Department of Toxic Substances Control. Approvals from CDE and DTSC are attached for reference as Exhibits “G” and “H,” respectively.

4.2 Conditions to Seller’s Obligations. Seller’s obligations to convey the Property, and the Close of Escrow, shall be subject to the satisfaction or written waiver by Seller of each of the conditions precedent set forth in this Section 4.2.

4.2.1 Buyer’s Performance. Buyer is not in material default of any term or condition of this Agreement.

4.2.2 Buyer Deliveries Made. Buyer has deposited with Escrow Holder all sums and documents required of Buyer by this Agreement.

4.2.3 Representations and Warranties. All representations and warranties made by Buyer in this Agreement, to Buyer’s best knowledge, are true and correct as of the Closing as though made at that time

4.3 Satisfaction of Conditions. Where satisfaction of any of the foregoing conditions requires action by Buyer or Seller, each Party shall use its diligent best efforts, in good faith, and at its own cost, to satisfy such condition. Where satisfaction of any of the foregoing conditions requires the approval of a Party, such approval shall be in such Party’s sole and absolute discretion.

4.4 Waiver. Buyer may at any time or times, at its election, waive any of the conditions set forth in Section 4.1 above to its obligations hereunder, but any such waiver shall be effective only if contained in a writing signed by Buyer and delivered to Seller. Seller may at any time or times, at its election, waive any of the conditions set forth in Section 4.2 above to its obligations hereunder, but any such waiver shall be effective only if contained in a writing signed by Seller and delivered to Buyer.

4.5 Termination. In the event each of the conditions set forth in Section 4.1 are not fulfilled within the time provided by the terms of this Agreement or waived by Buyer pursuant to Section 4.4, Buyer may, at its option, terminate this Agreement and the Escrow opened hereunder, thereby releasing the Parties from further obligations related to the purchase and sale of the Property hereunder. In the event that the conditions set forth in Section 4.2 are not fulfilled within the time periods provided by this Agreement or waived prior to the Closing Date, Seller may, at its option, terminate this Agreement and the Escrow opened hereunder, thereby releasing the Parties from further obligations related to the purchase and sale of the Property hereunder. Furthermore, in the event this Agreement is terminated by either Party, all documents delivered by Seller to Buyer or Escrow Holder shall be returned within a reasonable time to Seller and all documents delivered by Buyer to Seller or Escrow Holder shall be returned within a reasonable time to Buyer. Nothing in this Section 4.5 shall be construed as releasing any Party from liability for any default of its obligations hereunder or breach of its representations and warranties under this Agreement occurring prior to the termination of this Agreement and/or the Escrow to be opened hereunder.

4.6 Liquidated Damages.

BUYER AND SELLER AGREE THAT IN THE EVENT BUYER FAILS OR REFUSES TO CLOSE AFTER THE EXPIRATION OF THE DUE DILIGENCE PERIOD, ACTUAL DAMAGES TO SELLER WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN, AND THEREFORE, AGREE THAT AS SELLER'S SOLE AND EXCLUSIVE REMEDY, SELLER SHALL BE ENTITLED TO FIFTY THOUSAND DOLLARS (\$50,000.00) WHICH SHALL CONSTITUTE LIQUIDATED DAMAGES TO SELLER UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CIVIL CODE AND SELLER WAIVES ANY RIGHT TO SEEK SPECIFIC PERFORMANCE TO REQUIRE BUYER TO CLOSE. IN THE EVENT OF BREACH BY SELLER, SELLER SHALL BE LIABLE OR SUBJECT TO MONETARY DAMAGES IN CONNECTION WITH ANY FAILURE OR REFUSAL OF SELLER TO CLOSE, AND BUYER SHALL ALSO RETAIN THE RIGHT TO SPECIFIC PERFORMANCE. AS INDICATED BY INITIALS BELOW, BUYER AND SELLER EXPRESSLY AGREE TO THE ACCURACY OF THE TERMS STATED IN THIS SECTION 4.6.

Seller Initials

Buyer Initials

5. REPRESENTATIONS AND WARRANTIES; BROKERAGE COMMISSIONS.

5.1 Seller's Representations and Warranties. Seller hereby makes the following representations and warranties to Buyer, each of which (i) is material and relied upon by Buyer in

making its determination to enter into this Agreement, (ii) is to the best knowledge of Seller (as defined herein above) true in all respects as of the Effective Date and shall be true in all respects on the Closing Date, and (iii) shall survive the Close of Escrow: (a) Seller's actual knowledge of the Property (As defined in Article 2.1) as detailed on Exhibit "G" and includes:

1. The Property was used in the past and is currently in use as agricultural property;
2. The Property has been used for oil and gas purposes in the past;
3. The Property has expansive soil;
4. There is a planned high pressure gas trunk line nearby;
5. There is a railroad nearby.

Other than as set forth in this Paragraph 5.1(a), Seller has no other knowledge of the Property.

- (b) Seller has full right, power, and authority to enter into this Agreement and to perform Seller's obligations hereunder. This Agreement and all other documents delivered by Seller to Buyer now, or at the Close of Escrow, have been or will be duly executed and delivered by Seller and are legal, valid, and binding obligations of Seller, sufficient to convey to Buyer good and marketable title to the Property, are enforceable in accordance with their respective terms, and do not violate any provision of any agreement to which Seller is a Party.
- (b) There are no pending or threatened, actions, suits, writs, injunctions, decrees, legal proceedings or governmental investigations against or affecting the Property or relating to the ownership, maintenance, use or operation of the Property.
- (c) Seller has not received any notices nor has any knowledge of any violation of any laws, ordinances, rules, regulations or requirements of any governmental agency, body or subdivision affecting or relating to the Property.
- (c) Other than an agricultural lease currently on the Property of which Purchaser is aware, there are no rights of first refusal, or other agreements relating to the right of possession and/or occupancy of the Property by any person or entity, except for matters of record approved by Buyer pursuant to Section 2.4 above.

If Seller becomes aware of any act or circumstance which would change or render incorrect, in whole or in part, any representation or warranty made by Seller hereunder, whether as of the Effective Date or any time thereafter through the Closing Date, Seller will give immediate written notice of such changed fact or circumstance to Buyer, but such notice shall not release Seller of

any liabilities or obligations with respect thereto.

5.2 Buyer's Representations and Warranties. Buyer hereby makes the following representations and warranties to Seller, each of which (i) is material and relied upon by Seller in making its determination to enter into this Agreement, (ii) is to the best of Buyer's knowledge without investigation, true in all respects as of the Effective Date and shall be true in all respects on the Closing Date, and (iii) shall survive the Close of Escrow.

- (a) Buyer has the full right, power, and authority to enter into this Agreement and perform Buyer's obligations hereunder. This Agreement and all other documents delivered by Buyer to Seller now or at the Close of Escrow, have been or will be duly executed and delivered by Buyer and are legal, valid, and binding obligations of Buyer, are enforceable in accordance with their respective terms, and do not violate any provision of any agreement to which Buyer is a Party.

5.3 Brokerage Commissions. Seller and Buyer each represents and warrants that no other third party broker's commission(s) and/or finder's fee(s) are applicable with respect to the transactions contemplated by this Agreement. Each Party acknowledges that no other party is known to be entitled to such brokers commission(s) and/or finder's fee(s), and agrees to indemnify and hold the other harmless from and against all liabilities, costs, damages, and expenses, including without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay any such broker's commission(s) and/or finder's fee(s), or those of any third party.

6. MISCELLANEOUS.

6.1 Costs of Conveyance. All costs not otherwise allocated by Section 3.7 herein related to Seller's grant and conveyance of the Property to Buyer shall be borne equally by the Parties.

6.2 Attorneys' Fees; Litigation. In the event either party to this Agreement should default under any of the provisions hereof, and the non-defaulting Party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting Party herein contained, the defaulting Party agrees that it will on demand therefor pay to the non-defaulting Party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting Party.

6.3 Notices. All notices required to be delivered under this Agreement to the other Party must be in writing and shall be effective (i) when personally delivered by the other Party or messenger or courier thereof; (ii) three (3) business days after deposit in the United States mail, registered or certified; (iii) twenty-four (24) hours after deposit before the daily deadline time with a reputable overnight courier or service; or (iv) upon receipt of a telecopy or fax transmission, provided a hard copy of such transmission shall be thereafter delivered in one of the methods described in the foregoing (i) through (iii); in each case postage fully prepaid and addressed to the

respective Parties as set forth below or to such other address and to such other persons as the Parties may hereafter designate by written notice to the other Parties hereto:

To Buyer: GUADALUPE UNION SCHOOL DISTRICT
Attn: Ed Cora
Superintendent
4465 Ninth Street
Guadalupe, CA 93434
Email: edcora@sbceo.org

With copy to: ATKINSON, ANDELSON, LOYA, RUUD & ROMO
Attn: Terry T. Tao
12800 Center Court Drive, Suite 300
Cerritos, California 90703
Email: ttao@aallrr.com

To Seller: GUADALUPE BEACH, LLC
Attn: Mark Kelton
2716 Ocean Park Boulevard, Suite#3006
Santa Monica, CA 90405
Email: _____

With copy to: _____

Seller and Buyer, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

6.4 Authority. The person(s) executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which said Party is bound.

6.5 Execution in Counterpart. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all Parties hereto, notwithstanding that all Parties are not signatories to the original or the same counterpart.

6.6 Assignment. Buyer shall not assign this Agreement or any right or privilege Buyer might have under this Agreement without the prior written consent of Seller, which consent shall not be unreasonably withheld, provided that the assignee agrees in a written notice to Seller to carry out and observe each of Buyer's obligations hereunder, including all Exhibits hereto. Seller

shall not assign this Agreement or any right or privilege Seller might have under this Agreement without the prior written consent of Buyer, which consent shall not be unreasonably withheld, provided that the assignee agrees in a written notice to Buyer to carry out and observe each of Seller's obligations hereunder, including all Exhibits hereto.

6.7 Third Party Beneficiaries. Nothing in this Agreement shall be construed to confer any rights upon any party not signatory to this Agreement.

6.8 Binding on Heirs. This Agreement shall be binding upon the Parties hereto and their respective heirs, representatives, transferees, successors, and assigns.

6.9 Time of the Essence. Time is of the essence with respect to each of the terms, covenants, and conditions of this Agreement.

6.10 In Lieu Of Eminent Domain Proceedings. The Property is to be acquired by the District for use as a public school campus. The parties acknowledge that the District's purchase of the Property is in lieu of a threatened or actual condemnation action filed or to be filed by the District against Seller, and that the terms of this Agreement have been voluntarily and mutually agreed to in lieu of such condemnation action. Seller intends that this transaction qualify as a sale in lieu of condemnation under Internal Revenue Code Section 1033. If this offer is not accepted by the Seller, the District intends to commence acquisition of the Property by Eminent Domain.

6.11 Condemnation. In the event the Property is taken, in whole or in part, or designated to be taken by condemnation proceedings other than condemnation proceedings instigated by either Buyer or Seller, or proceedings in lieu thereof, prior to the Close of Escrow, Buyer shall have the right to terminate this Agreement and cancel Escrow by delivering to Seller and Escrow Holder written notice thereof. In the event Buyer does not elect to terminate this Agreement pursuant to this Section, Section 6.10, Buyer shall be entitled to all condemnation proceeds upon the Close of Escrow. Seller shall consult with Buyer regarding any proposed settlement with the condemnor and Buyer shall have the reasonable right of approval thereof. Seller shall deposit any such proceeds with Escrow Holder.

6.12 Entire Agreement, Waivers and Amendments. This Agreement, and any written agreement entered into by the Parties with respect to the Property, incorporate all of the terms and conditions mentioned herein, or incidental hereto, and supersede all negotiations and previous agreements between the Parties with respect to all or part of the subject matter thereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Party to be charged. Any amendment or modification to this Agreement must be in writing and executed by Seller and Buyer.

6.13 Exhibits. Exhibits "A," "B," "C," "D," "E", and "F" attached to this Agreement are incorporated herein by this reference and made a part hereof. Said Exhibits are identified as follows:

"A"	-	LEGAL	DESCRIPTION	OF	PROPERTY
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“B”		LEGAL DESCRIPTION OF JOINT USE SITE
“C”	-	GRANT DEED
“D”	-	PUBLIC AGENCY CERTIFICATE OF ACCEPTANCE
“E”	-	NON-FOREIGN AFFIDAVIT
“F”		LIST OF SITE IMPROVEMENTS AND COST BREAKDOWN

6.14 Effect of Recitals. The Recitals above are deemed true and correct, are hereby incorporated into this Section as though fully set forth herein, and Seller and Buyer acknowledge and agree that they are each bound by same.

6.15 Section References. Any reference to any section of this Agreement cited without a decimal includes all sections following the cited section. For example, a reference to Section 5 includes 5.1, 5.1(a), et seq.

6.16 Severability. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

6.17 Interpretation: Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both Parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement with venue in Santa Barbara County, California.

6.18 Covenants to Survive Escrow. The covenants and agreements contained in this Agreement shall survive the Close of Escrow.

6.19 Conflicts of Interest. No director, officer, official, representative, agent or employee of the Buyer shall have any financial interest, direct or indirect, in this Agreement.

6.20 Nondiscrimination. There shall be no discrimination by Seller nor Buyer against any person on account of race, color, religion, sex, marital status, national origin, or ancestry in the performance of their respective obligations under this Agreement.

6.21 Rights and Remedies are Cumulative. Except as may be otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by any Party of one or more of its right or remedies shall not preclude the exercise by it, at the same time or at different times, of any other rights or remedies for the same default or any other default by another Party.

6.22 Provisions Required by Law Deemed Inserted. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either Party the Agreement shall forthwith be physically amended to make such insertion or correction.

6.23 Cooperation. Buyer and Seller acknowledge that it may be necessary to execute documents other than those specifically referred to herein in order to complete the acquisition of the Property and/or to accomplish the objectives and requirements that are set out in this Agreement. Both Buyer and Seller hereby agree to cooperate with each other by executing such other documents or taking such other actions as may be reasonably necessary to complete this transaction in accordance with the intent of the Parties as evidenced in this Agreement and attached Exhibits hereto, provided however that neither Buyer nor Seller shall be required to incur any additional costs or liability in connection with such cooperation. This provision shall survive the Close of Escrow and shall be effective until such time as all of the areas adjacent to the Property and the Joint Use Site are fully constructed.

6.24 Seller's Right to Purchase. Except for a "Permitted Transfer" (described below), if at any time prior to the Buyer operating the Property as a school site, Buyer shall determine to sell or otherwise transfer all or any part of the Property or any interest therein (such Property or interest, collectively, "**Interest**"), Buyer shall, after first complying with the provisions of California Government Code section 54220 et seq. regarding Surplus Lands, California Education Code section 17455 et seq. regarding Sale of Real Property, or any other applicable California law regarding the sale or disposal of school district real property, notify Seller of the price and other material monetary terms on which Buyer is willing to sell the Interest (an "**Offer Notice**"). The following transfers are "**Permitted Transfers**" and are exempt from the requirements of this Section 6.24: (i) the conveyance of an easement or others interest in the Property for installation of utilities or communication facilities serving the Property, (ii) a license or other agreement relating to an ancillary use of the Property, or (iii) a lease by Buyer (without any option to purchase). The Offer Notice shall also contain all relevant information which would reasonably be relied upon in evaluating whether to acquire the Interest (including but not limited to a recent preliminary title report, a list of known litigation, notices, citations and other material matters affecting the Interest). If Seller, within thirty (30) days after receipt of Buyer's Offer Notice, notifies the Buyer in writing of its agreement to purchase said Interest for the price and on the terms stated in Buyer's Offer Notice, then Buyer and Seller shall enter into a definitive contract for the purchase and sale of said Interest and shall consummate such sale within sixty (60) days thereafter. If Seller does not notify the Buyer of such agreement within such thirty (30) day period or declines to purchase the Interest, then Buyer thereafter shall have the right to sell and convey the Interest to a third party, but only for a price not less than the price offered to Seller and on terms not more favorable than those stated in the Offer Notice, and in the event such sale to a third party is entered into within one hundred eighty (180) days after such Offer Notice and consummated within three hundred sixty-five (365) days after such Offer Notice, Seller's right of first offer under this Section 6.24 shall be extinguished and of no further force or effect. If Buyer does not so contract, sell and convey the Interest within the period(s) described in the preceding

sentence, any future transaction shall be deemed a new determination by Buyer to sell and convey said Interest, and the provisions of this Section 6.24 shall again be applicable. Subject to termination or expiration as provided above, the provisions of this Section 6.24 shall be binding upon and shall inure to the benefit of the respective successors in interest of Buyer and Seller.

6.24 Confidentiality. “Confidential Information” means business or technical information that at the time of disclosure is clearly marked as “proprietary” or “confidential.” Any Confidential Information acquired or received by either party (the “Recipient”) in the course of this Agreement will not be disclosed or transferred to any person or entity other than to employees of a party and for the purpose of performing its obligations under this Agreement. Confidential Information received under this Agreement will be treated with the same degree of care and security as each party uses with respect to its own Confidential Information, but not less than a reasonable degree of care. The parties agree to use Confidential Information only for the purpose of performance of this Agreement and to make no copies except as necessary for performance of this Agreement. “Confidential Information” does not include information which (i) is or becomes generally available to the public other than as a result of disclosure by the Recipient, (ii) was known by the Recipient at the time of disclosure of the information without any obligation of confidence, and that knowledge is evidenced by reasonable proof, (iii) was or becomes available from a source other than the owner if the source was not legally bound to maintain the confidentiality of the information, or (iv) the Recipient independently develops without use of or reference to the Confidential Information. Each party acknowledges that unauthorized disclosure or use of the Confidential Information by a party may irreparably damage the other party in such a way that adequate compensation could not be obtained from damages in an action at law. Accordingly, the actual or threatened unauthorized disclosure or use of any Confidential Information shall give the owner the right to seek injunctive relief restraining such unauthorized disclosure or use, in addition to any other remedy otherwise available. The Recipient may disclose the Confidential Information of the disclosing party in response to a valid court order, law, or other governmental action, provided that, to the extent permitted by law, (i) the disclosing party is notified in writing before disclosure of the information and given a reasonable opportunity to obtain a protective order, and (ii) the Recipient assists the disclosing party, at the disclosing party’s sole expense, in any attempt to limit or prevent the disclosure of the Confidential Information. It is understood that the Buyer is subject to the California Public Records Act (Gov. Code § 6250 *et seq.*). If Seller fails to obtain a court order enjoining that disclosure, Buyer will release the requested information on the date required under the California Public Records Act.

[**Signatures on following page**]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized officers, as of the Effective Date.

BUYER: **GUADALUPE UNION SCHOOL DISTRICT**

By: _____
Ed Cora, Superintendent

SELLER: **GUADALUPE BEACH, LLC,**

By: _____

Its: _____

EXHIBIT “A”

LEGAL DESCRIPTION OF PROPERTY

[insert legal description]

EXHIBIT “B”

LEGAL DESCRIPTION OF JOINT USE SITE PROPERTY

[insert legal description]

EXHIBIT "C"

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Guadalupe Union School District
Attn: Ed Cora, Superintendent
4465 Ninth Street
Guadalupe, CA 93434

(Space Above For Recorder's Use)

The undersigned grantor(s) declare(s):
This conveyance is exempt from the payment
of a documentary transfer tax pursuant to
Revenue and Taxation Code Section 11922.

This document is being recorded for the
benefit of the Guadalupe Union School
District and is exempt from the payment of a
recordation fee pursuant to Govt. Code
Section 6103.

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, GUADALUPE BEACH, LLC, a California limited liability company ("Grantor"), hereby grants to the GUADALUPE UNION SCHOOL DISTRICT, a public school district duly organized and validly existing under the Constitution and Laws of the State of California ("Grantee"), all right, title and interest of Grantor in that certain real property located in the City of Guadalupe, County of Santa Barbara, State of California, described in the legal description and depicted in the map attached hereto as Exhibit "A," and incorporated herein by this reference.

Dated: _____ **"GRANTOR"**

GUADALUPE BEACH, LLC,
a California limited liability company

By: _____

Its: _____

ACKNOWLEDGMENT

State of California

County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed
to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity
upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

EXHIBIT “A” TO GRANT DEED
LEGAL DESCRIPTION OF PROPERTY

[insert legal description]

EXHIBIT “D”

PUBLIC AGENCY CERTIFICATE OF ACCEPTANCE
(Government Code Section 27281)

This is to certify that the interest in real property conveyed by the Grant Deed dated _____, from GUADALUPE BEACH, LLC, a California limited liability company, to the GUADALUPE UNION SCHOOL DISTRICT, a public school district duly organized and validly existing under the Constitution and Laws of the State of California, is hereby accepted by the undersigned officer on behalf of the Guadalupe Union School District pursuant to authority conferred by the California Constitution and California Education Code sections 1240 et seq., and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

GUADALUPE UNION SCHOOL DISTRICT

By: _____
Ed Cora, Superintendent

ATTEST:

By: _____
Clerk of the Governing Board of the
Guadalupe Union School District

EXHIBIT "E"

NON-FOREIGN AFFIDAVIT

Section 1445 of the Internal Revenue Code provides that the transferee of an interest in real property located in the United States must withhold tax if the transferor is a foreign person. To inform the GUADALUPE UNION SCHOOL DISTRICT, a public school district duly organized and validly existing under the Constitution and Laws of the State of California ("Transferee"), that withholding of tax is not required upon the sale by GUADALUPE BEACH, LLC, a California limited liability company ("Transferor"), of its fee simple interest in that certain real property sold pursuant to the Agreement of Purchase and Sale and Joint Escrow Instructions dated _____, 2017 which real property is described in the legal description and depicted in the map attached to this Agreement as Exhibit "A," and incorporated herein by this reference, the undersigned hereby certifies the following:

1. The Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and the income tax regulations promulgated thereunder);
2. The Transferor's United States Taxpayer Identification Number is _____;
3. The Transferor's office address is _____; and
4. The Internal Revenue Service has not issued any notice with respect to Transferor or listed Transferor as a person whose affidavit may not be relied upon for purposes of Section 1445 of the Internal Revenue Code.

The Transferor understands that this certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalty of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I am the _____ of the Transferor, and that I have authority to sign this document on behalf of the Transferor.

Dated: _____

GUADALUPE BEACH, LLC,
a California limited liability company

By: _____

Its: _____

EXHIBIT “A” TO NON-FOREIGN AFFIDAVIT

LEGAL DESCRIPTION OF PROPERTY

[insert legal description]

EXHIBIT “F”

LIST OF SITE IMPROVEMENTS & COST BREAKDOWN

EXHIBIT “G”

LIST OF KNOWN DISCLOSURES

Most of the Santa Maria Valley area, including portions of the Pasadera project, were used in the past for oil and/or gas extraction and transport. We have not performed any investigation for oil or gas wells or pipelines on the actual Property. There is a registered oil well that was abandoned per County standards located on the Pasadera project site to the south of the railroad tracks. There was also an oil pipeline that was located is a pipeline easement on the south side of the railroad easement. In connection with the removal of this pipeline some hazardous material was found. The hazardous material was removed and/or remediated under the supervision of the County and Chevron and a “no further action letter” was issued by the County. The Property has been and continues to be used for farming and as such should be assumed to contain pesticides and other hazardous or potentially hazardous materials related to agricultural use.

There are railroad tracks currently operated by Santa Maria Valley Railroad (“SMVR”) and also by Union Pacific Railroad that are located in the immediate vicinity of the Property.

It is anticipated that the City will form and manage a Lighting and Landscaping District (“the LLD”) which will include the Property. The amount of the annual assessment for the LLD is determined by the City and is likely to be substantial. District may to further investigate this matter with the City.

The soil on the Property is expansive – including some areas that are in the moderate expansive index level and some that are in the high expansive index level classification.

The portion of the Pasadera project located adjacent to Main Street (approximately 20 acres) is zoned for commercial use and is currently planned to be developed with retail stores and/or hotel or motel uses, medical or office uses and other non-single family residential uses.

There are several airports operating in the general area in which the Property is located.

There is a nuclear power plant located at Diablo Canyon.

The Casmalia Resources Hazardous Waste Management Facility is located approximately 5 miles southwest of Guadalupe.

Traffic signals or roundabouts may or may not be constructed at the intersections of Main Street/Obispo Street and Main Street/Flower Avenue. Developer has no control of the decision as to whether these will or will not be installed. Such decision is at the discretion of CalTrans. It is our understanding that the District is assuming that no traffic signals will be installed and that it may be necessary to have crossing guards, with the cost of such guards borne by the District.

As mentioned above, many areas in Northern Santa Barbara County including Santa Maria and Guadalupe have historically been used for extraction and transportation of oil and gas. There are oil processing and refining facilities in Northern Santa Barbara County including but not limited to the Phillips 66 Santa Maria facility, sometimes referred to as the Nuevo Energy Company facility. Please consult www.countyofsb.org/energy/projects/nuevo.asp

There is also a medium pressure gas line located on the Pasadera property that Southern California Gas Company (“the Gas Co”) owns and operates. As previously disclosed to the District, the Gas Co currently intends to relocate this line along the east side of Arroyo Seco Road (in the landscaped area) and then along the rear portion of the commercial properties north of Buena Vista Road.

Seller is responsible to dedicate a park site to the City of Guadalupe in substantial conformance with the park site shown as Lot 8 (the “Park Site”) and a Detention and Recreation Area shown as lot 6 on the Master Tract Map for DJ Farms (Pasadera).

Developer currently intends to have a bridge overcrossing where Obispo Street intersects the railroad tracks and an at-grade emergency crossing where Arroyo Seco intersects the railroad tracks. However, these plans are subject to change and Developer makes no representations or warranties of any kind as to what, if any, crossings are ultimately permitted and constructed.

Federal Penitentiary/State Prison/State Hospital: There is a Federal Penitentiary in Lompoc; a California Men’s Colony in San Luis Obispo and a maximum security State Psychiatric Hospital in Atascadero.

Park Site & Detention/Recreation Site.

Seller is responsible to dedicate a park site to the City of Guadalupe in substantial conformance with the park site shown as Lot 8 (the “Park Site”) and a Detention and Recreation Area shown as Lot 6 on the Master Tract Map for DJ Farms (Pasadera).

However, Seller has no control over whether the park is actually constructed and is not responsible to landscape, improve, operate or maintain the Park Site.

District represents and warrants to Developer that they have had full access to the Property, have performed all investigations and testing that the District desired to perform including, without limitation, all tests required by the State of California with respect to a potential school site. These tests and investigations include investigations and testing of: the environmental conditions on the Property, the soils for presence of agricultural pesticides and chemicals, oil, gas and other hazardous materials in or on the Property, geotechnical testing to determine the suitability of the Property for the construction of a school .



Guadalupe Union School District

P.O. Box 788, Guadalupe, CA 93434-0788 ● 805-343-2114 ● Fax: 805-343-6155

M E M O

Date: February 14, 2018

To: Board of Trustees

From: Ed Cora, District Superintendent

Re: Certificates of Participation

SUMMARY OF ITEM FOR FEBRUARY 14, 2018 BOARD AGENDA

Consideration of resolution entitled: **"A RESOLUTION OF THE BOARD OF TRUSTEES OF THE GUADALUPE UNION SCHOOL DISTRICT AUTHORIZING THE EXECUTION, DELIVERY AND SALE OF CERTIFICATES OF PARTICIPATION IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$3,500,000 FOR THE PURPOSE OF FINANCING SCHOOL FACILITIES IMPROVEMENTS AND APPROVING RELATED DOCUMENTS AND ACTIONS."**

Note: Resolution must appear on agenda as action item (not on consent), with approval upon majority vote.

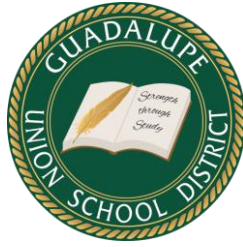
Background: The District has identified capital projects which require funding from a local source. Under California law, school districts may incur debt without voter approval by entering into a lease financing which meets all legal structuring requirements. By causing the delivery of Certificate of Participation, the District obtains up-front financing for capital projects, and covenants to repay such debt over the term of the lease. The lease payments are payable from the District's general fund, and subject to annual budget, appropriation and abatement during the term of the lease.

The Resolution presented for Board consideration authorizes entering into a traditional long-term tax-exempt financing in the form of Certificates of Participation in an amount not to exceed \$3,500,000 for the purpose of financing capital projects. The leased property will be the McKenzie Junior High School. Under this financing structure, the District will be required to make semiannual lease

payments, payable from the District's general fund, during the term of the Lease, which will be used to pay off the related Certificates of Participation.

The term of the lease is expected to be 29 years, but the documents will include prepayment option. The proceeds of the Certificates, net of financing costs, will be deposited in a Project Fund and immediately available for the funding of capital facility projects. The financing team is Isom Advisors, a Division of Urban Futures, Inc., as financial advisor, Jones Hall, A Professional Law Corporation, as special counsel and disclosure counsel, and RBC Capital Markets, LLC, as underwriter.

Documents approved as to form in the Resolution, with final changes to be authorized by District officials, are a Site Lease, Lease Agreement, Assignment Agreement, Trust Agreement, Official Statement and Purchase Agreement, copies of which are available to the Board.



RESOLUTION NO. 2017/2018-11

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE GUADALUPE UNION SCHOOL DISTRICT AUTHORIZING THE EXECUTION, DELIVERY AND SALE OF CERTIFICATES OF PARTICIPATION IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$3,500,000 FOR THE PURPOSE OF FINANCING SCHOOL FACILITIES IMPROVEMENTS AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, the Guadalupe Union School District (the "District") requires a financing source for school facilities improvements (the "Project"); and

WHEREAS, in order to provide funds to finance the Projects, the District proposes to lease certain land and improvements located thereon known as the McKenzie Junior High School (the "Leased Property"), to the Local Facilities Finance Corporation (the "Corporation") under a Site Lease in consideration of the payment of an upfront rental payment in an amount sufficient for such purposes, and the Corporation has proposed to lease the Leased Property back to the District under a Lease Agreement in consideration of the agreement by the District to pay semiannual lease payments (the "Lease Payments"); and

WHEREAS, the Corporation will assign its right to receive the Lease Payments to U.S. Bank National Association, as trustee (the "Trustee"), and in consideration of such assignment the Trustee will execute and deliver not to exceed \$3,500,000 aggregate principal amount of 2018 Certificates of Participation, each evidencing a direct, undivided fractional interest in the Lease Payments (the "Certificates"), the proceeds of which will be applied to finance the Projects, as provided in a Trust Agreement among the Corporation, the District and the Trustee; and

WHEREAS, the District is authorized to enter into the Site Lease and the Lease Agreement under Section 17456 of the Education Code of the State of California, provided that the proceeds thereof are applied for capital outlay purposes of the District; and

WHEREAS, as required pursuant to Education Code Section 17150.1, the District has, at least thirty days prior to the date hereof, provided notice to the Santa Barbara County Superintendent of Schools and Santa Barbara County Auditor, of its intention to proceed with the issuance of the Certificates, together with evidence of its ability to repay the proposed Certificates; and

WHEREAS, the Board of Trustees wishes at this time to authorize and approve all proceedings for the financing of the Project, the delivery and sale of the Certificates

for such purpose, and all related documents and actions, in furtherance of the public purposes of the District;

WHEREAS, in accordance with Government Code Section 5852.1, the Board has obtained and disclosed the information set forth in Appendix A hereto; and

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Trustees of the Guadalupe Union School District as follows:

Section 1. Approval of Financing Plan and Related Documents. The Board of Trustees hereby approves the financing plan outlined above. To that end, the Board of Trustees hereby approves each of the following financing documents in substantially the respective forms on file with the Secretary of the Board together with any changes therein or additions thereto deemed advisable by the Superintendent or the Chief Business Official (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of such approval:

- Site Lease between the District as lessor and the Corporation as lessee, whereby the District leases the Leased Property to the Corporation in consideration of the payment by the Corporation to the District of an upfront rental payment which is sufficient to enable the District to finance the Projects, including the payment of related delivery costs.
- Lease Agreement between the Corporation as lessor and the District as lessee, whereby the Corporation leases the Leased Property back to the District in consideration of the payment by the District of semiannual lease payments.
- Trust Agreement among the District, the Corporation and the Trustee, whereby the Trustee agrees to execute and deliver the Certificates.

An Authorized Officer is authorized and directed for and in the name and on behalf of the District to execute and attest the final form of each of the foregoing documents. The schedule of lease payments attached to the Lease Agreement shall correspond to the payments of principal and interest represented by the Certificates, to be determined upon the sale thereof as set forth in Section 2. In the event that it is necessary to achieve the financing for an additional or alternative site to be identified as the Leased Property, an Authorized Officer is hereby authorized to identify such additional or alternate site in order to accomplish the financing plan described herein, which site shall be particularly described in the foregoing documents.

Section 2. Negotiated Sale of Certificates. The Board of Trustees hereby approves the sale of the Certificates on a negotiated basis to RBC Capital Markets, LLC (the "Underwriter"), pursuant to the terms and provisions of a Certificate Purchase Agreement (the "Certificate Purchase Agreement") between the District and the Underwriter. An Authorized Officer is hereby authorized and directed to execute and deliver the Certificate Purchase Agreement for and in the name and on behalf of the District, in substantially the form on file with the Secretary of the Board, with such changes therein, deletions therefrom and additions thereto deemed advisable by an

Authorized Officer, whose execution thereof shall be conclusive evidence of such approval. The Certificates shall be sold at a true interest cost of not to exceed 5.50%, and the amount of the Underwriter's discount on the sale of the Certificates shall not exceed 0.80% of the par amount thereof. The District hereby authorizes the delivery and performance of the Certificate Purchase Agreement.

Section 3. Official Statement. The Board of Trustees hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 (the "Rule"), the Preliminary Official Statement describing the Certificates in the form on file with the Secretary. An Authorized Officer is hereby individually authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Board of Trustees' determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule. Distribution of the Preliminary Official Statement to prospective purchasers of the Certificates is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Board of Trustees hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed in the name and on behalf of the District by an Authorized Officer.

Section 4. Engagement of Professional Services. The Board of Trustees hereby approves the engagement for special counsel services with the firm of Jones Hall, A Professional Law Corporation and the engagement of Isom Advisors, A Division of Urban Futures, Inc., for financial advisory services, pursuant to agreements between the District and both of said firms in the form on file with the Chief Business Official.

Section 5. Official Actions. The President of the Board, the Superintendent, the Chief Business Official, the Secretary of the Board and all other officers of the District are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, leases and other instruments of conveyance, warrants, termination and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Said authority extends to applying for municipal insurance for the Certificates, if in the best interests of the District. 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 in writing by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

PASSED AND ADOPTED by the Board of Trustees of the Guadalupe Union
School District on February 14, 2018, by the following vote:

AYES:

NOES:

ABSENT:

By: _____
President of the Board of Trustees

ATTEST:

By: _____
Secretary to the Board of Trustees

APPENDIX A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the underwriter and financial advisor, which has provided to the District in good faith:

- (A) True interest cost of the Bonds: 4.0%
- (B) Finance charge of the Bonds (sum of all costs of issuance and fees/charges paid to third parties): \$200,000
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$3,250,000
- (D) Total payment amount through maturity: \$5,900,000

TO BE RECORDED AND WHEN RECORDED

RETURN TO:

Jones Hall, A Professional Law Corporation
475 Sansome Street, Suite 1700
San Francisco, California 94111
Attention: William J. Kadi, Esq.

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

SITE LEASE

This SITE LEASE (this "Site Lease"), dated as of March 1, 2018, is between the GUADALUPE UNION SCHOOL DISTRICT, a school district duly organized and existing under the laws of the State of California, of Santa Barbara County, as lessor (the "District"), and the LOCAL FACILITIES FINANCE CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessee (the "Corporation").

BACKGROUND:

1. The District is proceeding to finance school facilities improvements (the "Project").

2. In order to provide funds to finance the Project, the District has leased the land and buildings known as the McKenzie Junior High School, located at 4710 W. Main Street, Guadalupe, California, as described more fully in Appendix A attached hereto and made a part hereof (the "Leased Property"), to the Corporation under this Site Lease in consideration of the payment of an upfront rental payment in an amount sufficient for such purposes, and the Corporation has agreed to lease the Leased Property back to the District under a Lease Agreement dated as of March 1, 2018 (the "Lease Agreement"), which has been recorded concurrently herewith, in consideration of the agreement by the District to semiannual lease payments (the "Lease Payments").

3. The Corporation has agreed to assign its right to receive the Lease Payments to U.S. Bank National Association, as trustee (the "Trustee"), and in consideration of such assignment the Trustee has agreed to execute and deliver \$_____ aggregate principal amount of 2018 Certificates of Participation (the "Certificates"), each evidencing a direct, undivided fractional interest in the lease payments to be paid by the District under the Lease Agreement, the proceeds of which

will be applied by the Corporation to finance the acquisition and construction of the Project under a Trust Agreement dated as of March 1, 2018 (the "Trust Agreement"), between the Corporation, the District and the Trustee.

4. The Corporation has been organized for the purpose of providing financial assistance to the District and is authorized to enter into financing documents for that purpose.

5. The District is authorized to enter into this Site Lease and the Lease Agreement under Section 17456 of the Education Code of the State of California.

6. Payment of principal and interest represented by the Certificates is insured by a Municipal Bond Insurance Policy (the "Certificate Insurance Policy") issued by the _____ (the "Certificate Insurer").

A G R E E M E N T :

In consideration of the foregoing and the material covenants hereinafter contained, the District and the Corporation formally covenant, agree and bind themselves as follows:

SECTION 1. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Site Lease have the respective meanings given them in the Trust Agreement.

SECTION 2. *Lease of Leased Property.* The District hereby leases the Leased Property to the Corporation, and the Corporation hereby leases the Leased Property from the District, on the terms and conditions hereinafter set forth.

SECTION 3. *Term; Possession.* The term of this Site Lease commences, and the Corporation becomes entitled to possession of the Leased Property, as of the date of recordation hereof. This Site Lease ends, and the right of the Corporation hereunder to possession of the Leased Property thereupon ceases, on the date on which all of the outstanding Certificates are paid in full, or provision is made for such payment in accordance with the Trust Agreement, and the Trust Agreement has been discharged under Section 13.01 thereof, but under any circumstances not later than August 1, 2057.

SECTION 4. *Rental.* The Corporation shall pay to or at the direction of the District as and for rental of the Leased Property hereunder, from the proceeds of sale of the Certificates, the amount of \$_____ (the "Site Lease Payment") to be paid on or before the date of execution and delivery hereof. From the proceeds of the Site Lease Payment, there will be deposited in the Project Fund funds required to finance the Project as set forth in the Lease Agreement and in the Trust Agreement. The District shall ensure that the proceeds of the Site Lease Payment deposited in the Project Fund are applied solely for capital outlay purposes.

The Corporation and the District hereby find and determine that the total amount of the Site Lease Payment does not exceed the estimated value of the leasehold interest in the Leased Property which is conveyed hereunder by the District to the Corporation.

No other amounts of rental is due and payable by the Corporation for the use and occupancy of the Leased Property under this Site Lease.

SECTION 5. *Assignments and Subleases.* Unless the District is in default under the Lease, the Corporation may not assign its rights under this Site Lease or sublet all or any portion of the Leased Property, except as provided in the Lease, without the prior written consent of the District and the Certificate Insurer.

SECTION 6. *Right of Entry.* The District and the Certificate Insurer both reserve the right for any of its duly authorized representatives to enter upon the Leased Property, or any portion thereof, at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 7. *Termination.* The Corporation agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as the Leased Property was in at the time of commencement of the term hereof, reasonable wear and tear excepted, and agrees that all buildings, improvements and structures then existing upon the Leased Property will remain thereon and title thereto will vest thereupon in the District for no additional consideration.

SECTION 8. *Default.* If the Corporation defaults in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Corporation, the District may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease Agreement shall be deemed to occur as a result thereof and this Site Lease may not be terminated by the District as a remedy for such default. Notwithstanding the foregoing, so long as the Lease Agreement remains in effect, the District shall continue to pay the Lease Payments to the Trustee.

SECTION 9. *Amendments.* The Corporation and the District may at any time amend or modify any of the provisions of this Site Lease with the written consent of the Certificate Insurer, but only: (a) with the prior written consents of the Owners of a majority in aggregate principal amount of the Outstanding Certificates; or (b) without the consent of the Trustee or any of the Certificate Owners, but only if such amendment or modification is for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the District or the Corporation contained in this Site Lease, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the District or the Corporation,
- (ii) to cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, for the purpose of conforming to the original intention of the District and the Corporation,
- (iii) to amend any provision thereof relating to the Tax Code, but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest represented by any of the Certificates under the Tax Code, in the opinion of Bond Counsel,

- (iv) to amend the description of any component of the Leased Property to reflect accurately the property originally intended to be included therein, or to effectuate any substitution of property as permitted by Section 4.6 of the Lease Agreement or any release or property as permitted by Section 4.7 of the Lease Agreement,
- (v) in any other respect whatsoever as the Corporation and the District deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments do not materially adversely affect the interests of the Owners of the Certificates.

The District must obtain and cause to be filed with the Trustee an opinion of Bond Counsel with respect to any amendment or modification hereof, stating that all conditions precedent to such amendment as set forth in this Section have been satisfied. Promptly following the effective date of any amendment or modification under this Section, the District must mail written notice thereof to each rating agency which then maintains a rating on the Certificates.

SECTION 10. *Quiet Enjoyment.* The Corporation at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Property, subject to the provisions of the Lease Agreement and subject only to Permitted Encumbrances.

SECTION 11. *Waiver of Personal Liability.* All liabilities under this Site Lease on the part of the Corporation are solely corporate liabilities of the Corporation as a nonprofit corporation, and the District hereby release each and every member and officer of the Corporation of and from any personal or individual liability under this Site Lease. No member or officer of the Corporation or its governing board is at any time or under any circumstances individually or personally liable under this Site Lease for anything done or omitted to be done by the Corporation hereunder.

SECTION 12. *Taxes.* The District will pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property and any improvements thereon.

SECTION 13. *Eminent Domain.* If the whole or any part of the Leased Property, or any improvements thereon, are taken by eminent domain proceedings, the interest of the Corporation will be the aggregate amount of the then unpaid principal and interest components of the Lease Payments payable under the Lease Agreement and the balance of the award, if any, will be paid to the District. The District hereby waives any and all rights that it has or may hereafter have to acquire the interest of the Corporation in and to the Leased Property through the eminent domain powers of the District.

SECTION 14. *Partial Invalidity.* If any one or more of the terms, provisions, covenants or conditions of this Site Lease are to any extent declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease will be affected thereby, and each provision of this Site Lease will be valid and enforceable to the fullest extent permitted by law. The Corporation and the District each hereby declares that it would have entered into this Site Lease and each and every other Section, paragraph,

sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Site Lease may be held illegal, invalid or unenforceable.

SECTION 15. *Notices.* Any notice, request, complaint, demand or other communication under this Site Lease must be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission, at its number set forth below. Notice will be effective either (a) upon transmission by facsimile, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The District, the Corporation and the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder. Notices may be delivered in via e-mail to the officer identified below but will only be effective upon receipt by the sender of an acknowledgment of such recipient.

If to the District: Guadalupe Union School District
4465 Ninth Street/P.O. Box 788
Guadalupe, California 93434
Attention: Superintendent

If to the Corporation: Local Facilities Finance Corporation
9258 Brunello Court
Bakersfield, California 93314
Attention: President

If to the Trustee: U.S. Bank National Association
633 W. Fifth St., 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust Services
Fax: (213) 615-6196

If to the Insurer: _____

Attention: _____
Email: _____

SECTION 16. *Governing Law.* This Site Lease shall be governed by the laws of the State of California.

SECTION 17. *Third Party Beneficiary.* The Trustee and the Certificate Insurer are hereby made third party beneficiaries hereunder with all rights of third party beneficiaries.

SECTION 18. *Binding Effect.* This Site Lease inures to the benefit of and is binding upon the Corporation, the District and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 19. *Section Headings.* All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

SECTION 20. *Execution in Counterparts.* This Site Lease may be executed in any number of counterparts, each of which is an original but all together constitute one and the same instrument. It is also agreed that separate counterparts of this Site Lease may be separately executed by the Corporation and the District, all with the same force and effect as though the same counterpart had been executed by both the Corporation and the District.

IN WITNESS WHEREOF, the District and the Corporation have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

GUADALUPE UNION SCHOOL DISTRICT,
as lessor

By _____
Ed Cora
Superintendent

Attest:

Gloria Grijalva
Chief Business Official

**LOCAL FACILITIES FINANCE
CORPORATION,**
as lessee

By _____
Rex Despain
President

APPENDIX A

DESCRIPTION OF THE LEASED PROPERTY

The Leased Property consists of the following described land located in the County of Santa Barbara, State of California, together with all buildings, facilities and other improvements which constitute real property and which are located thereon:

APN: _____

TO BE RECORDED AND WHEN RECORDED
RETURN TO:
Jones Hall, A Professional Law Corporation
475 Sansome Street, Suite 1700
San Francisco, California 94111
Attention: William J. Kadi, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX UNDER SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

LEASE AGREEMENT

Dated as of March 1, 2018

between the

LOCAL FACILITIES FINANCE CORPORATION
as lessor

and the

GUADALUPE UNION SCHOOL DISTRICT
as lessee

Relating to

\$ _____
2018 Certificates of Participation

LEASE AGREEMENT

This LEASE AGREEMENT (this "Lease"), dated as of March 1, 2018, is between the LOCAL FACILITIES FINANCE CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and the GUADALUPE UNION SCHOOL DISTRICT, a school district duly organized and existing under the laws of the State of California (the "District").

BACKGROUND:

1. The District is proceeding to finance school facilities improvements (the "Projects").

2. In order to provide funds to finance the Project, the District has leased certain land and improvements located thereon known as the McKenzie Junior High School, located at 4710 W. Main Street, Guadalupe, California, as described more fully in Appendix A attached hereto and made a part hereof (the "Leased Property"), to the Corporation under a Site Lease recorded concurrently herewith in consideration of the payment of an upfront rental payment in an amount sufficient for such purposes, and the Corporation has agreed to lease the Leased Property back to the District under this Lease Agreement dated as of March 1, 2018 (the "Lease Agreement"), in consideration of the agreement by the District to semiannual lease payments (the "Lease Payments").

3. The Corporation has agreed to assign its right to receive the Lease Payments to U.S. Bank National Association, as trustee (the "Trustee"), and in consideration of such assignment the Trustee has agreed to execute and deliver \$_____ aggregate principal amount of 2018 Certificates of Participation (the "Certificates"), each evidencing a direct, undivided fractional interest in the lease payments to be paid by the District under the Lease Agreement, the proceeds of which will be applied by the Corporation to finance the Projects under a Trust Agreement dated as of March 1, 2018 (the "Trust Agreement"), between the Corporation, the District and the Trustee.

4. The Corporation has been organized for the purpose of providing financial assistance to the District and is authorized to enter into financing documents for that purpose.

5. The District is authorized to enter into this Site Lease and the Lease Agreement under Section 17456 of the Education Code of the State of California.

6. Payment of principal and interest represented by the Certificates is insured by a Municipal Bond Insurance Policy (the "Certificate Insurance Policy") issued by _____ (the "Certificate Insurer").

A G R E E M E N T :

In consideration of the foregoing and the material covenants hereinafter contained, the District and the Corporation formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

SECTION 1.1. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Lease have the respective meanings specified in the recitals hereof and in Appendix A to the Trust Agreement.

SECTION 1.2. *Interpretation.*

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

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

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

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

SECTION 2.1. *Covenants, Representations and Warranties of the District.* The District makes the following covenants, representations and warranties to the Corporation and the Certificate Insurer as of the Closing Date

(a) Due Organization and Existence. The District is an elementary school district duly organized and validly existing under the laws of the State of California, has full legal right, power and authority under the laws of the State of California to enter into this Lease, the Site Lease and the Trust Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the District has duly authorized the execution and delivery of this Lease, the Site Lease and the Trust Agreement.

(b) Due Execution. The representatives of the District executing this Lease, the Site Lease and the Trust Agreement have been fully

authorized to execute the same under a resolution duly adopted by the Board of Trustees of the District.

- (c) Valid, Binding and Enforceable Obligations. This Lease, the Site Lease and the Trust Agreement have been duly authorized, executed and delivered by the District and constitute the legal, valid and binding agreements of the District enforceable against the District in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.
- (d) No Conflicts. The execution and delivery of this Lease, the Site Lease and the Trust Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site Lease and the Trust Agreement or the financial condition, assets, properties or operations of the District.
- (e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease, the Site Lease and the Trust Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.
- (f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Lease, the

Site Lease or the Trust Agreement, or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site Lease or the Trust Agreement or the financial conditions, assets, properties or operations of the District.

- (g) No Flood Plain. The Leased Property is not located in an area designated by the Federal Emergency Management Agency as a 100-year flood plain.

SECTION 2.2. *Covenants, Representations and Warranties of the Corporation.* The Corporation makes the following covenants, representations and warranties to the District as of the Closing Date

- (a) Due Organization and Existence. The Corporation is a nonprofit corporation duly organized and existing under the laws of the State of California, has full legal right, power and authority to enter into this Lease, the Site Lease, the Trust Agreement and the Assignment Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the Corporation has duly authorized the execution and delivery of this Lease, the Site Lease, the Trust Agreement and the Assignment Agreement.
- (b) Maintenance of Existence. The Corporation shall maintain its existence as a nonprofit corporation duly organized and existing under the laws of the State of California at all times during the Term hereof.
- (c) Due Execution. The representatives of the Corporation executing this Lease, the Site Lease, the Trust Agreement and the Assignment Agreement are fully authorized to execute the same under official action taken by the Board of Directors of the Corporation.
- (d) Valid, Binding and Enforceable Obligations. This Lease, the Site Lease, the Trust Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.
- (e) No Conflicts. The execution and delivery of this Lease, the Site Lease, the Trust Agreement and the Assignment Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both)

under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site Lease, the Trust Agreement and the Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

- (f) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease, the Site Lease, the Trust Agreement or the Assignment Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.
- (g) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Corporation after reasonable investigation, threatened against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Lease, the Site Lease, the Trust Agreement or the Assignment Agreement, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site Lease, the Trust Agreement or the Assignment Agreement or the financial conditions, assets, properties or operations of the Corporation.

ARTICLE III

DEPOSIT AND APPLICATION OF FUNDS; CONSTRUCTION OF PROJECT

SECTION 3.1. *Deposit of Moneys.* On the Closing Date, the Corporation shall cause the proceeds of sale of the Certificates to be deposited with the Trustee. Under Section 4.01 of the Trust Agreement, from the proceeds of sale of the Certificates the estimated amount of the Costs of Issuance will be deposited in the Costs of Issuance Fund and the balance of such proceeds will be deposited in the Project Fund to be applied to finance the Project as set forth herein and in the Trust Agreement.

SECTION 3.2. *Construction of Project.* The District will enter into, administer and enforce all purchase orders or other contracts relating to the acquisition and construction of the Project. The District will requisition the payment of Project Costs from amounts held by it in the Project Fund, under and in accordance with Section 4.04 of the Trust Agreement. All contracts for, and all work relating to, the acquisition and construction of the Project are subject to all applicable provisions of law relating to the acquisition, construction, improvement, and equipping of like facilities and property by the District. The District will supervise and undertake to completion the acquisition and construction of the Project in accordance with the plans and specifications, purchase orders, construction contracts and other documents relating thereto and approved by the District under all applicable requirements of law.

SECTION 3.3. *Completion of Project; Certification of Completion.* The District expects that the Project will be substantially completed by March, 2021. The failure to complete the Project by such date will not constitute an Event of Default hereunder or a ground for termination of this Lease.

Upon the completion of the acquisition and construction of the Project, but in any event not later than 30 days following such completion, the District shall execute and deliver to the Corporation and the Trustee a written certificate which (a) states that the acquisition and construction of the Projects have been substantially completed, (b) identifies the total Project Costs theretofore paid from the Project Fund, and (c) identifies (i) the amounts, if any, to remain on deposit in the Project Fund for payment of Project Costs thereafter intended to be requisitioned by the District, and (ii) the amounts (if any) to be transferred by the Trustee from the Project Fund to the Lease Payment Fund under Section 4.04 of the Trust Agreement.

ARTICLE IV
LEASE PAYMENTS;
SUBSTITUTION AND RELEASE OF PROPERTY

SECTION 4.1. *Lease of Leased Property.* The Corporation hereby leases the Leased Property to the District, and the District hereby leases the Leased Property from the Corporation, upon the terms and conditions set forth in this Lease.

SECTION 4.2. *Term.* The Term of this Lease commences on the date of execution and delivery hereof and ends on the date on which the Trust Agreement is discharged under Section 13.01 thereof, but under any circumstances not later than August 1, 2057. The provisions of this Section are subject to the provisions of Section 4.6 relating to the substitution of property, the provisions of Section 4.7 relating to the release of property, and the provisions of Section 6.2 relating to the taking in eminent domain of the Leased Property or any portion thereof. Notwithstanding the foregoing provisions of this Section, the District may not terminate this Lease as a remedy for a default by the Corporation.

SECTION 4.3. *Lease Payments.*

(a) Obligation to Pay. Subject to the provisions of Sections 6.2 and 6.3 and the provisions of Article IX, the District will pay to the Corporation, its successors and assigns, the Lease Payments (denominated into components of principal and interest) in the respective amounts specified in Appendix B hereto, to be due and payable in immediately available funds on the Interest Payment Dates immediately following each of the respective Lease Payment Dates specified in Appendix B, and to be deposited by the District with the Trustee on each of the Lease Payment Dates specified in Appendix B. Any amount held in the Lease Payment Fund on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole under Article IX and other than amounts required for payment of past due principal or interest represented by any Certificates not presented for payment) will be credited towards the Lease Payment then required to be paid; and no Lease Payment need be deposited with the Trustee on any Lease Payment Date if the amounts then held in the Lease Payment Fund are at least equal to the Lease Payment then required to be deposited with the Trustee. The Lease Payments payable in any Rental Period are for the use of the Leased Property during such Rental Period.

(b) Effect of Prepayment. If the District prepays all Lease Payments in full under Sections 9.2, 9.3 or 9.4, and if the District has paid all Additional Payments then due and payable, the District's obligations under this Section will thereupon cease and terminate. If the District prepays the Lease Payments in part but not in whole under Sections 9.2, 9.3 or 9.4, the principal components of the remaining Lease Payments will be reduced in integral multiples of \$5,000 among Lease Payment Dates on a basis which corresponds to the principal maturities of the Certificates which are prepaid thereby; and the interest component of each remaining Lease Payment will be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Certificates thereby prepaid under the corresponding provisions of Section 3.01 of the Trust Agreement.

(c) Rate on Overdue Payments. If the District fails to make any of the payments required in this Section, the payment in default will continue as an obligation of the District until the amount in default has been fully paid, and the District agrees to pay the same with interest thereon, from the date of default to the date of payment at the highest rate of interest represented by any Outstanding Certificate.

(d) Fair Rental Value. The Lease Payments and Additional Payments coming due and payable during each Rental Period constitute the total rental for the Leased Property for such Rental Period, and the District will pay the Lease Payments and Additional Payments in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Property during each Rental Period. The Corporation and the District have agreed and determined that the total Lease Payments and Additional Payments represent the fair rental value of the Leased Property. In making such determination, consideration has been given to the estimated value of the Leased Property as of the Closing Date, other obligations of the District and the Corporation under this Lease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the District and the general public.

(e) Source of Payments; Budget and Appropriation. The Lease Payments and Additional Payments are payable from any source of available funds of the District, subject to the provisions of Articles VI and IX. The District covenants to take such action as may be necessary to include all estimated Lease Payments and all estimated Additional Payments due hereunder in each of its final approved budgets. The District further covenants to make all necessary appropriations (including any supplemental appropriations) from any source of legally available funds of the District for all the actual amount of Lease Payments and Additional Payments which come due and payable during the period covered by each such budget. The covenants on the part of the District contained herein are duties imposed by law and it is the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the District.

(f) Assignment. The District acknowledges that the Site Lease, this Lease, and all Lease Payments have been assigned by the Corporation to the Trustee in trust under the Assignment Agreement, dated as of March 1, 2018 and recorded concurrently herewith, for the benefit of the Owners of the Certificates and the Certificate Insurer, and the District consents to such assignment. The Corporation directs the District, and the District agrees to pay to the Trustee at its Office, all payments payable by the District under this Section and all amounts payable by the District under Article IX.

SECTION 4.4. *Additional Payments.* In addition to the Lease Payments, the District shall pay when due, as additional rental for the Leased Property hereunder, all costs and expenses incurred by the District hereunder or under the Trust Agreement, or incurred by the Corporation to comply with the provisions of the Trust Agreement, including without limitation all Costs of Issuance (to the extent not paid from amounts on deposit in the Costs of Issuance Fund), annual compensation due to the Trustee and all of its reasonable costs and expenses (including amounts payable to the Trustee by virtue of indemnification) payable as a result of the performance of and compliance with its duties under the Trust Agreement, all reimbursements of costs to the Certificate

Insurer that do not constitute payment of Lease Payments, all amounts owed pursuant to that certain Debt Service Reserve Agreement, by and between the District and the Certificate Insurer as issuer of the Reserve Policy, all amounts due to the Certificate Insurer that do not constitute payment of Lease Payments, all amounts required to repay draws on a Reserve Facility, including specifically the Reserve Policy, and all reasonable costs and expenses of attorneys, auditors, engineers and accountants engaged by the Corporation or the Trustee in connection with the Leased Property or the performance of their duties hereunder or under the Trust Agreement.

The District shall be obligated to pay, as an additional lease payment, to the Trustee for deposit to the Debt Service Reserve Fund an amount equal to the amount necessary to replenish the Reserve Fund to the Reserve Fund Requirement under the Trust Agreement, including any amounts required to repay draws and policy costs under the Reserve Policy.

SECTION 4.5. *Title.* At all times during the Term of this Lease, the District will hold title to the Leased Property, subject to the Site Lease and other Permitted Encumbrances, including all additions which comprise fixtures, repairs, replacements or modifications thereto, and subject to the provisions of Section 5.2.

Upon the termination of this Lease (other than under Section 8.2(b) hereof), all right, title and interest of the Corporation in and to the Leased Property will be transferred to and vested in the District. Upon the payment in full of all Lease Payments allocable to the Leased Property, or upon the deposit by the District of security for such Lease Payments as provided in Section 9.1, all right, title and interest of the Corporation in and to the Leased Property will be transferred to and vested in the District. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the District to consummate any such transfer of title.

SECTION 4.6. *Substitution of Property.* The District has the option at any time and from time to time to substitute other real property (the "Substitute Property") for the Leased Property or any portion thereof (the "Former Property"), provided that the District shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution

- (a) No Event of Default has occurred and is continuing.
- (b) The District has filed with the Corporation and the Trustee, and caused to be recorded in the office of the Santa Barbara County Recorder sufficient memorialization of, an amendment hereof which adds to Appendix A hereto a description of such Substitute Property and deletes therefrom the description of such Former Property.
- (c) The District has obtained a CLTA policy of title insurance which insures the District's leasehold estate hereunder in such Substitute Property, subject only to Permitted Encumbrances, in an amount at least equal to the estimated value thereof;
- (d) The District has certified in writing to the Corporation and the Trustee that such Substitute Property serves the educational purposes of the District and constitutes property which the District is

permitted to lease under the laws of the State of California, and has been determined to be essential to the proper, efficient and economic operation of the District and to serve an essential governmental function of the District.

- (e) The Substitute Property does not cause the District to violate any of its covenants, representations and warranties made herein or in the Trust Agreement.
- (f) The District has filed with the Corporation and the Trustee an appraisal or other written documentation which establishes that the estimated value and the fair rental value of the Substitute Property are at least equal to the estimated value and the fair rental value, respectively, of the Former Property, and that the useful life of the Substitute Property at least equals the lesser of (i) the useful life of the Former Property, or (ii) the final Lease Payment Date of the Lease Payments.
- (g) The District has mailed written notice of such substitution to each rating agency which then maintains a rating on the Certificates.
- (h) The District shall have obtained the prior written consent of the Certificate Insurer to such substitution.

Upon the satisfaction of all such conditions precedent, the Term of this Lease will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property will apply with full force and effect to the Substitute Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such substitution. The Corporation and the District will execute, deliver and cause to be recorded all documents required to discharge this Lease against the Former Property.

SECTION 4.7. *Release of Property.* The District has the option at any time and from time to time to release any portion of the Leased Property from this Lease and the Site Lease (the "Released Property") provided that the District has satisfied all of the following requirements which are hereby declared to be conditions precedent to such release

- (a) No Event of Default has occurred and is continuing.
- (b) The District has filed with the Corporation and the Trustee, and caused to be recorded in the office of the Santa Barbara County Recorder sufficient memorialization of, an amendment hereof which removes the Released Property from this Lease and the Site Lease.
- (c) The District has certified in writing to the Corporation and the Trustee that the estimated value of the property which remains subject to this Lease and the Site Lease following such release is at least equal to the aggregate original principal amount of the Certificates, and the fair rental value of the property which remains subject to this Lease and the Site Lease following such release is at

least equal to the Lease Payments thereafter coming due and payable hereunder.

- (d) The District has mailed written notice of such release to each rating agency which then maintains a rating on the Certificates.
- (e) The District shall have obtained the prior written consent of the Certificate Insurer to such release.

Upon the satisfaction of all such conditions precedent, the Term of this Lease will thereupon end as to the Released Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Corporation and the District shall execute, deliver and cause to be recorded all documents required to discharge this Lease and the Site Lease of record against the Released Property.

SECTION 4.8. *No Merger.* It is the express intention of the Corporation and the District that this Lease and the obligations of the parties hereunder are separate and distinct from the Site Lease and the obligations of the parties thereunder, and that during the term of the Site Lease and this Lease no merger of title or interest may occur or be deemed to occur as a result of the respective positions of the Corporation and the District thereunder and hereunder.

ARTICLE V

MAINTENANCE, TAXES, INSURANCE AND OTHER MATTERS

SECTION 5.1. *Maintenance, Utilities, Taxes and Assessments.* Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, all improvement, repair and maintenance of the Leased Property are the sole responsibility of the District, and the District will pay for or otherwise arrange for the payment of all utility services supplied to the Leased Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Leased Property, as hereinbefore more specifically set forth. The District waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the District under the terms of this Lease.

The District will also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the District affecting the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District is obligated to pay only such installments

as are required to be paid during the Term of this Lease as and when the same become due.

The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation notifies the District that, in its reasonable opinion, by nonpayment of any such items the interest of the Corporation in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation and the Trustee.

SECTION 5.2. *Modification of Leased Property.* The District has the right, at its own expense, to make additions, modifications and improvements to the Leased Property or any portion thereof. All additions, modifications and improvements to the Leased Property will thereafter comprise part of the Leased Property and become subject to the provisions of this Lease. Such additions, modifications and improvements may not in any way damage the Leased Property, or cause the Leased Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made thereto under this Section, shall be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements. The District will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the District under this Section; provided that if any such lien is established and the District first notifies the Corporation of the District's intention to do so, the District may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Corporation with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Corporation. The Corporation will cooperate fully in any such contest, upon the request and at the expense of the District.

SECTION 5.3. *Public Liability and Property Damage Insurance.* The District will maintain or cause to be maintained, throughout the Term of this Lease, comprehensive general insurance in protection of the Corporation, the District and their respective members, officers, agents, employees and assigns. Such insurance shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such insurance shall provide coverage in such liability limits and be subject to such deductibles as the District deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of a program of self-insurance by the District, or in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District shall apply the proceeds of such insurance toward extinguishment or satisfaction of the liability with respect to which the net proceeds are paid.

SECTION 5.4. *Casualty Insurance.* The District will procure and maintain, or cause to be procured and maintained, at all times throughout the Term of this Lease, casualty insurance against loss or damage to the insured buildings, facilities and other improvements constituting any part of the Leased Property, in an amount at least equal to the greater of (a) the replacement value of such buildings, facilities and improvements, or (b) the aggregate principal amount of the Outstanding Certificates. Such insurance shall, as nearly as practicable, cover loss or damage by fire, explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance, and shall include earthquake coverage if such coverage is available at reasonable cost from reputable insurers in the reasonable determination of the District, whose determination is final and conclusive. Such insurance may be subject to such deductibles as the District deems prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and with the consent of the Certificate Insurer may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such insurance may not be maintained by the District in the form of self-insurance. The District shall apply the Net Proceeds of such insurance as provided in Section 6.1.

SECTION 5.5. *Rental Interruption Insurance.* The District will procure and maintain, or cause to be procured and maintained, at all times throughout the Term of this Lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the buildings, facilities and other improvements constituting any part of the Leased Property, as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum Lease Payments coming due and payable during any two consecutive Fiscal Years during the remaining Term of this Lease. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, provided that the provider of such insurance shall be rated at least "A" by A.M. Best & Company, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such insurance may not be maintained by the District in the form of self-insurance. The Net Proceeds of such insurance, if any, shall be paid to the Trustee and deposited in the Lease Payment Fund, and shall be credited towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

SECTION 5.6. *Recordation Hereof; Title Insurance.* The District will, at its expense, cause the Site Lease, the Assignment Agreement and this Lease to be recorded in the office of the Santa Barbara County Recorder on or before the Closing Date. Concurrent with such recordation, the District shall obtain a CLTA title insurance policy insuring the District's leasehold estate in the Leased Property hereunder, in an amount at least equal to the aggregate principal amount of the Certificates. All Net Proceeds received under such title insurance policy will be deposited with the Trustee in the Lease Payment Fund and credited towards the prepayment of the Lease Payments under Section 9.3.

SECTION 5.7. *Insurance Net Proceeds; Form of Policies.* Each policy of insurance maintained under Sections 5.4, 5.5 and 5.6 shall name the Trustee as loss payee so as to provide that all proceeds thereunder are payable to the Trustee. The District shall pay or cause to be paid when due the premiums for all insurance policies

required by this Lease. All such policies shall provide that the Trustee and Certificate Insurer are given 30 days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee is not responsible for the sufficiency, adequacy or amount of any insurance or self-insurance herein required and is fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss.

SECTION 5.8. *Installation of District's Personal Property.* The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Property. All such items will remain the sole property of the District, in which neither the Corporation nor the Trustee has any interest, and may be modified or removed by the District at any time, provided that the District shall repair and restore any and all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in this Lease prevents the District from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest attaches to any part of the Leased Property.

SECTION 5.9. *Liens.* The District may not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than as herein contemplated and except for such encumbrances as the District certifies in writing to the Trustee and the Trustee do not materially and adversely affect the leasehold estate in the Leased Property hereunder. Except as expressly provided in this Article, the District will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The District will reimburse the Corporation for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

SECTION 5.10. *Advances.* If the District fails to perform any of its obligations under this Article, the Corporation may take any necessary action to cure the failure, including the advancement of money, and the District shall repay all such advances as additional rental hereunder, with interest at the rate set forth in Section 4.3(c).

ARTICLE VI

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

SECTION 6.1. *Application of Net Proceeds.* The Net Proceeds of any insurance award resulting from any damage to or destruction of the Leased Property by fire or other casualty shall be paid to the Trustee, as assignee of the Corporation under the Assignment Agreement, and deposited in the Insurance and Condemnation Fund to be applied as set forth in Section 6.01 of the Trust Agreement. The District shall pay the Net Proceeds of any eminent domain award with respect to the Leased Property resulting from an event described in Section 6.2 to the Trustee for deposit in the Insurance and Condemnation Fund, to be applied as set forth in Section 6.02 of the Trust Agreement.

SECTION 6.2. *Termination or Abatement Due to Eminent Domain.* If the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease will cease with respect thereto as of the day possession is so taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, (a) this Lease will continue in full force and effect with respect thereto and will not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (b) there will be a partial abatement of Lease Payments allocated thereto, in an amount to be determined by the District such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property. Notwithstanding the foregoing, the Lease Payments will not be abated under this Section to the extent that amounts in the Reserve Fund are available to pay Lease Payments which would otherwise be abated under this Section, it being hereby declared that such proceeds and amounts constitute a special fund for the payment of the Lease Payments.

SECTION 6.3. *Abatement Due to Damage or Destruction.* The amount of Lease Payments will be abated during any period in which by reason of damage or destruction (other than by eminent domain which is hereinbefore provided for) there is substantial interference with the use and occupancy by the District of the Leased Property or any portion thereof. The amount of such abatement shall be determined by the District such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Leased Property not damaged or destroyed. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, this Lease shall continue in full force and effect and the District waives any right to terminate this Lease by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this Section to the extent that the proceeds of hazard insurance, rental interruption insurance or amounts in the Reserve Fund are available to pay Lease Payments which would otherwise be abated under this Section, it being hereby declared that such proceeds and amounts constitute a special fund for the payment of the Lease Payments.

SECTION 6.4. *Covenant Against Eminent Domain.* During the Term of this Lease, the District shall not acquire the subleasehold estate of the Corporation in the Leased Property under the Site Lease through the exercise of its eminent domain powers or otherwise.

ARTICLE VII

OTHER COVENANTS

SECTION 7.1. *Disclaimer of Warranties.* THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE LEASED PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF. THE DISTRICT ACKNOWLEDGES THAT THE CORPORATION IS NOT A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE DISTRICT LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event is the Corporation liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease or the Trust Agreement for the existence, furnishing, functioning or the District's use of the Leased Property.

SECTION 7.2. *Access to the Leased Property.* The District agrees that the Corporation and any Corporation Representative and the Certificate Insurer, and their successors or assigns, may at all reasonable times enter upon and to examine and inspect the Leased Property or any part thereof. The Corporation and any Corporation Representative have such rights of access to the Leased Property or any component thereof as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the District to perform its obligations hereunder; *provided, however,* that neither the Corporation nor any of its assigns has any obligation to cause such proper maintenance.

SECTION 7.3. *Release and Indemnification Covenants.* The District shall indemnify the Corporation, the Trustee and their respective officers, agents, successors and assigns against all claims, losses and damages, including legal fees and expenses, arising out of any of the following

- (a) the use, maintenance, condition or management of, or from any work or thing done on the Leased Property by the District,
- (b) any breach or default on the part of the District in the performance of any of its obligations under this Lease,
- (c) any negligence or willful misconduct of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Property, or

- (d) any intentional misconduct or negligence of any sublessee of the District with respect to the Leased Property.

No indemnification is made under this Section or elsewhere in this Lease for willful misconduct or negligence under this Lease by the Corporation, the Trustee or their respective officers, agents, employees, successors or assigns.

SECTION 7.4. *Assignment and Subleasing by the District.* The District may sublease the Leased Property, or any portion thereof, subject to all of the following conditions

- (a) This Lease and the obligation of the District to make Lease Payments hereunder shall remain obligations of the District.
- (b) The District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation, the Certificate Insurer and the Trustee a true and complete copy of such sublease.
- (c) No such sublease by the District shall cause the Leased Property to be used for a purpose which is not authorized under the provisions of the laws of the State of California.
- (d) The District shall furnish the Corporation, the Certificate Insurer and the Trustee with a written opinion of Bond Counsel stating that such sublease does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State of California.
- (e) The District shall obtain the written consent of the Certificate Insurer to such sublease.

SECTION 7.5. *Amendment of Lease Agreement.* The Corporation and the District may at any time amend or modify any of the provisions of this Lease with the prior written consent of the Certificate Insurer, but only: (a) with the prior written consents of the Owners of a majority in aggregate principal amount of the Outstanding Certificates; or (b) without the consent of the Trustee or any of the Certificate Owners, but only if such amendment or modification is for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the District contained in this Lease, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the District;
- (ii) to cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, for the purpose of conforming to the original intention of the District and the Corporation;
- (iii) to amend any provision thereof relating to the Tax Code, but only if and to the extent such amendment will not adversely affect the

exclusion from gross income of interest represented by any of the Certificates under the Tax Code, in the opinion of Bond Counsel;

- (iv) to amend the description of any component of the Leased Property to reflect accurately the property originally intended to be included therein, or to effectuate any substitution of property as permitted by Section 4.6 or any release of property as permitted by Section 4.7;
- (v) to obligate the District to pay additional amounts of rental hereunder for the use and occupancy of the Leased Property or any portion thereof, but only if (A) such additional amounts of rental are pledged or assigned for the payment of any bonds, notes, leases or other obligations the proceeds of which are applied to finance the completion of the Project or other improvements to the Leased Property, and (B) the District has filed with the Trustee written evidence that the amendments made under this subsection (v) will not of themselves cause a reduction or withdrawal of any rating then assigned to the Certificates; or
- (vi) in any other respect whatsoever as the Corporation and the District deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments do not materially adversely affect the interests of the Owners of the Certificates.

The District shall obtain and cause to be filed with the Trustee an opinion of Bond Counsel with respect to any amendment or modification hereof, stating that all conditions precedent to such amendment as set forth in this Section have been satisfied. Promptly following the effective date of any amendment or modification under this Section, the District shall mail written notice thereof to each rating agency which then maintains a rating on the Certificates.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. *Events of Default Defined.* Each of the following events constitutes an Event of Default hereunder:

- (a) Failure by the District to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein.
- (b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed herein or in the Trust Agreement, other than as referred to in the preceding subsection (a), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Corporation or the Trustee; *provided, however,* that if the District notifies the Corporation and the Trustee that in its reasonable opinion the failure stated in the notice can be

corrected, but not within such 30-day period, the failure will not constitute an Event of Default if the District commences to cure the failure within such 30-day period and thereafter diligently and in good faith cures such failure in a reasonable period of time.

- (c) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

SECTION 8.2. *Remedies on Default.* Whenever any Event of Default has happened and is continuing, the Corporation may exercise any and all remedies available under law or granted under this Lease. Notwithstanding anything herein or in the Trust Agreement to the contrary, there is no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the District is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights granted hereunder; provided, that no termination of this Lease shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Corporation may exercise each and every one of the following remedies, subject in all respects to the limitations set forth in Section 8.3.

- (a) Enforcement of Payments Without Termination. If the Corporation does not elect to terminate this Lease in the manner hereinafter provided for in subsection (b) of this Section, the District agrees to remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Corporation for any deficiency arising out of the re-leasing of the Leased Property, or, if the Corporation is unable to re-lease the Leased Property, then for the full amount of all Lease Payments to the end of the Term of this Lease, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Leased Property or the exercise of any other remedy by the Corporation.

The District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to enter upon and re-lease the Leased Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Leased Property, to place such property in

storage or other suitable place in the County of Santa Barbara for the account of and at the expense of the District, and the District hereby agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Leased Property and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The District agrees that the terms of this Lease constitute full and sufficient notice of the right of the Corporation to re-lease the Leased Property in the event of such re-entry without effecting a surrender of this Lease, and further agrees that no acts of the Corporation in effecting such re-leasing constitute a surrender or termination of this Lease irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in subsection (b) of this Section. The District agrees to surrender and quit possession of the Leased Property upon demand of the Corporation for the purpose of enabling the Leased Property to be re-let under this paragraph. Any rental obtained by the Corporation in excess of the unpaid Lease Payments shall be deposited with the Trustee in the Lease Payment Fund, to be applied as a credit against future Lease Payments.

- (b) Termination of Lease. If an Event of Default occurs and is continuing hereunder, the Corporation at its option may terminate this Lease and re-lease all or any portion of the Leased Property. If the Corporation terminates this Lease at its option and in the manner hereinafter provided on account of default by the District (and notwithstanding any re-entry upon the Leased Property by the Corporation in any manner whatsoever or the re-leasing of the Leased Property), the District nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments and Additional Payments. Any surplus received by the Corporation from such re-leasing shall be deposited in the Lease Payment Fund. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate this Lease, and no termination of this Lease on account of default by the District shall be or become effective by operation of law, or otherwise, unless and until the Corporation has given written notice to the District of the election on the part of the Corporation to terminate this Lease. The District agrees that no surrender of the Leased Property, or of the remainder of the Term hereof or any termination of this Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

- (c) Proceedings at Law or In Equity. If an Event of Default occurs and continues hereunder, the Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

SECTION 8.3. *No Remedy Exclusive.* No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy is cumulative and in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article it is not necessary to give any notice, other than such notice as may be required in this Article or by law.

SECTION 8.4. *Agreement to Pay Attorneys' Fees and Expenses.* If either party to this Lease defaults under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

SECTION 8.5. *No Additional Waiver Implied by One Waiver.* If any agreement contained in this Lease is breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not constitute a waiver of any other breach hereunder.

SECTION 8.6. *Application of Proceeds.* All net proceeds received from the release of the Leased Property under this Article, and all other amounts derived by the Corporation or the Trustee as a result of the occurrence of an Event of Default, shall be paid to the Trustee and applied in accordance with Section 12.04 of the Trust Agreement.

SECTION 8.7. *Trustee and Certificate Owners to Exercise Rights.* Such rights and remedies as are given to the Corporation under this Article have been assigned by the Corporation to the Trustee under the Assignment Agreement for the benefit of the Certificate Owners, to which assignment the District hereby consents. The Trustee and the Certificate Owners shall exercise such rights as provided in the Trust Agreement.

ARTICLE IX

PREPAYMENT OF LEASE PAYMENTS

SECTION 9.1. *Security Deposit.* Notwithstanding any other provision of this Lease, the District may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Trustee an amount of cash which, together with other available amounts on deposit in the funds and accounts established under the Trust Agreement, is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Appendix B, or (b) invested in whole or in part in non-callable Federal Securities in such amount as will, in the opinion of an independent certified public accountant, (which opinion shall be addressed and delivered to the Trustee), together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay such Lease Payments when due under Section 4.3(a) as the District instructs at the time of said deposit.

If the District posts a security deposit under this Section with respect to all unpaid Lease Payments and if the District has paid or caused to be paid all Additional Payments then due and payable, and notwithstanding the provisions of Section 4.2, (a) the Term of this Lease will continue, (b) all obligations of the District under this Lease, and all security provided by this Lease for said obligations, will thereupon cease and terminate, excepting only the obligation of the District to make, or cause to be made all of the Lease Payments from such security deposit, and (c) under Section 4.6, title to the Leased Property will vest in the District on the date of said deposit automatically and without further action by the District or the Corporation. Said security deposit constitutes a special fund for the payment of Lease Payments in accordance with the provisions of this Lease.

SECTION 9.2. *Optional Prepayment.* The District may exercise its option to prepay the principal components of the Lease Payments in whole, or in part in any integral multiple of \$5,000, on any date on or after August 1, 20__, by paying a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, without prepayment premium.

In addition and notwithstanding the foregoing, the District may exercise its option to prepay the principal components of the Lease Payments in whole, or in part in any integral multiple of \$5,000, on any date on or after August 1, 20__ from General Obligation Bond Proceeds or unspent proceeds of the Certificates, upon payment of a prepayment price equal to 100% of the principal amount of the Lease Payments to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

Such prepayment price shall be deposited by the Trustee upon receipt in the Lease Payment Fund, to be applied to the prepayment of Certificates under Section 3.01(a) of the Trust Agreement. The District shall give the Trustee written notice of its intention to exercise its option not less than 45 days in advance of the date of exercise.

SECTION 9.3. *Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain.* The District is obligated to prepay the principal components of the Lease Payments, in whole on any Business Day, from and to the extent of any Net

Proceeds of insurance award or eminent domain award with respect to the Leased Property theretofore deposited in the Lease Payment Fund for such purpose under Article VI hereof and Article VI of the Trust Agreement. The District and the Corporation hereby agree that such Net Proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the District's obligations under this Section. Such prepayment price shall be deposited by the Trustee in the Lease Payment Fund to be applied to the prepayment of Certificates under Section 3.01(b) of the Trust Agreement.

SECTION 9.4. *Credit for Amounts on Deposit.* If the District prepays the principal components of the Lease Payments in full under Sections 9.2, 9.3 or 9.4, such that the Trust Agreement is discharged by its terms as a result of such prepayment, at the written election of the District filed with the Trustee any or all amounts then on deposit in the Lease Payment Fund, the Project Fund or the Reserve Fund will be credited towards the amounts then required to be so prepaid. If the District prepays the principal components of the Lease Payments in part under Sections 9.2, 9.3 or 9.4, any amount held in the Reserve Fund in excess of the Reserve Requirement may, at the written election of the District filed with the Trustee, be applied to prepay an additional principal amount of the Lease Payments.

ARTICLE X

PROVISIONS RELATING TO THE CERTIFICATE INSURER

SECTION 10.1. *Provisions of this Article are Controlling.* The following provisions of this Article X shall control and supersede any conflicting or inconsistent provisions in this Lease Agreement, the Site Lease, the Assignment Agreement or the Trust Agreement.

SECTION 10.2. *Certificate Insurer as Sole Owner.* So long as the Certificate Insurance Policy is in effect and the Certificate Insurer is not in default in respect of its payment obligations thereunder, the Certificate Insurer shall be deemed to be the sole and exclusive Owner of the Certificates for purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies.

SECTION 10.3. *Certificate Insurer Consent.* Any amendment or supplement to this Lease Agreement or the Site Lease shall be subject to the prior written consent of the Certificate Insurer. No release or substitution of any property subject to this Lease Agreement or the Site Lease or any deed of trust or other document evidencing a security interest (as used herein, a "Security Interest") in the Leased Property shall occur without the prior written consent of the Certificate Insurer.

SECTION 10.4. *Preservation of Leased Property.* The District shall, on an ongoing basis, execute and deliver all documents and make or cause to be made all filings and recordings necessary or desirable in order to perfect, preserve and protect the interest of the Trustee in the Leased Property to the extent possible under applicable law. Not earlier than 180 days nor later than 30 days prior to each fifth anniversary of

the Closing Date, the District shall deliver to the Trustee and the Certificate Insurer evidence indicating that all filings and recordings have been made and all other actions have been taken so as to perfect, preserve and protect such interests under applicable law. This provision shall survive any termination of this Lease while the Certificates are Outstanding.

SECTION 10.5. *Application of Net Proceeds.* If insurance or condemnation proceeds with respect to the Leased Property are received, such proceeds shall be applied to replacement or restoration of the affected property or to redemption of the Certificates; *provided, however*, that unless all Outstanding Certificates are to be prepaid from such amount, prior written consent of the Certificate Insurer shall be required for any such prepayment.

SECTION 10.6. *Limit on Debt and Liens.* Other than the Certificates, the District may not incur additional debt payable from the Lease Payments and may not impose a lien or encumbrance on the Leased Property, without the prior consent of the Certificate Insurer; provided nothing herein constitutes a limit on the District's ability to incur additional debt payable from the same source as the Lease Payments.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. *Notices.* Any notice, request, complaint, demand or other communication under this Lease may be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice will be effective either (a) upon transmission by facsimile, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The District, the Corporation and the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder. Notices may be delivered in via e-mail to the officer identified below but will only be effective upon receipt by the sender of an acknowledgment of such recipient.

If to the District:

Guadalupe Union School District
4465 Ninth Street/P.O. Box 788
Guadalupe, California 93434
Attention: Superintendent

If to the Corporation:

Local Facilities Finance Corporation
9258 Brunello Court
Bakersfield, California 93314
Attention: President

If to the Trustee:

U.S. Bank National Association
633 W. Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust Services
Fax: (213) 615-6196

If to the Insurer:

Attention: _____
Email: _____

SECTION 11.2. *Binding Effect.* This Lease inures to the benefit of and is binding upon the Corporation, the District and their respective successors and assigns.

SECTION 11.3. *Severability.* If any provision of this Lease is held invalid or unenforceable by any court of competent jurisdiction, such holding does not invalidate or render unenforceable any other provision hereof.

SECTION 11.4. *Net-net-net Lease.* This Lease is a "net-net-net lease" and the District hereby agrees that the Lease Payments are an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 11.5. *Third Party Beneficiary.* The Trustee and the Certificate Insurer are hereby made third party beneficiaries hereunder with all rights of third party beneficiaries.

SECTION 11.6. *Further Assurances and Corrective Instruments.* The Corporation and the District shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

SECTION 11.7. *Execution in Counterparts.* This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.8. *Applicable Law.* This Lease is governed by and construed in accordance with the laws of the State of California.

SECTION 11.9. *Corporation and District Representatives.* Whenever under the provisions of this Lease the approval of the Corporation or the District is required, or the Corporation or the District is required to take some action at the request of the other, such approval or such request shall be given for the Corporation by a Corporation Representative and for the District by a District Representative, and any party hereto shall be authorized to rely upon any such approval or request.

SECTION 11.10. *Captions.* The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

IN WITNESS WHEREOF, the Corporation and the District have caused this Lease to be executed in their respective names by their duly authorized officers, all as of the date first above written.

**LOCAL FACILITIES FINANCE
CORPORATION,**
as lessor

By _____
Rex Despain
President

GUADALUPE UNION SCHOOL DISTRICT,
as lessee

By _____
Ed Cora
Superintendent

Attest:

Gloria Grijalva
Chief Business Official

APPENDIX A

DESCRIPTION OF THE LEASED PROPERTY

The Leased Property consists of the following described land located in the County of Santa Barbara, State of California, together with all buildings, facilities and other improvements which constitute real property and which are located thereon:

APN: _____

APPENDIX B

SCHEDULE OF LEASE PAYMENTS*

* Lease Payments are due no later than the 5th Business Day preceding each of the listed payment dates.

Payment Date	Principal Component	Interest Component	Aggregate Lease Payment
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TO BE RECORDED AND WHEN RECORDED

RETURN TO:

Jones Hall, A Professional Law Corporation

475 Sansome Street, Suite 1700

San Francisco, California 94111

Attention: William J. Kadi, Esq.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383
OF THE CALIFORNIA GOVERNMENT CODE.

ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT (this "Assignment Agreement"), dated as of March 1, 2018, is between the LOCAL FACILITIES FINANCE CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

BACKGROUND:

1. The Rescue Union School District (the "District") is proceeding to finance school facilities improvements (the "Project").

2. In order to provide funds to finance the Project, the District has leased the land and buildings known as the McKenzie Junior High School, located at 4710 W. Main Street, Guadalupe, California, as described more fully in Appendix A attached hereto and made a part hereof (the "Leased Property"), to the Corporation under a Site Lease dated as of March 1, 2018 (the "Site Lease"), which has been recorded concurrently herewith, in consideration of the payment of an upfront rental payment in an amount sufficient for such purposes, and the Corporation has agreed to lease the Leased Property back to the District under a Lease Agreement dated as of March 1, 2018 (the "Lease Agreement"), which has been recorded concurrently herewith, in consideration of the agreement by the District to semiannual lease payments (the "Lease Payments").

3. Under the Site Lease, the Corporation is required to cause to be deposited with the Trustee certain sums of money to be credited, held and applied in accordance with the Lease Agreement and with a Trust Agreement dated as of March 1, 2018 (the "Trust Agreement") between the Corporation, the District and the Trustee, for the purpose of financing the Project.

4. For the purpose of obtaining such moneys, the Corporation is willing to convey to certain persons (the "Owners") direct, undivided fractional interests in the Lease Payments, such interests to be evidenced and represented by the \$_____

aggregate principal amount of 2018 Certificates of Participation (the "Certificates") to be delivered under the Trust Agreement.

5. In order to make such interests marketable on terms acceptable to the Corporation, the Corporation is willing to assign and transfer its rights under the Lease Agreement to the Trustee for the benefit of the Owners of the Certificates.

6. Concurrently with the delivery of this Assignment Agreement, the Trustee is executing and delivering the Certificates to RBC Capital Markets, LLC, as the original purchaser thereof. The proceeds of sale of the Certificates are sufficient to permit the Corporation to make the deposits required under the Lease Agreement and the Trust Agreement.

7. Each of the parties has the authority to enter into this Assignment Agreement, and has taken all actions necessary to authorize its officers to execute it.

8. Payment of principal and interest represented by the Certificates is insured by a Municipal Bond Insurance Policy (the "Certificate Insurance Policy") issued by the _____ (the "Certificate Insurer").

A G R E E M E N T :

In consideration of the material covenants contained in this Assignment Agreement, the Corporation and the Trustee hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Defined Terms.* All capitalized terms not otherwise defined herein have the respective meanings given them in the Trust Agreement.

SECTION 2. *Assignment.* The Corporation hereby transfers, assigns and sets over to the Trustee, for the benefit of the Owners of all Certificates which are executed, delivered and Outstanding under the Trust Agreement, all of the Corporation's rights under the Site Lease and the Lease Agreement (excepting only the Corporation's rights under Sections 4.4, 5.10, 7.3 and 8.4 of the Lease Agreement), including but not limited to:

- (a) the right to receive and collect all of the Lease Payments from the District under the Lease Agreement,
- (b) the right to receive and collect any proceeds of any insurance maintained thereunder with respect to the Leased Property, or any eminent domain award (or proceeds of sale under threat of eminent domain) paid with respect to the Leased Property, and
- (c) the right to exercise such rights and remedies conferred on the Corporation under the Lease Agreement as may be necessary or convenient (i) to enforce payment of the Lease Payments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund established under the Trust Agreement, or (ii) otherwise to protect the interests of the

Owners in the event of a default by the District under the Lease Agreement.

The Trustee shall administer all rights assigned to it by the Corporation under this Assignment Agreement in accordance with the provisions of the Trust Agreement, for the benefit of the Certificate Owners. Such assignment is absolute and irrevocable, and without recourse to the Corporation.

SECTION 3. *Acceptance.* The Trustee hereby accepts the assignments made herein for the purpose of securing the payments due under the Lease Agreement and Trust Agreement to, and the rights under the Lease Agreement and Trust Agreement of, the Owners of the Certificates which are executed, delivered and Outstanding under and under the Trust Agreement, all subject to the provisions of the Trust Agreement. The recitals contained herein are those of the Corporation and not of the Trustee, and the Trustee assumes no responsibility for the correctness thereof.

SECTION 4. *Conditions.* This Assignment Agreement confers no rights and imposes no duties upon the Trustee beyond those expressly provided in the Trust Agreement.

SECTION 5. *Third Party Beneficiary.* The Certificate Insurer shall be and is hereby made a third-party beneficiary hereunder with all rights of a third party beneficiary.

SECTION 6. *Execution in Counterparts.* This Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same agreement. It is also agreed that separate counterparts of this Assignment Agreement may be separately executed by the Trustee and the Corporation, both with the same force and effect as though the same counterpart had been executed by the Trustee and the Corporation.

SECTION 7. *Binding Effect.* This Assignment Agreement inures to the benefit of and binds the Corporation and the Trustee, and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 8. *Governing Law.* This Assignment Agreement shall be governed by the Constitution and laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement by their authorized officers as of the day and year first written above.

**LOCAL FACILITIES FINANCE
CORPORATION**

By _____
Rex Despain
President

**U.S. BANK NATIONAL ASSOCIATION,
*as Trustee***

By _____
Authorized Officer

APPENDIX A

DESCRIPTION OF THE LEASED PROPERTY

The Leased Property consists of the following described land located in the County of Guadalupe, State of California, together with all buildings, facilities and other improvements which constitute real property and which are located thereon:

APN: _____

TRUST AGREEMENT

Dated as of March 1, 2018

among

U.S. BANK NATIONAL ASSOCIATION,
as trustee

LOCAL FACILITIES FINANCE CORPORATION

and the

GUADALUPE UNION SCHOOL DISTRICT

Relating to

\$ _____
2018 Certificates of Participation

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TRUST AGREEMENT

This TRUST AGREEMENT (this "Trust Agreement"), dated as of March 1, 2018, is between U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee"), the LOCAL FACILITIES FINANCE CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and the GUADALUPE UNION SCHOOL DISTRICT, a school district duly organized and existing under the laws of the State of California (the "District").

BACKGROUND:

1. The District is proceeding to finance school facilities improvements (the "Project").

2. In order to provide funds to finance the Project, the District has leased the land and buildings located thereon known as the McKenzie Junior High School, located at 4710 W. Main Street, Guadalupe, California (the "Leased Property"), to the Corporation under a Site Lease in consideration of the payment of an upfront rental payment in an amount sufficient for such purposes, and the Corporation has agreed to lease the Leased Property back to the District under a Lease Agreement dated as of March 1, 2018 (the "Lease Agreement"), in consideration of the agreement by the District to semiannual lease payments (the "Lease Payments").

3. The Corporation has assigned its right to receive the Lease Payments to the Trustee, and in consideration of such assignment the Trustee has agreed to execute and deliver \$_____ aggregate principal amount of 2018 Certificates of Participation (the "Certificates"), each evidencing a direct, undivided fractional interest in the Lease Payments, the proceeds of which will be applied to finance the acquisition and construction of the Project, as further provided in this Trust Agreement.

4. Payment of principal and interest represented by the Certificates is insured by a Municipal Bond Insurance Policy (the "Certificate Insurance Policy") issued by the _____ (the "Certificate Insurer").

5. The Certificate Insurer is also issuing a Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") to be credited to the Reserve Fund (defined herein).

AGREEMENT:

In consideration of the foregoing and the material covenants hereinafter contained, the District, the Corporation and the Trustee formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms used in this Trust Agreement have the meanings given them in Appendix A hereto.

SECTION 1.02. *Authorization.* Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and includes the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

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

ARTICLE II

THE CERTIFICATES OF PARTICIPATION

SECTION 2.01. *Authorization.* The Trustee is hereby authorized and directed upon written request from the District to register, execute and deliver to the Original Purchaser, Certificates in the aggregate principal amount of \$_____. The Certificates evidence direct, undivided fractional ownership interests of the Owners thereof in the Lease Payments.

SECTION 2.02. *Date.* Each Certificate shall be dated as of the date of its execution and interest represented thereby shall be payable from the Interest Payment Date next preceding the date of execution thereof, unless:

- (a) it is executed following a Record Date and on or before the next succeeding Interest Payment Date, in which event interest represented thereby shall be payable from such Interest Payment Date,

- (b) unless it is executed on or before the first Record Date, in which event interest represented thereby shall be payable from the Closing Date, or
- (c) if, as of the date of any Certificate, interest represented by such Certificate is in default, in which event interest represented thereby shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to such Certificate.

SECTION 2.03. *Terms of Certificates.* Principal represented by the Certificates is payable on August 1 in each of the respective years and in the respective amounts, and interest represented thereby is computed at the respective rates, as follows:

Maturity Date (August 1)	Principal Amount	Interest Rate
-------------------------------------	-----------------------------	----------------------

SECTION 2.04. *Fully Registered Form; Interest.* The Certificates will be delivered in the form of fully registered Certificates without coupons in the authorized denominations of \$5,000 or any integral multiple thereof, except that no Certificate shall represent principal payable in more than one year. The Trustee shall assign the Certificates such alphabetical and numerical designation as the Trustee deems appropriate.

Interest represented by the Certificates is payable on each Interest Payment Date to and including the date of maturity or prepayment, whichever is earlier, as provided in Section 2.09. Said interest represents the portion of Lease Payments designated as interest and coming due on each of the respective Interest Payment Dates. The share of the portion of Lease Payments designated as interest with respect to any Certificate shall be computed by multiplying the portion of Lease Payments designated as principal represented by such Certificate by the rate of interest represented by such Certificate (on the basis of a 360-day year consisting of twelve 30-day months).

SECTION 2.05. *Book Entry System.*

(a) Original Delivery. The Certificates will be initially executed and delivered in the form of a separate single fully registered Certificate (which may be typewritten) for each maturity of the Certificates. Upon initial delivery, the ownership of each such Certificate will be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Certificates shall be registered in the name of the Nominee on the Registration Books.

With respect to Certificates the ownership of which is registered in the name of the Nominee, the District and the Trustee have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the District holds an interest in the Certificates. Without limiting the generality of the immediately preceding sentence, the District and the Trustee have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any Depository System Participant or any other person, other than a Certificate Owner as shown in the Registration Books, of any notice with respect to the Certificates, including any notice of prepayment, (iii) the selection by the Depository of the beneficial interests in the Certificates to be prepaid if the District elects to prepay the Certificates in part, (iv) the payment to any Depository System Participant or any other person, other than a Certificate Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest represented by the Certificates or (v) any consent given or other action taken by the Depository as Owner of the Certificates. The District and the Trustee may treat and consider the person in whose name each Certificate is registered as the absolute owner of such Certificate for the purpose of payment of principal, premium, if any, and interest represented by such Certificate, for the purpose of giving notices of prepayment and other matters with respect to such Certificate, for the purpose of registering transfers of ownership of such Certificate, and for all other purposes whatsoever. The Trustee shall pay the principal, interest and premium, if any, represented by the Certificates only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal, interest and premium, if any, represented by the Certificates to the extent of the sum or sums so paid. No person other than a Certificate Owner may receive a Certificate evidencing the obligation of the District to make payments of principal, interest and premium, if any, under this Trust Agreement. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Certificates for the Depository's book-entry system, the District shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Certificates. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the District or the Trustee any obligation whatsoever with respect to persons having interests in the Certificates other than the Certificate Owners. The Trustee shall agree to take all action reasonably necessary for all representations of the District in such letter with respect to the Trustee

to at all times be complied with. In addition to the execution and delivery of such letter, the District may take any other actions, not inconsistent with this Trust Agreement, to qualify the Certificates for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Certificates, or (ii) the District determines to terminate the Depository as such, then the District shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the District and the Trustee in the issuance of replacement Certificates by providing the Trustee with a list showing the interests of the Depository System Participants in the Certificates, and by surrendering the Certificates, registered in the name of the Nominee, to the Trustee on or before the date such replacement Certificates are to be executed and delivered. The Depository, by accepting delivery of the Certificates, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the District fails to identify another Securities Depository to replace the Depository, then the Certificates shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Certificates shall designate, in accordance with the provisions hereof.

If the District determines that it is in the best interests of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the District may notify the Depository System Participants of the availability of such certificated Certificates through the Depository. In such event, the Trustee will execute, register, transfer and exchange Certificates as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the District shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the Certificates to any Depository System Participant having Certificates credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Certificates, all at the District's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Trust Agreement to the contrary, so long as any Certificate is registered in the name of the Nominee, all payments with respect to principal, interest and premium, if any, represented by such Certificate and all notices with respect to such Certificate shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

SECTION 2.06. *Form and Execution of Certificates.* The Certificates shall be substantially in the form set forth in Appendix B hereto. The Trustee shall execute the Certificates with the manual signature of an authorized signatory of the Trustee. If any person whose signature appears on any Certificate ceases to be an authorized signatory before the date of delivery of said Certificate, such signature shall nevertheless be as effective as if such person had remained an authorized signatory until such date.

SECTION 2.07. *Transfer and Exchange.*

(a) Transfer of Certificates. The registration of any Certificate may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by duly authorized attorney, upon surrender of

such Certificate for cancellation at the Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, manually executed. Whenever any Certificate or Certificates shall be surrendered for registration of transfer, the Trustee shall execute and deliver a new Certificate or Certificates representing the same maturity, interest rate and aggregate principal amount, in any authorized denominations. The District shall pay all costs of the Trustee incurred in connection with any such transfer, except that the Trustee may require the payment by the Certificate Owner of any tax or other governmental charge required to be paid with respect to such transfer.

(b) Exchange of Certificates. Certificates may be exchanged at the Office of the Trustee, for a like aggregate principal amount of Certificates representing other authorized denominations of the same interest rate and maturity. The District shall pay all costs of the Trustee incurred in connection with any such exchange, except that the Trustee shall require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

(c) Limitations on Transfer or Exchange. The Trustee may refuse to transfer or exchange either (i) any Certificate during the period established by the Trustee for the selection of Certificates for prepayment, or (ii) any Certificate which the Trustee has selected for prepayment in whole or in part under the provisions of Section 3.02.

SECTION 2.08. *Certificates Mutilated, Lost, Destroyed or Stolen.* If any Certificate is mutilated, the Trustee, at the expense of the Owner of such Certificate, shall execute and deliver a new Certificate of like principal amount, interest rate and maturity in replacement for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. The Trustee shall cancel and destroy every mutilated Certificate so surrendered to it and shall deliver a certificate of destruction to the District at the request of the District. If any Certificate is lost, destroyed or stolen, evidence of such loss, destruction or theft must be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee is given, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like principal amount, interest rate and maturity and numbered as the Trustee shall determine in lieu of and in replacement for the Certificate so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each replacement Certificate delivered under this Section and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section. Any Certificate delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee is not required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a replacement for a Certificate which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Certificate upon receipt of indemnity satisfactory to the Trustee and the District.

SECTION 2.09. *Payment.* Payment of interest represented by any Certificate on any Interest Payment Date shall be made to the person appearing on the Registration

Books as the Owner thereof as of the close of business on the Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed to such Owner, by first class mail postage prepaid, at such Owner's address as it appears on the Registration Books. At the written request of the Owner of Certificates in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee prior to the Record Date preceding any Interest Payment Date, the Trustee shall pay interest represented by such Certificates coming due and payable on such Interest Payment Date by wire transfer in immediately available funds to such account in the United States as is specified in such written request. The principal, interest and prepayment premium, if any, represented by any Certificate at maturity or upon prepayment are payable in lawful money of the United States of America upon surrender of such Certificate at the Office of the Trustee.

SECTION 2.10. *Execution of Documents and Proof of Ownership.* Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Certificates. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

- (a) The fact and date of the execution by any Owner or any Owner's attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of an Corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of authority.
- (b) The fact of the ownership of Certificates by any person and the amount, the maturity and the numbers of such Certificates and the date of such person's holding the same shall be proved by the Registration Books.

Nothing in this Section limits the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Certificate binds every future Owner of the same Certificate in respect of anything done or suffered to be done by the Trustee under such request or consent.

SECTION 2.11. *Registration Books.* The Trustee shall keep or cause to be kept sufficient records for the registration and registration of transfer of the Certificates, which

shall at all reasonable times be open to inspection by the District and the Corporation upon prior notice, during regular business hours; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Certificates as hereinbefore provided.

ARTICLE III

PREPAYMENT OF CERTIFICATES

SECTION 3.01. *Prepayment.*

(a) Optional Prepayment. The Certificates are subject to prepayment prior to their stated maturity, at the option of the District, in whole, or in part by lot, on August 1, 20__, or on any date thereafter, upon payment of a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

(b) Prepayment From Net Proceeds of Insurance or Condemnation. The Certificates are subject to mandatory prepayment, in whole or in part on any Business Day, from the Net Proceeds of insurance or eminent domain proceedings credited towards the prepayment of the Lease Payments under Section 9.3 of the Lease Agreement and Article VI, at a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest represented thereby to the date fixed for prepayment, without premium.

(c) Reserved.

(d) Extraordinary Optional Prepayment from General Obligation Bond Proceeds. The Certificates are subject to extraordinary optional prepayment before their stated maturity at the option of the District, in whole, or in part by lot, on August 1, 20__ or on any date thereafter from General Obligation Bond Proceeds, upon payment of a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

SECTION 3.02. *Selection of Certificates for Prepayment.* Whenever provision is made in this Trust Agreement for the prepayment of Certificates and less than all Outstanding Certificates of any maturity are called for prepayment, the Trustee shall select Certificates of such maturity for prepayment by lot. For the purposes of such selection, Certificates shall be deemed to be composed of \$5,000 portions, and any such portion may be separately prepaid. The Trustee shall promptly notify the District and the Corporation in writing of the Certificates or portions thereof so selected for prepayment.

SECTION 3.03. *Notice of Prepayment.* When prepayment is authorized or required under Section 3.01, the Trustee shall give notice of the prepayment of the Certificates on behalf and at the expense of the District. Such notice must:

(a) state the prepayment date and prepayment price;

- (b) state the numbers or maturities of the Certificates to be prepaid, if less than all of the then Outstanding Certificates are to be called for prepayment;
- (c) if a Certificate is to be prepaid only in part, identify the portion of the Certificate which is to be prepaid;
- (d) require that such Certificates be surrendered on the prepayment date at the Office of the Trustee for prepayment at said prepayment price;
- (e) state that interest represented by the Certificates will not accrue from and after the prepayment date; and
- (f) state that on the prepayment date the principal and premium, if any, represented by each Certificate will become due and payable, together with accrued interest represented thereby to the prepayment date, and that from and after such date interest represented thereby ceases to accrue and be payable.

The Trustee has no liability for any designation of the CUSIP numbers of the Certificates to be prepaid, and neither the failure to identify the CUSIP numbers of the Certificates to be prepaid nor any incorrect designation of such CUSIP numbers will affect the sufficiency of the proceedings for the prepayment of such Certificates or the cessation of accrual of interest represented thereby from and after the date fixed for prepayment.

The Trustee shall mail notice of prepayment by first class mail with postage prepaid, to the Securities Depositories and to the Owners of Certificates designated for prepayment at their respective addresses appearing on the Registration Books, at least 20 days but not more than 60 days prior to the prepayment date. Neither the failure to receive any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates or the cessation of accrual of interest represented thereby from and after the date fixed for prepayment.

The District may rescind any optional prepayment of the Certificates, and notice thereof, for any reason on any date prior to the date fixed for such optional prepayment by causing written notice of the rescission to be given to the Owners of the Certificates so called for prepayment. Notice of rescission of optional prepayment will be given in the same manner in which the notice of prepayment was originally given. The actual receipt of notice of such rescission is not a condition precedent to rescission and failure to receive such notice or any defect in such notice will not affect the validity of the rescission. The District, the Corporation or the Trustee have no liability to the Owners of any Certificates, or any other party, as a result of the District's decision to rescind an optional prepayment of the Certificates.

SECTION 3.04. *Partial Prepayment of Certificates.* Upon surrender of any Certificate prepaid in part only, the Trustee shall execute, register and deliver to the Owner thereof, at the expense of the District, a new Certificate or Certificates of

authorized denominations equal in aggregate principal amount to the unprepaid portion of the Certificate surrendered and of the same interest rate and the same maturity.

SECTION 3.05. *Effect of Notice of Prepayment.* Moneys for the prepayment (including the interest to the applicable date of prepayment) of Certificates having been set aside in the Lease Payment Fund, the Certificates shall become due and payable on the date of such prepayment, and, upon presentation and surrender thereof at the Office of the Trustee, said Certificates shall be paid at the unpaid principal amount (or applicable portion thereof) represented thereby plus interest accrued and unpaid to said date of prepayment.

If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, together with interest represented thereby to said date of prepayment, shall be held by the Trustee so as to be available therefor on such date of prepayment, then, from and after said date of prepayment, interest represented by the Certificates shall cease to accrue and become payable. All moneys held by the Trustee for the prepayment of Certificates shall be held in trust for the account of the Owners of the Certificates so to be prepaid, and shall be held by the Trustee in cash uninvested.

All Certificates paid at maturity or prepaid prior to maturity under the provisions of this Article III shall be canceled upon surrender thereof.

SECTION 3.06. *Purchase of Certificates.* In lieu of prepayment of Certificates as provided in this Article III, amounts held by the Trustee for such prepayment may, at the written request of the District Representative received by the Trustee at least 75 days prior to the selection of Certificates for prepayment, with the consent of the Certificate Insurer, be applied by the Trustee to the purchase of Certificates at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the District may in its discretion direct, but not to exceed the prepayment price which would be payable if such Certificates were prepaid.

ARTICLE IV

DISPOSITION OF PROCEEDS OF SALE

SECTION 4.01. *Application of Proceeds.* The proceeds (net of premium paid directly to the Certificate Insurer in the amount of \$_____ for the Certificate Insurance Policy and the Reserve Policy) received by the Trustee from the sale of the Certificates on the Closing Date shall forthwith be deposited by the Trustee in the following respective funds and in the following order of priority:

- (a) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund.
- (b) The Trustee shall deposit the amount of \$_____ in the Lease Payment Fund.
- (c) The Trustee shall deposit the amount of \$_____, constituting the remainder of the Certificate proceeds, in the Project Fund.

The Trustee may, in its discretion, establish a temporary fund or account in its books and records to facilitate such deposits.

The parties hereto are advised and acknowledge that on the Closing Date from the proceeds of the Certificates, the Original Purchaser paid on behalf of the District to the Certificate Insurer \$_____ as payment of the premium for the Certificate Insurance Policy and \$_____ as payment of the premium for the Reserve Policy, which the Trustee shall credit to the Reserve Fund.

SECTION 4.02. *Reserve Fund.*

(a) General Provisions. The Trustee shall establish a special fund designated as the "Reserve Fund" to be held by the Trustee in trust for the benefit of the District and the Owners of the Certificates, and applied solely as provided herein. Moneys in the Reserve Fund shall be held in trust as a reserve for the payment when due of the Lease Payments on behalf of the District.

The Trustee shall retain in the Reserve Fund all earnings on the investment of amounts therein to the extent required to maintain the full amount of the Reserve Requirement on deposit therein. All amounts on deposit in the Reserve Fund at any time in excess of the Reserve Requirement, and all amounts derived from the investment of amounts in the Reserve Fund which are not required to be retained therein to maintain the Reserve Requirement, shall be transferred by the Trustee to the Project Fund prior to the Completion Date, and thereafter to the Lease Payment Fund semiannually on or before each Lease Payment Date. Any recomputation of the Reserve Requirement shall be made by or on behalf of the District, and shall become effective upon the filing by the District with the Trustee of written notice thereof.

(b) Application of Reserve Fund. If on any Interest Payment Date the moneys available in the Lease Payment Fund do not equal the amount of the Lease Payment then coming due and payable, the Trustee shall apply the moneys available in the Reserve Fund to make such payments on behalf of the District by transferring the amount necessary for this purpose to the Lease Payment Fund. Upon receipt of any delinquent Lease Payment with respect to which moneys have been advanced from the Reserve Fund, such Lease Payment shall be deposited in the Reserve Fund to the extent of such advance.

If on any Interest Payment Date the moneys on deposit in the Reserve Fund and the Lease Payment Fund (excluding amounts required for payment of principal, interest and prepayment premium, if any, represented by any Certificates theretofore having come due but not presented for payment) are sufficient to pay or prepay all Outstanding Certificates, including all principal, interest and prepayment premiums (if any) represented thereby, the Trustee shall, upon the written request of the District, either (i) transfer all amounts then on deposit in the Reserve Fund to the Lease Payment Fund to be applied for such purpose to the payment of the Lease Payments on behalf of the District, or (ii) transfer such amounts to the District for deposit into the Project Fund prior to the completion of the Project. Any amounts remaining in the Reserve Fund on the date of payment in full, or provision for such payment as provided in Section 13.01, of all obligations represented by the Outstanding Certificates and upon all fees and expenses

then due and owing to the Trustee, shall be withdrawn by the Trustee and at the written request of the District applied towards such payment or paid to the District.

(c) Reserve Facility. The Reserve Requirement, or any portion thereof, may be satisfied by crediting to the Reserve Fund a Reserve Facility, which in the aggregate make funds available in the Reserve Fund in an amount equal to the Reserve Requirement; however, the long-term unsecured debt or claim-paying ability, as the case may be, of the provider of any such letter of credit, bond insurance policy or any other comparable credit facility, must have a rating of at least "A" from Moody's, and/or "A" from S&P, on the date such security is deposited into the Reserve Fund (provided that the Trustee shall be under no obligation and have no responsibility whatsoever to independently determine or verify such rating other than at the time of delivery). In the event of the use of a Reserve Facility, the Trustee shall be provided with copies of all documents in regard thereto and shall, to the extent not in conflict with the provisions of this Trust Agreement, conform to the forms thereof for purposes of submitting draws, and making reimbursements, thereon.

The Reserve Requirement will initially be satisfied by deposit in the Reserve Fund of the Reserve Policy delivered by the Certificate Insurer. The District and the Trustee covenant to comply with each of the provisions set forth in Appendix D hereto.

(d) If, as a result of the payment of principal or interest evidenced by the Certificates or otherwise, the Reserve Requirement is reduced, and the Reserve Requirement is not then satisfied by a Reserve Facility, funds on deposit in the Reserve Fund in excess of said reduced Reserve Requirement shall be transferred to the Lease Payment Fund.

(e) On any date on which Certificates are defeased in accordance with the terms hereof, the Trustee shall, if so directed in a written request of the District, transfer any moneys in the Reserve Fund in excess of the Reserve Requirement resulting from such defeasance to the entity or fund so specified in such written request of the District, to be applied to such defeasance.

SECTION 4.03. *Establishment and Application of Costs of Issuance Fund*. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." The Trustee shall disburse moneys in the Costs of Issuance Fund to pay the Costs of Issuance upon submission of written requisitions executed by a District Representative stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On June __, 2018, the Trustee shall withdraw all remaining moneys in the Costs of Issuance Fund and deposit such moneys in the Project Fund, and the Trustee shall thereupon close the Costs of Issuance Fund.

SECTION 4.04. *Project Fund*. The Trustee shall establish, maintain and hold in trust a separate fund to be known as the "Project Fund." The Trustee shall disburse moneys in the Project Fund from time to time to pay or reimburse the payment of Project Costs in accordance with written requisitions filed by the District with the Trustee. Each such written requisition shall be signed by a District Representative and shall state, with respect to each payment to be made thereby, the name and address of the firm or corporation to whom such payment is to be made, the amount and purpose of such payment and that such constitutes payment of a Project Cost, and must be accompanied

by an invoice or statement evidencing such payment. Each such requisition is sufficient evidence to the Trustee of the facts stated therein and the Trustee has no duty to confirm the accuracy of such facts. The Trustee is not responsible for payments made in accordance with this Section. The District shall maintain accurate records showing all disbursements from the Project Fund, including records which show the name and address of each firm or corporation to whom payment is made and the amount and purpose of each payment.

Upon the determination by the District that the Project has been substantially completed, in accordance with Section 3.3 of the Lease Agreement, the Trustee will withdraw from the Project Fund and deposit in the Lease Payment Fund all amounts remaining on deposit in the Project Fund, other than amounts estimated by the District to be required to pay future Project Costs. Whether or not the Project has been substantially completed, upon the filing with the Trustee of a written certificate of the District stating that no further amounts are intended to be requisitioned from the Project Fund, the Trustee shall thereupon close the Project Fund and transfer all remaining amounts therein to the Lease Payment Fund.

ARTICLE V

LEASE PAYMENTS; LEASE PAYMENT FUND

SECTION 5.01. *Assignment of Rights in Lease Agreement.* Under the Assignment Agreement, the Corporation has transferred, assigned and set over to the Trustee certain of its rights under the Lease Agreement, including but not limited to all of the Corporation's rights to receive and collect all of the Lease Payments and all other amounts required to be deposited in the Lease Payment Fund. The District shall pay to the Trustee all Lease Payments and other amounts which have been assigned to the Trustee under the Assignment Agreement. Any Lease Payments collected or received by the Corporation shall be deemed to be held and to have been collected or received by the Corporation as the agent of the Trustee, and the Corporation shall immediately transfer all such Lease Payments and other amounts to the Trustee.

SECTION 5.02. *Establishment of Lease Payment Fund.* The Trustee shall establish a special fund designated as the "Lease Payment Fund." All moneys at any time deposited by the Trustee in the Lease Payment Fund shall be held by the Trustee in trust for the benefit of the District and the Owners of the Certificates. So long as any Certificates are Outstanding, neither the District nor the Corporation has any beneficial right or interest in the Lease Payment Fund, or the moneys deposited therein, except only as provided in this Trust Agreement, and the Trustee shall apply the Lease Payment Fund solely as set forth in this Trust Agreement.

SECTION 5.03. *Deposits.* The Trustee shall deposit all Lease Payments received by it in the Lease Payment Fund, including any moneys received by the Trustee for deposit therein under Section 5.01 or under Article VI hereof, or Article IX of the Lease Agreement, and any other moneys required to be deposited therein under the Lease Agreement or under this Trust Agreement.

SECTION 5.04. *Application of Moneys.* The Trustee shall apply amounts in the Lease Payment Fund solely for the purpose of paying the principal, interest and prepayment premiums (if any) represented by the Certificates as the same become due and payable, in accordance with the provisions hereof.

Additional rent paid pursuant to Section 4.4 of the Lease for the annual premium for the Certificate Insurance Policy shall be paid to the Certificate Insurer on the date it is due under said Policy.

SECTION 5.05. *Surplus.* Any surplus remaining in the Lease Payment Fund, after prepayment and payment of all Certificates, including premiums and accrued interest (if any) and payment of any applicable fees and expenses to the Trustee and the Certificate Insurer or provision for such prepayment or payment having been made to the satisfaction of the Trustee and the Certificate Insurer, shall be withdrawn by the Trustee and remitted to the District.

ARTICLE VI

INSURANCE AND CONDEMNATION FUND

SECTION 6.01. *Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award.* Any Net Proceeds of insurance collected by the District in the event of accident to or destruction of any component of the Leased Property shall be paid to the Trustee under Section 6.1 of the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in a special fund designated as the "Insurance and Condemnation Fund" which the Trustee shall thereupon establish. If the District determines and notifies the Trustee in writing of its determination, within 90 days following the date of such deposit, that the replacement, repair, restoration, modification or improvement of the Leased Property is not economically feasible or in the best interests of the District, then such Net Proceeds shall be promptly transferred by the Trustee to the Lease Payment Fund and applied to the prepayment of Lease Payments under Section 9.3 of the Lease Agreement and the corresponding prepayment of Certificates under Section 3.01(b), which prepayment shall be made on the first prepayment date for which notice of prepayment can be timely given. Notwithstanding the foregoing provisions of this Section, the determination of the District to apply Net Proceeds to the prepayment of Certificates is subject to the following:

- (a) if the Leased Property is damaged or destroyed in full, such Net Proceeds may be transferred to the Lease Payment Fund to be used to prepay Outstanding Certificates only if such Net Proceeds, together with other available moneys, are sufficient to cause the corresponding prepayment of all Lease Payments allocable to the Leased Property; and
- (b) if the Leased Property is damaged or destroyed in part but not in whole, such Net Proceeds may be transferred to the Lease Payment Fund to be used to prepay Outstanding Certificates only if the Lease Payments which result after the corresponding abatement thereof under Section 6.3 of the Lease Agreement are

sufficient to pay the full amount of principal and interest represented by the Certificates which remain Outstanding after such prepayment.

All Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Lease Payment Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Leased Property by the District, upon receipt of written requisitions of the District stating with respect to each payment to be made (a) the name and address of the person, firm or corporation to whom payment is due, (b) the amount to be paid and (c) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation. Any balance of the Net Proceeds remaining after the District shall file a written certificate with the Trustee stating that such work has been completed shall, after payment of all amounts then due and owing to the Trustee hereunder, be paid to the District.

SECTION 6.02. *Deposit and Application of Net Proceeds of Eminent Domain Award.* If all or any part of the Leased Property is taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund, under Section 6.1 of the Lease Agreement, and shall be applied and disbursed by the Trustee as follows:

- (a) If the District gives written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease Agreement, and (ii) that such proceeds are not needed for repair, replacement or rehabilitation of the Leased Property, and the District has given written notice to the Trustee of such determination, the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited towards the payment of the Lease Payments as they become due and payable.
- (b) If the District gives written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease Agreement, and (ii) such proceeds are needed for repair, replacement or rehabilitation of the Leased Property, the Trustee shall pay to the District, or to its order, from said proceeds such amounts as the District may expend for the repair or rehabilitation of the Leased Property, upon the filing of requisitions of the District Representative meeting the requirements of Section 6.01.
- (c) If (i) less than all of the Leased Property is taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the District gives written notice to the Trustee of its determination that such eminent domain proceedings have materially affected the interest of the District in

the Leased Property or the ability of the District to meet any of its financial obligations under the Lease Agreement, or (ii) all of the Leased Property is taken in such eminent domain proceedings, then the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited toward the prepayment of the Lease Payments under Section 9.3 of the Lease Agreement and applied to the corresponding prepayment of Certificates under Section 3.01(b), which prepayment shall be made on the first prepayment date for which notice of prepayment can be timely given.

In making any such determination whether to repair, replace or rehabilitate the Leased Property under this Section, the District may obtain, but is not required to obtain, at its expense, the report of an independent engineer or other independent professional consultant, a copy of which must be filed with the Trustee. Any such determination by the District is final.

ARTICLE VII

MONEYS IN FUNDS; INVESTMENTS

SECTION 7.01. *Held in Trust.* The moneys and Permitted Investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the District and the Owners of the Certificates solely for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Corporation, the Trustee, the District or the Owner of any Certificates.

SECTION 7.02. *Investments Authorized.* Upon the written request of a District Representative filed with the Trustee from time to time, moneys held by the Trustee in any fund or account hereunder shall be invested and reinvested by the Trustee in Permitted Investments which mature not later than the date such moneys are required or estimated by the District to be required to be expended hereunder. In the absence of any written request of the District directing the investment of uninvested moneys held by the Trustee hereunder, the Trustee shall invest such moneys in Permitted Investments described in clause (e) of the definition thereof. Such investments, if registrable, shall be registered in the name of the Trustee, as trustee or in the name of its nominee, and shall be held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. Whenever in this Trust Agreement any moneys are required to be transferred by the District to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee is not responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Section.

The District shall invest amounts held by it in the Project Fund in any investments which are authorized for the investment of funds within the control of the District under the applicable laws of the State of California.

SECTION 7.03. *Accounting.* The Trustee shall furnish to the District, not less than monthly, an accounting (in the form customarily used by the Trustee) of all investments and other transactions made by the Trustee under this Trust Agreement.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements which will include detail for all investment transactions made by the Trustee hereunder.

SECTION 7.04. *Allocation of Earnings.* Any income, profit or loss on such investments shall be deposited in or charged to the respective funds from which such investments were made; *provided, however*, that all income received on the investment of amounts on deposit in the Reserve Fund shall be applied as set forth in Section 4.02.

SECTION 7.05. *Valuation and Disposition of Investments.*

(a) Except as otherwise provided in subsection (b) of this Section, the District covenants that all investments of amounts deposited in any fund or account created by or under this Trust Agreement, or otherwise containing gross proceeds of the Certificates (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued (as of the date that valuation is required by this Trust Agreement or the Tax Code) at Fair Market Value as such term is defined in subsection (d) below. The Trustee has no duty in connection with the determination of Fair Market Value other than to follow the express investment directions of the District in any written directions of a District Representative.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund shall be valued by the District at their present value (within the meaning of Section 148 of the Tax Code); provided that the District shall provide written notice to the Trustee as to which funds are subject to a yield restriction.

(c) For the purpose of determining the amount in any fund, the value of Permitted Investments credited to such fund shall be valued by the Trustee at least quarterly at the market value thereof. The Trustee may sell at the best price reasonably obtainable, or present for prepayment, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from any such Permitted Investment.

(d) For purposes of this Section, the term "Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell

the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security – State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and any related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. *Appointment of Trustee.* U.S. Bank National Association is hereby appointed Trustee by the Corporation and the District for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Trust Agreement. The Corporation and the District agree that they will maintain a Trustee having a corporate trust office in the State of California and having a combined capital and surplus (or whose related bank holding company has a combined capital and surplus) of at least \$50,000,000, and which shall be subject to supervision or examination by Federal or state authority, so long as any Certificates are Outstanding. If such bank or trust company publishes a report of condition at least annually under law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The District and the Corporation covenant that they will maintain a Trustee qualified under the provisions of the foregoing provisions of this Section, so long as any Certificates are Outstanding.

The Trustee is hereby authorized to pay or prepay the Certificates when duly presented as provided herein for payment at maturity, or on prepayment, or on purchase by the Trustee as directed by the District prior to maturity in accordance with Section 3.06, and to cancel all Certificates upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Certificates paid and discharged. The Trustee shall be compensated for its services rendered under the provisions of this Trust Agreement.

SECTION 8.02. *Acceptance of Trusts.* The Trustee hereby accepts the express trusts imposed upon it by this Trust Agreement, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

- (a) The Trustee, prior to the occurrence of an Event of Default and after curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement. In case an Event of Default has occurred (which has not been cured or waived) the Trustee may exercise such of the rights and powers vested in it by this Trust Agreement, and shall use the same degree of care and skill in their exercise, as a responsible corporate trustee would exercise or use under the circumstances.
- (b) No provision in this Trust Agreement requires the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not in the conclusive opinion of the Trustee satisfactorily assured to it.

- (c) The Trustee is not responsible or liable for any recital herein, or in the Certificates, or for any of the supplements thereto or instruments of further assurance, or for the validity or sufficiency of the security for the Certificates executed and delivered hereunder or intended to be secured hereby and the Trustee shall not be bound at any time to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Corporation or the District under the Lease Agreement. The Trustee is not responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article VII.
- (d) The Trustee is not accountable for the use of any Certificates delivered hereunder. The Trustee may become the Owner of Certificates with the same rights which it would have if not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the District with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Certificates, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Certificates then Outstanding.
- (e) The Trustee shall be protected in acting upon any notice, request, requisition, consent, certificate, order, affidavit, letter, telegram, direction, facsimile transmission, electronic mail or other paper or document believed by the trust officer responsible for the administrative of the trusts created hereunder to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith under this Trust Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate, shall be conclusive and binding upon all future Owners of the same Certificate and upon Certificates delivered in exchange therefor or in place thereof. The Trustee is not bound to recognize any person as an Owner of any Certificate or to take any action at such person's request unless such Certificate shall be deposited with the Trustee or satisfactory evidence of the ownership of such Certificate shall be furnished to the Trustee.
- (f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by an Corporation Representative or a District Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been given notice or is deemed to have notice, as provided in Section 8.02(h), shall also be at liberty to accept a similar certificate to the

effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Corporation Representative or a District Representative to the effect that an authorization in the form therein set forth has been adopted by the Corporation or the District, as the case may be, as conclusive evidence that such authorization has been duly adopted, and is in full force and effect.

- (g) The permissive right of the Trustee to do things enumerated in this Trust Agreement may not be construed as a duty and the Trustee is not answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee extend to its officers, directors, employees and agents.
- (h) The Trustee is not required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the District to make any of the Lease Payments to the Trustee required to be made by the District under the Lease Agreement or failure by the Corporation or the District to file with the Trustee any document required by this Trust Agreement or the Lease Agreement to be so filed subsequent to the delivery of the Certificates, unless the Trustee shall be specifically notified in writing of such default by the Corporation, the District or the Owners of at least 25% in aggregate principal amount of Certificates then Outstanding. All notices or other instruments required by this Trust Agreement to be delivered to the Trustee must, in order to be effective, be delivered at the Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default except as aforesaid.
- (i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, have the right (but not any duty) fully to inspect the Leased Property, including all books, papers and records of the Corporation or the District pertaining to the Leased Property and the Certificates, and to take such memoranda from and with regard thereto as may be desired.
- (j) The Trustee is not required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.
- (k) Notwithstanding anything elsewhere in this Trust Agreement with respect to the execution of any Certificates, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Trust Agreement, the Trustee has the right, but is not required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a

condition of such action, which may be deemed desirable by the Trustee for the purpose of establishing the right of the Corporation or the District to the execution of any Certificates, the withdrawal of any cash, or the taking of any other action by the Trustee.

- (l) Before taking any action referred to in Section 12.03 at the direction of the Certificate Owners, the Trustee may require that a satisfactory indemnity bond be furnished by the Certificate Owners, or any of them, for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action.
- (m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee has no liability for interest on any moneys received hereunder except such as may be agreed upon, other than interest derived from investments made or required to be made under Section 7.02.
- (n) The Trustee is not responsible for the sufficiency of the Lease Agreement, its right to receive moneys under the Lease Agreement, or the value of or title to the Leased Property.
- (o) The Trustee is not liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Outstanding Certificates relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement.
- (p) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers and the Trustee is not responsible for any misconduct or negligence on the part of any attorney, agent, or receiver appointed with due care. The Trustee shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder and shall be protected in any action taken or suffered by it hereunder in reliance on such advice.
- (q) The Trustee is not liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.
- (r) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public

enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

- (s) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions under this Trust Agreement provided, however, that: (i) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (ii) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (iii) the Trustee has received a current incumbency certificate containing the specimen signature of such designated person.
- (t) The Trustee is authorized and directed by the District to enter into the Assignment Agreement.

SECTION 8.03. *Fees, Charges and Expenses of Trustee.* The Trustee shall be entitled to payment and reimbursement by the District for reasonable fees for its services rendered hereunder and all advances, agent and counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee has a first lien with right of payment prior to payment on account of principal, premium, if any, and interest represented by any Certificate upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it respectively. The Trustee shall be entitled to interest on all moneys advanced by it in the performance of its duties hereunder at the maximum legal rate allowable.

SECTION 8.04. *Notice to Certificate Owners of Default.* If an Event of Default occurs of which the Trustee has been given or is deemed to have notice, as provided in Section 8.02(h), then the Trustee shall promptly give written notice thereof by first class mail, postage prepaid, to the Owner of each Outstanding Certificate, unless such Event of Default has been cured before the giving of such notice; *provided, however* that unless such Event of Default consists of the failure by the District to make any Lease Payment when due, the Trustee may elect not to give such notice to the Certificate Owners if and so long as the Trustee in good faith determines that it is in the best interests of the Certificate Owners not to give such notice.

SECTION 8.05. *Removal of Trustee.* The District may, with the written consent of the Certificate Insurer, remove the Trustee at any time, unless an Event of Default has occurred and is continuing, and shall remove the Trustee (a) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of a

majority in aggregate principal amount of the Certificates then Outstanding (or their attorneys duly authorized in writing) or (b) if at any time the Trustee ceases to be eligible in accordance with Section 8.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of 30 days' prior written notice of such removal by the District to the Trustee, whereupon the District shall appoint a successor Trustee in accordance with Section 8.07.

SECTION 8.06. *Resignation by Trustee.* The Trustee and any successor Trustee may at any time resign by giving written notice by registered or certified mail to the District. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee in accordance with Section 8.07. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the District shall mail notice thereof to the Certificate Owners at their respective addresses set forth on the Registration Books.

SECTION 8.07. *Appointment of Successor Trustee.* If the Trustee resigns or is removed under Sections 8.05 or 8.06, respectively, the District shall promptly appoint a successor Trustee acceptable to the Certificate Insurer. If the District for any reason whatsoever fails to appoint a successor Trustee within 30 days following the delivery to the Trustee of the instrument described in Section 8.05 or within 30 days following the receipt of notice by the District under Section 8.06, the Trustee may apply, at the expense of the District, to any federal or state court for the appointment of a successor Trustee meeting the requirements of Section 8.01. Any such successor Trustee appointed by such court will become the successor Trustee hereunder notwithstanding any action by the District purporting to appoint a successor Trustee following the expiration of such 30 day period.

SECTION 8.08. *Merger or Consolidation.* Any company or association into which the Trustee 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 Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under Section 8.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, 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.

SECTION 8.09. *Concerning any Successor Trustee.* Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Corporation and the District an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the District, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities

and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the District be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the District. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VIII, shall be filed or recorded by the successor Trustee in each recording office where the Assignment Agreement has been filed or recorded.

SECTION 8.10. *Non-Liability of Trustee.* The recitals, statements and representations by the District and the Corporation contained in this Trust Agreement or in the Certificates shall be taken and construed as made by and on the part of the District and the Corporation, as the case may be, and not by the Trustee, and the Trustee has no responsibility, obligation or liability for the correctness of any thereof.

The Trustee makes no representation or warranty, express or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the District or the Corporation of the Leased Property. In no event is the Trustee liable for special or consequential damages in connection with or arising from the Lease Agreement for the existence, furnishing or use of the Leased Property.

The Trustee is not (a) responsible for the sufficiency or enforceability of the Lease Agreement or the assignment under the Assignment Agreement of its rights to receive Lease Payments, (b) deemed to have knowledge of any Event of Default unless and until it has received written notice thereof or, with respect to Section 8.1(a) of the Lease Agreement, has actual knowledge thereof or except as provided in Section 8.02(h) or (c) accountable for the use or application by the District or the Corporation of any funds which the Trustee has released under this Trust Agreement.

SECTION 8.11. *Actions Through Agents.* The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee is not answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee is not answerable for the exercise of any discretion or power under this Trust Agreement or for anything whatever in connection with the funds and accounts established hereunder, except only for its own negligence or willful misconduct.

SECTION 8.12. *Nature of Trust Engagement.* The Trustee undertakes to perform such duties and only such duties as are expressly and specifically set forth in the Trust Agreement and no implied covenants or obligations whatsoever shall be read into the Trust Agreement against the Trustee. In accepting the trusts hereby created, the Trustee acts solely as Trustee and not in its individual capacity. All persons, including without limitation the Owners, the District and the Corporation having any claim against the Trustee arising from the Trust Agreement shall look only to the funds and accounts hereunder for payment except as otherwise provided herein; *provided, however*, that nothing in this sentence is intended or shall be construed to apply to, or limit the source of payment of, claims against the Trustee arising from the negligence or willful

misconduct of the Trustee. Under no circumstances is the Trustee liable in its individual capacity for payment of the obligations represented by the Certificates.

ARTICLE IX

MODIFICATION OR AMENDMENT

SECTION 9.01. *Amendments Permitted.* This Trust Agreement and the rights and obligations of the Owners of the Certificates may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 13.05, has been filed with the Trustee. No such modification or amendment may (a) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate represented thereby or extending the time of payment of interest, or reducing the amount of principal represented thereby or reducing any premium payable upon the prepayment thereof, without the express consent of the Owner of such Certificate, or (b) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification hereof, or (c) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become effective as provided in Section 9.02.

This Trust Agreement and the rights and obligations of the Owners of the Certificates may be modified or amended at any time by a supplemental agreement, without the consent of any Certificate Owners, but only to the extent permitted by law and only:

- (a) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein reserved to the Corporation or the District,
- (b) to cure, correct or supplement any ambiguous or defective provision contained herein,
- (c) in regard to questions arising hereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not, in the opinion of Bond Counsel, materially adversely affect the interests of the Owners of the Certificates,
- (d) if and to the extent permitted in the opinion of Bond Counsel filed with the Trustee, the District and the Corporation, to delete or modify any of the provisions hereof or thereof relating to the exclusion from gross income of interest represented by the Certificates for federal income tax purposes, or
- (e) to conform to any amendments of the Lease Agreement which are permitted to be made under Section 7.5 thereof.

Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto.

SECTION 9.02. *Procedure for Amendment with Written Consent of Certificate Owners.* If the consents of the Owners of the Certificates are required to any amendment hereof under Section 9.01, such amendment shall be required to comply with the provisions of this Section. A copy of such supplemental agreement, together with a request to the Certificate Owners for their consent thereto, shall be mailed by the Trustee to each Owner of a Certificate at such Owner's address as set forth on the Registration Books, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as provided in this Section.

Such supplemental agreement may not become effective unless there shall be filed with the Trustee the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in Section 13.05) and a notice has been mailed as hereinafter provided in this Section. Each such consent shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be such as is permitted by Section 2.10. Any such consent shall be binding upon the Owner of the Certificate giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Certificates have filed their consents to such supplemental agreement, the Trustee shall mail a notice to the Owners of the Certificates in the manner hereinbefore provided in this Section for the mailing of such supplemental agreement of the notice of adoption thereof, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental agreement shall become effective upon the mailing of such last-mentioned notice, and such supplemental agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Certificates at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60 day period.

SECTION 9.03. *Effect of Supplemental Agreement.* From and after the time any supplemental agreement becomes effective under this Article IX, this Trust Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto, and the rights of the affected Certificate Owners, as the case may be, 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 supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement for any and all purposes.

SECTION 9.04. *Endorsement or Replacement of Certificates Delivered After Amendments.* The Trustee may determine that Certificates delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand on the Owner of any Certificate Outstanding at such effective date and presentation of such Owner's Certificate for the purpose at the Office of the Trustee, a suitable notation shall be made on such Certificate. The Trustee may determine that the delivery of substitute Certificates, so modified as in the opinion of the Trustee is necessary to conform to such Certificate Owners' action is necessary or desirable, which substitute Certificates shall thereupon be prepared, executed and delivered. In that case, upon demand on the Owner of any Certificate then Outstanding, such substitute Certificate shall be exchanged at the Office of the Trustee, without cost to such Owner, for a Certificate of the same character then Outstanding, upon surrender of such Outstanding Certificate.

SECTION 9.05. *Amendatory Endorsement of Certificates.* The provisions of this Article IX shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him, provided that proper notation thereof is made on such Certificates.

SECTION 9.06. *Opinion of Counsel.* Prior to executing any supplemental Trust Agreement, the Trustee shall be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such supplemental Trust Agreement under this Trust Agreement have been satisfied and such supplemental Trust Agreement is authorized and permitted under this Trust Agreement and does not adversely affect the exclusion of interest with respect to the Certificates from gross income for federal income tax purposes or adversely affect the exemption of interest with respect to the Certificates from personal income taxation by the State of California.

SECTION 9.07. *Notice to Rating Agencies.* The District shall send copies of any proposed amendment or modification hereof to each rating agency which then maintains a rating on the Certificates, at least 10 days prior to the effective date of any such amendment or modification.

ARTICLE X

OTHER COVENANTS

SECTION 10.01. *Compliance With and Enforcement of Lease Agreement.* The District covenants to perform all obligations and duties imposed on it under the Lease Agreement. The Corporation covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement.

The District will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Lease Agreement by the Corporation thereunder. The Corporation and the District, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting their respective estates, or either of them, in the Leased Property, which may or can in any manner affect such estate of the District, will deliver the same, or a copy thereof, to the Trustee.

SECTION 10.02. *Observance of Laws and Regulations.* The District will keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the District, including its right to exist and carry on business as a public agency, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

SECTION 10.03. *Prosecution and Defense of Suits.* The District shall promptly, upon request of the Trustee or any Certificate Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Leased Property, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Certificate Owner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

SECTION 10.04. *Recordation and Filing.* The District shall record and file the Lease Agreement or a memorandum thereof, the Site Lease, the Assignment Agreement and all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the Certificate Owners.

SECTION 10.05. *Tax Covenants.*

(a) Private Business Use Limitation. The District shall assure that the proceeds of the Certificates are not used in a manner which would cause any of the obligations of the District under the Lease Agreement to become "private activity bonds" under and within the meaning of Section 141(a) of the Tax Code.

(b) Private Loan Limitation. The District shall assure that no more than the lesser of \$5,000,000 or 5% of the aggregate amount of the proceeds of the Certificates are used, directly or indirectly, to make or finance a loan (other than loans constituting nonpurpose obligations as defined in the Tax Code or constituting assessments) to persons other than state or local government units.

(c) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the obligations of the District under the Lease Agreement to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(d) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Certificates or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the obligations of the District under the Lease Agreement to be “arbitrage bonds” within the meaning of Section 148(a) of the Tax Code.

(e) Rebate of Excess Investment Earnings to United States. The District shall calculate or cause to be calculated all Excess Investment Earnings in all respects at the times and in the manner required under the Tax Code. The District shall pay the full amount of Excess Investment Earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code. Such payments shall be made by the District from any source of legally available funds of the District.

The District shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Certificates, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District may deem appropriate. The Trustee has no duty or obligation to monitor or enforce compliance by the District of any of the requirements herein.

(f) Small Issuer Exemption from Bank Nondeductibility Restriction. The District hereby designates the Lease Agreement for purposes of paragraph (3) of section 265(b) of the Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Code, except qualified 501(c)(3) bonds as defined in section 145 of the Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the obligations under the Lease Agreement, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2017.

(g) Exemption from Rebate Requirement. The District is a governmental unit with the power to impose taxes of general applicability which, when collected, may be used for general purposes of the District; the Certificates are not private activity bonds within the meaning of section 141 of the Code; and 95% of the net proceeds of the

Certificates are to be used for local governmental activities of the District. The aggregate face amount (or, issue price, in the case of issues with a net original issue discount or net original issue premium in excess of 2% of the principal amount of the issue, excluding original issue premium used for reasonable underwriter's compensation) of all tax-exempt obligations (other than private activity bonds as defined in section 141 of the Code) issued by the District, including all subordinate entities of the District and all entities which may issue obligations on behalf of the District, during the calendar year during which the Certificates are being delivered, is not reasonably expected to exceed \$15,000,000, of which no more than \$5,000,000 is for other than the construction of public school facilities, excluding, however, that portion of current refunding obligations having a principal amount not in excess of the principal amount of the refunded obligation. By reason of the statements set forth in this subparagraph, the District will not rebate excess investment earnings, if any, to the federal government.

SECTION 10.06. *Continuing Disclosure.* The District shall comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District as of the Closing Date, as originally executed and as it may be amended from time to time in accordance with its terms. Notwithstanding any other provision of this Trust Agreement, failure of the District to comply with such Continuing Disclosure Certificate does not constitute an Event of Default; except that any Participating Underwriter (as such term is defined in such Continuing Disclosure Certificate) or any Owner or beneficial owner of the Certificates may take such actions as may be necessary and appropriate to compel performance by the District of its obligations under this Section, including seeking mandate or specific performance by court order.

SECTION 10.07. *CDIAC Annual Reporting.* The District hereby covenants and agrees that it will comply with and the provisions of California Government Code Section 8855 subdivision (k) with respect to annual reporting to the California Debt and Investment Advisory Commission. Said reporting will occur at the times and include the types of information as set forth therein. Notwithstanding any other provision of this Trust Agreement, failure of the District to comply with said reporting does not constitute a default by the District hereunder or under the Lease Agreement or the Certificates.

SECTION 10.08. *Further Assurances.* The Corporation and the District will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the Lease Agreement, and for the better assuring and confirming unto the Owners of the Certificates the rights and benefits provided herein.

SECTION 10.09. *Provisions Relating to Certificate Insurance Policy.* So long as the Certificate Insurance Policy remains in effect, the District and the Trustee shall comply with all of the terms and provisions set forth in Appendix C relating to the Certificate Insurer and the Certificate Insurance Policy. Such provisions are hereby incorporated into this Trust Agreement by this reference, and shall control and supersede any conflicting or inconsistent provisions in this Trust Agreement, the Site Lease, the Lease Agreement or the Assignment Agreement.

ARTICLE XI

LIMITATION OF LIABILITY

SECTION 11.01. *Limited Liability of District.* Except for the payment of Lease Payments when due in accordance with the Lease Agreement and the performance of the other covenants and agreements of the District contained in the Lease Agreement and this Trust Agreement, the District has no pecuniary obligation or liability to any of the other parties or to the Owners of the Certificates with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trustee, except as expressly set forth herein.

SECTION 11.02. *No Liability of the Corporation for Trustee Performance.* Neither the District nor the Corporation has any obligation or liability to any of the other parties or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

SECTION 11.03. *Indemnification of Trustee.* The Corporation and the District shall indemnify and save the Trustee, its directors, officers, agents and employees harmless from and against (whether or not litigated) all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of any of the following:

- (a) the use, maintenance, condition or management of, or from any work or thing done on, the Project or the Leased Property by the Corporation or the District,
- (b) any breach or default on the part of the Corporation or the District in the performance of any of their respective obligations under this Trust Agreement and any other agreement made and entered into for purposes of the Project or the Leased Property,
- (c) any act of negligence of the Corporation or the District or of any of their respective agents, contractors, servants, employees, licensees with respect to the Project or the Leased Property,
- (d) any act of negligence of any assignee of, or purchaser from the Corporation or the District or of any of its or their respective agents, contractors, servants, employees or licensees with respect to the Project or the Leased Property,
- (e) the application of the proceeds of the Certificates,
- (f) the actions of any other party, including but not limited to the ownership, operation or use of the Project or the Leased Property by the Corporation or the District, or
- (g) the Trustee's exercise and performance of its powers and duties hereunder.

No indemnification is made under this Section or elsewhere in this Trust Agreement for willful misconduct, negligence under this Trust Agreement by the Trustee, its officers, agents, employees, successors or assigns. The Corporation's and the District's obligations hereunder will remain valid and binding notwithstanding maturity and payment or discharge of the Certificates and notwithstanding any resignation or removal of the Trustee.

SECTION 11.04. *Opinion of Counsel.* Before being required to take any action, the Trustee may, at the expense of the District, require an opinion of counsel acceptable to the Trustee, or an opinion of Bond Counsel acceptable to the Trustee with respect to any federal tax matters, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, Trustee shall be absolutely protected in relying on any such opinion or certificate obtained by the Trustee.

SECTION 11.05. *Limitation of Rights to Parties and Certificate Owners.* Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the District, the Corporation, the Trustee, the Certificate Insurer and the Owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the District, the Corporation, the Trustee, the Certificate Insurer and said Owners.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

SECTION 12.01. *Assignment of Rights.* Under the Assignment Agreement the Corporation has transferred, assigned and set over to the Trustee certain of the Corporation's rights in and to the Lease Agreement (excepting only the Corporation's rights under Sections 4.4, 5.10, 7.3 and 8.4 thereof), including without limitation all of the Corporation's rights to exercise such rights and remedies conferred on the Corporation under the Lease Agreement as may be necessary or convenient (a) to enforce payment of the Lease Payments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund, and (b) otherwise to exercise the Corporation's rights and take any action to protect the interests of the Trustee or the Certificate Owners in an Event of Default.

SECTION 12.02. *Events of Default Defined.* As provided in Section 8.1 of the Lease Agreement, any one or more of the following events constitutes an Event of Default:

- (a) Failure by the District to pay any Lease Payment or other payment required to be paid hereunder at the time specified in the Lease Agreement.
- (b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Lease Agreement or in this Trust Agreement, other than as

referred to in the preceding subsection (a), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Corporation or the Trustee; *provided, however*, that if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30-day period, the failure will not constitute an Event of Default if the District commences to cure the failure within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.

- (c) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

SECTION 12.03. *Remedies.* If an Event of Default happens, then and in each and every such case during the continuance of such Event of Default, the Trustee may, and at the written direction of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding the Trustee shall, exercise any and all remedies available under law or granted under the Lease; *provided, however*, that notwithstanding anything herein or in the Lease Agreement to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Certificates or otherwise to declare any Lease Payment not then in default to be immediately due and payable.

Notwithstanding any other provisions of this Agreement or in the Lease Agreement, the Certificate Insurer shall have the right, so long as it is not in payment default under the Certificate Insurance Policy, to direct the remedies to be taken upon any Event of Default hereunder, and the Certificate Insurer's consent shall be required for remedial action taken by the Trustee or the Corporation hereunder.

SECTION 12.04. *Application of Funds.* All moneys received by the Trustee under any right given or action taken under the provisions of this Article XII or Article VIII of the Lease Agreement shall be applied by the Trustee in the order following upon presentation of the several Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid -

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in taking any remedial action with respect thereto, including reasonable compensation to its agents, attorneys and counsel, and including such other necessary costs relating to the administration of the foregoing and to events leading up thereto;

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates for principal and interest, with interest on the overdue principal and installments of interest at the rate

set forth in Section 4.3(c) of the Lease Agreement (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

SECTION 12.05. *Institution of Legal Proceedings.* If one or more Events of Default occur and are continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Certificates by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

SECTION 12.06. *Non-waiver.* Nothing in this Article XII or in any other provision of this Trust Agreement or in the Certificates, affects or impairs the obligation of the District, which is absolute and unconditional, to pay or prepay the Lease Payments as provided in the Lease Agreement. No delay or omission of the Trustee or any Certificate Owner to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XII to the Trustee or the Certificate Owners may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Owners.

SECTION 12.07. *Remedies Not Exclusive.* No remedy herein conferred upon or reserved to the Trustee or the Certificate Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

SECTION 12.08. *Power of Trustee to Control Proceedings.* If the Trustee, upon the happening of an Event of Default, takes any action, by judicial proceedings or otherwise, under its duties hereunder, whether upon its own discretion or upon the direction of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, it has full power, in the exercise of its discretion for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however,* that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Certificates opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

SECTION 12.09. *Limitation on Certificate Owners' Right to Sue Exclusive.* No Owner of any Certificate delivered hereunder may institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner has previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of a majority in aggregate principal amount of all the Certificates then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee has refused or omitted to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Certificates of any remedy hereunder; it being understood and intended that no one or more Owners of Certificates has any right in any manner whatever by its or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Certificates.

SECTION 12.10. *Possession of Certificates by Trustee Not Required.* All rights and remedies granted to or exercisable by the Trustee hereunder or under the Lease Agreement may be exercised by the Trustee without possession of any of the Certificates or the production thereof at the trial or other proceeding relative thereto, and any suit, action or proceeding instituted by the Trustee hereunder or under the Lease Agreement shall be brought in its name for the benefit of all the Owners of such Certificates, subject to the provisions of this Trust Agreement.

ARTICLE XIII

DISCHARGE; ADMINISTRATIVE PROVISIONS

SECTION 13.01. *Discharge Hereof.* If and when the obligations represented by any Outstanding Certificates shall be paid and discharged in any one or more of the following ways:

- (a) by well and truly paying or causing to be paid the principal, interest and prepayment premiums (if any) represented by such Certificates Outstanding, as and when the same become due and payable, or
- (b) by depositing with the Trustee or any other fiduciary, under an escrow deposit and trust agreement, security for the payment of Lease Payments relating to such Certificates as more particularly described in Section 9.1 of the Lease Agreement, said security to be held by the Trustee on behalf of the District to be applied by the Trustee or by such other fiduciary to pay or prepay such Lease Payments as the same become due, under Section 9.1 of the Lease Agreement,

then notwithstanding that such Certificates have not been surrendered for payment, all rights hereunder of the Owners of such Certificates and all obligations of the Corporation, the Trustee and the District with respect to such Certificates shall cease and terminate, except only the obligations of the Corporation and the District under Section 11.03 and the obligations of the Trustee under Sections 2.07 and 2.08, and the obligation of the Trustee to pay or cause to be paid, from Lease Payments paid by or on behalf of the District from funds deposited under paragraph (b) of this Section, to the Owners of such Certificates not so surrendered and paid all sums represented thereby when due and in the event of deposits under paragraph (b), such Certificates shall continue to represent direct, undivided fractional interests of the Owners thereof in the Lease Payments.

Any funds held by the Trustee, at the time of discharge of the obligations represented by all Outstanding Certificates as a result of one of the events described in paragraphs (a) or (b) of this Section, which are not required for the payment to be made to Owners, shall, upon payment in full of all fees and expenses of the Trustee (including attorneys' fees) then due, be paid over to the District.

SECTION 13.02. *Records.* The Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which shall be available for inspection by the District, the Corporation and any Owner, or the agent of any of them, at any reasonable time during regular business hours upon prior notice.

SECTION 13.03. *Notices.* Any notice, request, complaint, demand or other communication under this Trust Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice will be effective either (a) upon transmission by facsimile, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any

person, upon actual receipt. The District, the Corporation and the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder. Notices may be delivered in via e-mail to the officer identified below but will only be effective upon receipt by the sender of an acknowledgment of such recipient.

<i>If to the District:</i>	Guadalupe Union School District 2390 Bass Lake Road Guadalupe, California 95672 Fax: 530-677-0791 Attention: Superintendent
<i>If to the Corporation:</i>	Local Facilities Finance Corporation 9258 Brunello Court Bakersfield, California 93314 Attention: President
<i>If to the Trustee:</i>	U.S. Bank National Association 101 North 1st Avenue, Suite 1600 Phoenix, AZ 85003 Attention: Global Corporate Trust Services Fax: (602) 257-5433
<i>If to the Insurer:</i>	See Appendix C

SECTION 13.04. *Disqualified Certificates.* In determining whether the Owners of the requisite aggregate principal amount of Certificates have concurred in any demand, request, direction, consent or waiver under this Trust Agreement, Certificates which are owned or held by or for the account of the District (but excluding Certificates held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, *provided, however*, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Certificates which the Trustee knows to be so owned or held shall be disregarded.

SECTION 13.05. *Payment of Certificates After Discharge of Trust Agreement.* Notwithstanding any provisions of this Trust Agreement, but subject to any applicable laws of the State of California relating to the escheat of funds or property, any moneys held by the Trustee in trust for the payment of the principal or interest represented by any Certificates and remaining unclaimed for two years after the principal represented by all of the Certificates has become due and payable (whether at maturity or upon call for prepayment or by acceleration as provided in this Trust Agreement), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Certificates became due and payable, shall be repaid to the District free from the trusts created by this Trust Agreement, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Trustee shall (at the request of and at the cost of the District) mail, by first class mail postage prepaid, to the Owners of Certificates which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Certificates so payable and not presented and with

respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

SECTION 13.06. *Governing Law.* This Trust Agreement shall be construed and governed in accordance with the laws of the State of California.

SECTION 13.07. *Binding Effect; Successors.* This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the Corporation, the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Corporation, the District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 13.08. *Corporation and District Representatives.* Whenever under the provisions of this Trust Agreement the Corporation or the District is required or permitted to take some action, including but not limited to the giving of any approval or the execution of some request, direction or other instrument, such action shall be made on behalf of the Corporation by an Corporation Representative and on behalf of the District by a District Representative, and any party hereto shall be fully authorized to rely upon any such action by an Corporation Representative or a District Representative.

SECTION 13.09. *Execution in Counterparts.* This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

SECTION 13.10. *Delivery of Canceled Certificates.* Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee of any Certificates, the Trustee shall cancel and, unless directed in writing by the District Representative, destroy such Certificates and shall deliver a certificate of destruction with respect thereto to the District.

SECTION 13.11. *Headings.* The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement.

SECTION 13.12. *Waiver of Notice.* Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice are not conditions precedent to the validity of any action taken in reliance upon such waiver.

SECTION 13.13. *Separability of Invalid Provisions.* In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Corporation and the District hereby declare that they would have entered into this Trust Agreement and each and every

other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date and year first above written.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Officer

**LOCAL FACILITIES FINANCE
CORPORATION**

By _____
Rex Despain
President

GUADALUPE UNION SCHOOL DISTRICT

By _____
Ed Cora
Superintendent

Attest:

Gloria Grijalva
Chief Business Official

APPENDIX A

DEFINED TERMS

Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms defined in this Appendix A have the respective meanings given them in this Appendix when used in this Trust Agreement and when used in the Lease Agreement.

“Additional Payments” means the amounts payable by the District under Section 4.4 of the Lease Agreement.

“Assignment Agreement” means the Assignment Agreement, dated as of March 1, 2018, between the Corporation as assignor and the Trustee as assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

“Bond Counsel” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

“Business Day” means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State of California, or in any state in which any Office of the Trustee is located.

“Certificate Insurance Policy” means the Municipal Bond Insurance Policy issued by the Certificate Insurer with respect to the Certificates.

“Certificate Insurer” means _____, its successors and assigns, as issuer of the Certificate Insurance Policy and the Reserve Policy.

“Certificates” means the \$_____ aggregate principal amount of 2018 Certificates of Participation executed and delivered and at any time Outstanding hereunder.

“Closing Date” means March __, 2018, being the day when the Certificates, duly executed by the Trustee, are delivered to the Original Purchaser.

“Completion Date” means, with respect to the Project, the date identified as the date of completion thereof in the written certificate of a District Representative under Section 3.3 of the Lease Agreement.

“Corporation” means the Local Facilities Finance Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California.

“Corporation Representative” means the President, Vice President, Treasurer or Secretary of the Corporation, or any other person authorized by resolution of the Board of Directors of the Corporation to act on behalf of the Corporation under or with respect to the Lease Agreement and this Trust Agreement.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District or the Corporation relating to the execution and delivery of the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee (which shall include legal fees and the first annual administration fee of the Trustee), financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Certificates, and any charges and fees in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee under Section 4.03.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.05.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“District” means the Guadalupe Union School District, a school district duly organized and existing under the laws of the State of California.

“District Representative” means the President of the Board, the Secretary of the Board, the Superintendent, the Chief Business Official, their written designees, or any other person authorized by resolution of the Board of Trustees of the District to act on behalf of the District under or with respect to the Lease Agreement and this Trust Agreement.

“DTC” means The Depository Trust Company, and its successors and assigns.

“Event of Default” means an event of default under the Lease Agreement, as defined in Section 8.1 thereof.

“Excess Investment Earnings” means an amount required to be rebated to the United States of America under Section 148(f) of the Tax Code due to investment of gross proceeds of the Certificates at a yield in excess of the yield on the Lease Payments.

“Federal Securities” means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), the payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America; and (b) any obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

“Fiscal Year” means the twelve-month period beginning on July 1 of any year and ending on June 30 of the next succeeding year, or any other twelve-month period by the District as its fiscal year under written notice filed with the Trustee.

“General Obligation Bond Proceeds” means proceeds of general obligation bonds or bond anticipation notes, issued by the District pursuant to a measure approved by District voters and thereafter issued pursuant to State law.

“Insurance and Condemnation Fund” means the fund by that name to be established and held by the Trustee under Section 6.01.

“Interest Payment Date” means August 1, 2018, and each February 1 and August 1 thereafter to and including the final date of maturity of the Certificates.

“Lease Agreement” means the Lease Agreement dated as of March 1, 2018, between the Corporation as lessor and the District as lessee, as originally executed or as thereafter amended under any duly authorized and executed amendments and supplements thereto.

“Lease Payment Date” means, with respect to any Interest Payment Date, the 5th Business Day preceding such Interest Payment Date.

“Lease Payment Fund” means the fund by that name established and held by the Trustee under Section 5.02.

“Lease Payments” means all payments required to be paid by the District under Section 4.3(a) of the Lease Agreement, including any prepayment thereof under Article IX of the Lease Agreement.

“Leased Property” means all of the land which is more particularly described in Appendix A to the Lease Agreement, known as _____ located at _____, Guadalupe, California. If the District exercises its option under Section 4.6 of the Lease Agreement with respect to the substitution of property or its option under Section 4.7 of the Lease Agreement with respect to the release of property, the term “Leased Property” will thereupon be modified accordingly.

“Moody's” means Moody's Investors Service, or its successors and assigns.

“Net Proceeds” means any insurance proceeds or eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers), paid with respect to the Leased Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

“Nominee” means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated under Section 2.05(a).

“Office” means the corporate trust office of the Trustee in Los Angeles, California, provided that for purposes of payment, prepayment, exchange, transfer, exchange, surrender and cancellation of Certificates, such term means the corporate trust office of the Trustee in St. Paul, Minnesota, or such other or additional offices as the Trustee may designate in writing to the Corporation from time to time as the corporate trust office for purposes of this Trust Agreement.

“Original Purchaser” means RBC Capital Markets, LLC, as original purchaser of the Certificates upon the negotiated sale thereof.

“Outstanding”, when used as of any particular time with respect to Certificates, means (subject to the provisions of Section 13.05) all Certificates theretofore executed and delivered by the Trustee under this Trust Agreement except (a) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Certificates deemed to have been paid under Section 13.01; and (c) Certificates in lieu of or in exchange for which other Certificates has been executed and delivered by the Trustee under Section 2.08.

“Owner”, when used with respect to a Certificate, means the person in whose name the ownership of such Certificate shall be registered on the Registration Books.

“Permitted Encumbrances” means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the District may permit to remain unpaid under Article V of the Lease; (b) the Site Lease, the Lease Agreement and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor which is secured by a lien on the Leased Property; (d) the exceptions disclosed in the title insurance policy with respect to the Leased Property issued as of the Closing Date by Stewart Title Guaranty Company; and (e) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the District certifies in writing will not materially impair the use of the Leased Property for its intended purposes.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (a) Federal Securities;
- (b) obligations of any federal agency which represent full faith and credit of the United States of America, or which are otherwise rated “AAA” by S&P;
- (c) U.S. dollar denominated deposit accounts federal funds and banker’s acceptances with domestic commercial banks, which may include the Trustee, its parent holding company, if any, and their affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S&P and maturing no more than 360 days after the date of purchase, provided that ratings on holding companies are not considered as the rating of the bank;
- (d) commercial paper which is rated at the time of purchase in the single highest classification, “A-1+” by S&P, and which matures not more than 270 calendar days after the date of purchase;
- (e) investments in a money market fund, including those of an affiliate of the Trustee, rated “AAAm” or “AAAm-G” or better by S&P, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding

company provide investment advisory or other management services;

- (f) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based upon an irrevocable escrow account or fund, in the highest rating category of S&P or any successors thereto; or (ii)(A) subject to the approval of S&P, which are fully secured as to principal and interest and prepayment premium, if any, by an escrow consisting only of Federal Securities, which escrow may be applied only to the payment of such principal of and interest and prepayment premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified prepayment date or dates under such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and prepayment premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the prepayment date or dates specified in the irrevocable instructions referred to above, as appropriate;
- (g) investment agreements with financial institutions whose long-term general credit rating is A- or better from S&P, by the terms of which the Trustee may withdraw funds if such rating falls below A-; and
- (h) the Local Agency Investment Fund of the State of California, created under Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

“Project” means the acquisition and improvement by the District of real property for educational uses. The District reserves the right to amend the description and scope of the Project from time to time in its sole discretion.

“Project Costs” means, with respect to the Project, all costs of the acquisition and construction thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

- (a) all costs required to be paid to any person under the terms of any agreement for or relating to the acquisition and construction of the Project;
- (b) obligations incurred for labor and materials in connection with the acquisition and construction of the Project;

- (c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition and construction of the Project;
- (d) all costs of engineering, architectural services and other preliminary investigation expenses, including the actual out-of-pocket costs for site investigations, surveys, hazardous materials investigations, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper acquisition and construction of the Project;
- (e) any sums required to reimburse the Corporation or the District for advances made for any of the above items or for any other costs incurred and for work done, including but not limited to administrative costs of the Corporation or the District, which are properly chargeable to the acquisition and construction of the Project;
- (f) all financing costs incurred in connection with the acquisition and construction of the Project, including but not limited to Costs of Issuance and other costs incurred in connection with this Trust Agreement and the financing of the Project; and
- (g) the interest components of the Lease Payments prior to the Completion Date.

“Project Fund” means the fund by that name established and held by the Trustee under Section 4.04.

“Record Date” means the close of business on the 15th day of the month preceding each Interest Payment Date, whether or not such 15th day is a Business Day.

“Registration Books” means the records maintained by the Trustee under Section 2.11 for the registration of the ownership and transfer of ownership of the Certificates.

“Rental Period” means each period during the Term of the Lease Agreement commencing on and including August 2 in each year and extending to and including the next succeeding August 1, except that the first Rental Period begins on the Closing Date and ends on August 1, 2018.

“Reserve Facility” means any line of credit, letter of credit, insurance policy, surety bond or other credit source deposited with the Trustee pursuant to this Trust Agreement.

“Reserve Fund” means the fund by that name established and held by the Trustee under Section 4.02.

“Reserve Policy” means the Municipal Bond Debt Service Reserve Insurance Policy issued by the Certificate Insurer for credit to the Reserve Fund on the Closing Date.

“Reserve Requirement” means, as of the date of calculation thereof, an amount equal to the lesser of (a) 10% of the original principal amount of the Certificates, or (b) the maximum amount of Lease Payments (excluding Lease Payments with respect to which the District shall have posted a security deposit pursuant to Section 9.1 of the Lease) coming due in the current or any future Fiscal Year, or (c) 125% of average annual Lease Payments.

“Securities Depositories” means DTC; 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 designates in written notice filed with the Trustee.

“Site Lease” means the Site Lease dated as of March 1, 2018, between the District as lessor and the Corporation as lessee of the Leased Property, as originally executed or as thereafter amended under any duly authorized and executed amendments and supplements thereto.

“S&P” means Standard & Poor’s Corporation, a division of the McGraw Hill Companies, of New York, New York, its successors and assigns.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

“Term of the Lease” means the time during which the Lease Agreement is in effect, as provided in Section 4.2 thereof.

“Trust Agreement” means this Trust Agreement, as originally executed or as thereafter amended under any amendments or supplements hereto which are permitted to be made hereunder.

“Trustee” means U.S. Bank National Association, or any successor thereto acting as Trustee hereunder.

APPENDIX B

FORM OF CERTIFICATE OF PARTICIPATION

No. R-_____

\$_____

2018 CERTIFICATE OF PARTICIPATION

Evidencing the Direct, Undivided Fractional Interest of the
Owner Thereof in Lease Payments to be Made by the

GUADALUPE UNION SCHOOL DISTRICT (SANTA BARBARA COUNTY, CALIFORNIA)

RATE OF INTEREST:	MATURITY DATE:	DATED DATE:	CUSIP:
	August 1, ____	____, 2018	

REGISTERED OWNER:

PRINCIPAL AMOUNT: *** _____ DOLLARS***

THIS IS TO CERTIFY THAT the Registered Owner identified above, or registered assigns, as the registered owner (the "Registered Owner") of this Certificate of Participation (this "Certificate") is the owner of a direct, undivided fractional interest in Lease Payments (the "Lease Payments") payable under a Lease Agreement dated as of March 1, 2018 (the "Lease Agreement"), between the Local Facilities Finance Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation") and the Guadalupe Union School District, a school district duly organized and existing under the laws of the State of California (the "District"), which Lease Payments and certain other rights and interests under the Lease Agreement have been assigned to U.S. Bank National Association, as trustee (the "Trustee"), having a corporate trust office in Los Angeles, California (the "Office"), or such other or additional offices as the Trustee may designate from time to time as the corporate trust office.

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease Agreement, on the Maturity Date identified above, or any earlier prepayment date, the Principal Amount identified above representing a direct, undivided fractional share of the portion of the Lease Payments designated as principal, and to receive on August 1, 2018, and semiannually thereafter on February 1 and August 1 of each year (the "Interest Payment Dates") until payment in full of said principal, the Registered Owner's direct, undivided fractional share of the Lease Payments designated as interest coming due during the period immediately preceding each of the Interest Payment Dates.

Interest represented hereby shall be payable from the Interest Payment Date next preceding the date of execution of this Certificate unless (a) this Certificate is executed on an Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (b) unless this Certificate is executed on or before July 15, 2018, in which event interest is payable from the Dated Date identified above. The Registered Owner's share of the portion of the Lease Payments designated as interest is the result of the multiplication of the aforesaid share of the portion of the Lease Payments designated as principal by the Rate of Interest per annum identified above, calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal represented hereby is payable in lawful money of the United States of America, upon presentation and surrender hereof at the Trust Office of the Trustee, and interest represented hereby is payable by check mailed by first class mail by the Trustee on each Interest Payment Date to the Registered Owner at such Owner's address as it appears on the registration books of the Trustee as of the close of business on the 15th day of the month preceding such Interest Payment Date.

This Certificate has been executed and delivered by the Trustee under the terms of a Trust Agreement dated as of March 1, 2018, between the Trustee, the Corporation and the District (the "Trust Agreement"). The District has certified that it is authorized to enter into the Lease Agreement and the Trust Agreement under the laws of the State of California, for the purpose of leasing certain real property (the "Leased Property") used for the municipal purposes of the District. Reference is hereby made to the Lease Agreement and the Trust Agreement (copies of which are on file at the Trust Office of the Trustee) for a description of the terms on which the Certificates are delivered, the rights thereunder of the owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the District under the Lease Agreement, to all of the provisions of the Lease Agreement and the Trust Agreement the Registered Owner of this Certificate, by acceptance hereof, assents and agrees.

The District is obligated under the Lease Agreement to pay the Lease Payments for the Leased Property from any source of available funds, subject to certain exceptions as set forth in the Lease Agreement. As more fully described in the Lease Agreement, the Lease Payments are subject to abatement during any period in which by reason of damage or destruction to the Leased Property in whole or in part, or by reason of eminent domain proceedings with respect to the Leased Property in whole or in part, there is substantial interference with the use and occupancy by the District of the Leased Property or any portion thereof; such abatement shall be in an amount agreed upon by the District and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining portions of the Leased Property. The obligation of the District to pay the Lease Payments does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The obligation of the District to pay the Lease Payments does not constitute a debt of the District, the State of California or any of its political subdivisions, and does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The Certificates maturing on or before August 1, 20__, are not subject to optional prepayment before their respective stated maturities. The Certificates maturing on or after August 1, 20__, are subject to prepayment prior to their respective stated maturities, at the option of the District, in whole, or in part among maturities on such basis as designated by the District and by lot within any one maturity, on August 1, 20__, or on any date thereafter, upon

payment of a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

The Certificates are subject to extraordinary optional prepayment before their respective stated maturities at the option of the District, in whole, or in part among maturities on such basis as designated by the District and by lot within any one maturity, on any date commencing on _____ or on any date thereafter from General Obligation Bond Proceeds, upon payment of a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment, without premium. As defined herein and in the Trust Agreement, the term "General Obligation Bond Proceeds" means proceeds of general obligation bonds, or bond anticipation notes, issued by the District pursuant to a measure approved by District voters and thereafter issued pursuant to State law.

The Certificates are subject to mandatory prepayment, in whole or in part on any Business Day, among maturities on a pro rata basis and by lot within a maturity, from the Net Proceeds of insurance or eminent domain proceedings credited towards the prepayment of the Lease Payments under the Lease Agreement and Trust Agreement, at a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest represented thereby to the date fixed for prepayment, without premium.

As provided in the Trust Agreement, the Trustee shall mail notice of prepayment of the Certificates by first class mail, postage prepaid, not less than 20 nor more than 60 days before the prepayment date, to the registered owners of the Certificates to be prepaid, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for prepayment or the cessation of accrual of interest represented thereby. If this Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, interest represented hereby shall cease to accrue from and after the date fixed for prepayment.

This Certificate is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such transfer a new Certificate or Certificates, of authorized denomination or denominations, representing the same aggregate principal amount and representing the same rate of interest, will be delivered to the transferee in exchange herefor. The District, the Corporation and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Certificate shall be overdue, and the District, the Corporation and the Trustee shall not be affected by any notice to the contrary.

The Trustee is not required to register the transfer or exchange of any Certificate during the period in which the Trustee is selecting certificates for prepayment or any Certificate selected for prepayment.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the owners of a majority in aggregate principal amount of the Certificates then outstanding, and may be amended without such consent under certain circumstances; provided that no such amendment shall extend the fixed maturity of any Certificate or reduce the interest or principal represented thereby, without the express consent of the owner of such Certificate.

The Trustee has no obligation or liability to the owners of the Certificate to make any payment of the interest, principal or premium (if any) represented by the Certificates, other than as provided in the Trust Agreement from the Lease Payments and amounts credited thereto received or held by the Trustee. The recitals herein shall be taken as statements of the Corporation and the District and not of the Trustee. The Trustee has executed this Certificate solely in its capacity as Trustee under the Trust Agreement and not in its individual or personal capacity.

THE DISTRICT HAS DESIGNATED THE LEASE AGREEMENT AS A "QUALIFIED TAX-EXEMPT OBLIGATION" WITHIN THE MEANING OF SECTION 265(B)(3) OF THE INTERNAL REVENUE CODE OF 1986 (the "Tax Code"), and, in the case of certain financial institutions (within the meaning of section 265(b)(5) of the Tax Code), a deduction is allowed for 80 percent of that portion of such financial institutions' interest expense allocable to interest payable on the Certificates.

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

IN WITNESS WHEREOF, this Certificate has been executed and delivered by U.S. Bank National Association, as Trustee, acting under the Trust Agreement.

Execution Date: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within registered Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution (banks, stockbrokers, saving and loan associations and credit unions with membership in an approved signature medallion program) pursuant to Securities and Exchange Commission Rule 17Ad-15.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular without alteration or enlargement or any change whatsoever.

APPENDIX C

PROVISIONS RELATING TO THE CERTIFICATE INSURANCE POLICY

The following terms and provisions are hereby incorporated into this Trust Agreement by this reference. Such provisions shall control and supersede any conflicting or inconsistent provisions in this Trust Agreement.

APPENDIX D

PROVISIONS RELATING TO RESERVE POLICY

Notwithstanding anything to the contrary set forth in the Trust Agreement the District and the Trustee agree to comply with the following provisions:

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 15, 2018

NEW ISSUE -- FULL BOOK-ENTRY BANK QUALIFIED

Standard & Poor's "___"
See "RATING" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel, subject, however to certain qualifications described herein, under existing law, the portion of lease payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings, and the Lease Agreement is a "qualified tax-exempt obligation" with the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended. In the further opinion of Special Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS".

\$3,500,000*

2018 CERTIFICATES OF PARTICIPATION Evidencing the Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the GUADALUPE UNION SCHOOL DISTRICT to the Local Facilities Finance Corporation

Dated: Date of Delivery

Due: August 1, as shown on inside cover

Purposes. The captioned certificates of participation (the "Certificates") are being executed and delivered to (a) finance the acquisition and improvement of real property to be used as educational facilities by the Guadalupe Union School District (the "District"), and (b) purchase a municipal bond insurance policy and a reserve fund insurance policy for the Certificates, and (c) pay certain costs of executing and delivering the Certificates. See "FINANCING PLAN" herein.

Security. The Certificates evidence direct, undivided fractional interests of the owners thereof in Lease Payments to be made by the District for the use and occupancy of certain real property and improvements under a Lease Agreement, dated as of March 1, 2018 (the "Lease Agreement"), between the District and the Local Facilities Finance Corporation, a California nonprofit public benefit corporation (the "Corporation"). The Lease Payments will be payable from any source of available funds of the District, subject to the provisions of the Lease Agreement described herein regarding abatement and defeasance. The District is required under the Lease Agreement to take such actions as may be necessary to include all Lease Payments coming due in each of its annual budgets during the term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The semiannual Lease Payments payable under the Lease Agreement will comprise the interest and principal represented by the Certificates. The Certificates will be secured under a Trust Agreement dated as of March 1, 2018, among the District, the Corporation and U.S. Bank National Association, Los Angeles, California, as trustee (the "Trustee"). Under an Assignment Agreement dated as of March 1, 2018, between the Corporation and the Trustee, the Lease Payments will be irrevocably assigned to the Trustee for the benefit of the Owners of the Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES." See also "CERTAIN RISK FACTORS."

Interest. Interest represented by the Certificates will be payable on February 1 and August 1 of each year, commencing August 1, 2018. See "THE CERTIFICATES."

Book-Entry Only. When executed and delivered, the Certificates will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Certificates. Ownership interests in the Certificates may be purchased in book-entry form only. Beneficial owners of Certificates will not receive physical certificates representing the Certificates purchased, but will receive a credit balance on the books of the nominees of such purchasers who are participants of DTC. See "THE CERTIFICATES – Book-Entry Only System" and APPENDIX F.

Payments. Principal, premium, if any, and interest due with respect to the Certificates will be paid by the Trustee to DTC, which will in turn remit those payments to its participants for subsequent disbursement to the beneficial owners of the Certificates as described in this Official Statement. See "THE CERTIFICATES – Book-Entry Only System" and APPENDIX F.

Prepayment. The Certificates are subject to optional prepayment, extraordinary optional repayment from General Obligation Bond Proceeds and State Reimbursements (each as defined herein), mandatory prepayment from net proceeds of insurance or condemnation and mandatory sinking fund prepayment prior to their maturity. See "THE CERTIFICATES – Prepayment."

Limited Obligation. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE COUNTY OF SANTA BARBARA, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA OR OTHERWISE, OR AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

Certificate Insurance. The District has applied for municipal bond insurance for the Certificates, and, if a commitment is issued, will decide prior to the sale of the Certificates whether to purchase such insurance.

MATURITY SCHEDULE

(See inside cover)

This cover page contains information for quick reference only. It is not a summary of all the provisions of the Certificates. Investors must read the entire official statement to obtain information essential in making an informed investment decision. See "CERTAIN RISK FACTORS" for a discussion of factors that should be considered, in addition to the other matters set forth in this Official Statement, in evaluating the investment quality of the Certificates.

The Certificates are offered when, as and if executed and delivered, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel. Certain legal matters will be passed upon for the District by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. Dannis Woliver Kelley, Long Beach, California, is serving as counsel to the Underwriter. It is anticipated that the Certificates will be available for delivery to on or about March 8, 2018.



RBC Capital Markets

The date of this Official Statement is: March __, 2018

*Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE*

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
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* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. None of the District, the Corporation, or the Underwriter takes any responsibility for the accuracy of the CUSIP data.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any Certificate owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Certificates by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. The Underwriter may over allot or take other steps that stabilize or maintain the market prices of the Certificates at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Certificates to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Document Summaries. All summaries of the Trust Agreement, the Site Lease, the Lease Agreement, the Assignment Agreement or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Certificates have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Certificates have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Certificates will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the Corporation, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Website. The District maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Certificates.

**GUADALUPE UNION SCHOOL DISTRICT
SANTA BARBARA COUNTY
STATE OF CALIFORNIA**

BOARD OF TRUSTEES

Diana Arriola, *President*
MaryLou Sabedra-Cuello, *Vice-President*
Sheila Marie Cepeda, *Clerk*
David Hosking, *Member*
José E. Pereyra, *Member*

DISTRICT ADMINISTRATION

Ed Cora, *Superintendent*
Gloria Grijalva, *Chief Business Official*

FINANCIAL ADVISOR

Isom Advisors, A Division of Urban Futures, Inc.
Walnut Creek, California

SPECIAL COUNSEL and DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

UNDERWRITER'S COUNSEL

Dannis Woliver Kelley
Long Beach, California

TRUSTEE

U.S. Bank National Association
Los Angeles, California

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OFFICIAL STATEMENT

\$3,500,000*

2018 CERTIFICATES OF PARTICIPATION

Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
GUADALUPE UNION SCHOOL DISTRICT
to the Local Facilities Finance Corporation

INTRODUCTION

This Official Statement (which includes the cover page and Appendices hereto) (collectively, the “**Official Statement**”), provides certain information concerning the sale and delivery of the certificates of participation captioned above (the “**Certificates**”), which evidence the direct, undivided fractional interests of the Owners thereof in lease payments (the “**Lease Payments**”) to be made by the Guadalupe Union School District (the “**District**”) pursuant to a Lease Agreement dated as of _____ 1, 2018 (the “**Lease Agreement**”), between the District and Local Facilities Finance Corporation (the “**Corporation**”).

All capitalized terms used in this Official Statement but not otherwise defined have the meanings set forth in the Trust Agreement (defined below) or the Lease Agreement. See APPENDIX A for a summary of certain provisions of the legal documents.

The District. The District is located in Santa Barbara County (the “**County**”), and serves students from the City of Guadalupe. The District currently operates one elementary school and one junior high school, serving over 1,200 students. See “THE DISTRICT.”

Use of Proceeds. The proceeds of the sale of the Certificates will be used for the following purposes:

- (i) to finance the acquisition and improvement of real property to be used by the District for educational facilities, and
- (ii) purchase a municipal bond insurance policy and a reserve fund insurance policy for the Certificates, and
- (iii) pay costs incurred in connection with the execution and delivery of the Certificates.

See “FINANCING PLAN.”

**Preliminary; subject to change.*

Security and Sources of Payment. The Certificates evidence and represent the direct, undivided fractional interests of the registered owners (the “**Owners**”) thereof in the Lease Payments to be made by the District for the right to use the land and buildings comprising the _____, which will be leased by the District from the Corporation under the Lease Agreement (the “**Leased Property**”). See “THE LEASED PROPERTY” and “DISTRICT FINANCIAL INFORMATION – Long Term District Debt.”

The District and the Corporation will enter into a Site Lease dated as of _____ 1, 2018 (the “**Site Lease**”). Under the Site Lease, the District (as owner of the Leased Property) will lease the Leased Property to the Corporation. Concurrently, the District and the Corporation will enter into the Lease Agreement, under which the District will sublease the Leased Property back from the Corporation.

The Certificates will be executed and delivered under a Trust Agreement dated as of _____ 1, 2018 (the “**Trust Agreement**”), among the District, the Corporation and U.S. Bank National Association, Los Angeles, California, as trustee (the “**Trustee**”).

The Trustee and the Corporation will enter into an Assignment Agreement dated as of _____ 1, 2018 (the “**Assignment Agreement**”), under which the Corporation will assign to the Trustee for the benefit of the Certificate Owners substantially all of the Corporation’s right, title and interest in and to the Lease Agreement, including its right to receive the Lease Payments due under the Lease Agreement, provided that the Corporation will retain the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement.

See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES.”

LIMITED OBLIGATION. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE COUNTY OF SANTA BARBARA (THE “**COUNTY**”), THE STATE OF CALIFORNIA (THE “**STATE**”) OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OR OTHERWISE, OR AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Covenant to Appropriate; Abatement. The District is required under the Lease Agreement to take such actions as may be necessary to include all Lease Payments coming due in each of its annual budgets during the term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The semiannual Lease Payments payable under the Lease Agreement will comprise the interest and principal represented by the Certificates. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES.”

However, the Lease Payments are subject to complete or partial abatement in the event and to the extent that there is substantial interference with the District’s right to the use and possession of the Leased Property or any portion thereof due to material damage to or destruction of the Leased Property or due to the taking of the Leased Property in eminent domain proceedings. If the Lease Payments are abated under the Lease Agreement, and are not paid from alternative sources as described in this Official Statement, the Certificate Owners would receive less than the full amount of principal and interest represented by the Certificates.

To the extent proceeds of rental interruption insurance are available or there are moneys in the Reserve Fund with respect to the Certificates (as described below), Lease Payments (or a portion thereof) may be made from those sources during periods of abatement. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Abatement" and "CERTAIN RISK FACTORS."

Prepayment. The Certificates are subject to optional prepayment, extraordinary optional repayment from General Obligation Bond Proceeds and State Reimbursements (each as defined herein), mandatory prepayment from net proceeds of insurance or condemnation and mandatory sinking fund prepayment prior to their maturity. See "THE CERTIFICATES – Prepayment."

Certificate Insurance; Reserve Fund Insurance Policy. The District has applied for municipal bond insurance for the Certificates, and, if a commitment is issued, will decide prior to the sale of the Certificates whether to purchase such insurance. Additionally, the District may choose to purchase a reserve fund insurance policy for the Reserve Fund. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES - Reserve Fund."

Legal Matters. The execution and delivery of the Certificates is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("**Special Counsel**"), to be delivered in substantially the form attached hereto as APPENDIX D. Jones Hall, A Professional Law Corporation, San Francisco, California, is also serving as Disclosure Counsel to the District ("**Disclosure Counsel**"). Dannis Woliver Kelley, Long Beach, California, is serving as counsel to the Underwriter ("**Underwriter's Counsel**"). *Payment of the fees of Special Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon the delivery of the Certificates.*

Tax Matters; Bank Qualified. In the opinion of Special Counsel, subject, however to certain qualifications described in this Official Statement, under existing law, the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings. In addition, the Lease Agreement is a "qualified tax-exempt obligation" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") such that, in the case of certain financial institutions (within the meaning of section 265(b)(5) of the Tax Code), a deduction for federal income tax purposes is allowed for 80% of that portion of such financial institution's interest expense allocable to interest payable with respect to the Certificates. Furthermore, in the further opinion of Special Counsel, such interest is exempt from State personal income taxes. See "TAX MATTERS" and APPENDIX D hereto.

Certain Risk Factors. As described under the heading "CERTAIN RISK FACTORS," there are investment considerations and other risk factors associated with the purchase of the Certificates. Any one or more of the risks discussed, and others, could lead to a decrease in the market value of the Certificates. Potential purchasers of the Certificates are advised to review the entire Official Statement carefully and to conduct such due diligence and other review as they deem necessary and appropriate under the circumstances.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, dated the date of the Certificates and executed by the District (the “**Continuing Disclosure Certificate**”). The form of the Continuing Disclosure Certificate is included in APPENDIX E hereto. See “CONTINUING DISCLOSURE.”

Summaries of Documents. The summaries or references to the Site Lease, the Trust Agreement, the Lease Agreement, the Assignment Agreement and other documents, agreements and statutes referred to in this Official Statement, and the description of the Certificates included in this Official Statement, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to each such document or statute.

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FINANCING PLAN

The proceeds of the Certificates will be applied to finance high priority capital facilities improvements of the District, including _____ (the “**Project**”). See also “SOURCES AND USES OF FUNDS” below.

Pursuant to the Trust Agreement, the Trustee will establish a project fund (the “**Project Fund**”) into which a portion of the Certificate proceeds will be deposited in order to finance the Project. Funds deposited in the Project Fund will be withdrawn by the Trustee upon the written request of the District to pay or reimburse Project Costs, as defined in the Trust Agreement. See APPENDIX A for a summary of certain provisions of the legal documents.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Certificates are as follows:

Sources of Funds

Principal Amount of Certificates
Plus/Less Original Issue Premium/Discount

Total Sources

Uses of Funds

Project Fund
Delivery Costs⁽¹⁾

Total Uses

(1) All estimated costs of issuance including, but not limited to, Underwriter's discount, printing costs, and fees of Special Counsel, Disclosure Counsel, Financial Advisor, Trustee, certificate insurance policy and reserve fund policy premiums, if any, rating agency fees, title insurance fees and certain other costs.

THE LEASED PROPERTY

Description and Location

Lease Payments will be made by the District under the Lease Agreement for the use and possession of real property and improvements thereon commonly known as _____ (defined previously herein as the Leased Property). The Leased Property includes _____.

Fair Rental Value

The Lease Agreement provides that the Lease Payments and any Additional Payments which are payable in a Fiscal Year will constitute the total rental for the Leased Property for that Fiscal Year, and will be paid by the District in each Fiscal Year for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Property during each Fiscal Year.

The Corporation and the District have agreed and determined in the Lease Agreement that the total Lease Payments and Additional Payments represent the fair rental value of the Leased Property. In making such determination, consideration has been given to the estimated fair market value of the Leased Property, other obligations of the parties under the Lease Agreement, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the District and the general public.

Substitution

The Lease Agreement provides that, upon compliance with certain conditions specified therein, the District may substitute alternate real property for all or any portion of the Leased Property or to release a portion of the Leased Property from the Lease Agreement. See APPENDIX A for additional information.

THE CORPORATION

The Local Facilities Finance Corporation is a nonprofit, public benefits corporation, incorporated under the laws of the State and recorded by the Secretary of State in July 2011. The Corporation was formed for the sole purpose of providing financial assistance to California local governmental entities by financing, refinancing, acquiring, constructing, improving, leasing and selling building, building improvements, equipment, and any other real or personal property for the benefit of residents of local government and surrounding areas. The Board of Directors of the Corporation adopted its resolution approving the execution and delivery of the Certificates and related documents at a special meeting held on _____, 2018.

THE CERTIFICATES

Certificate Terms

General. The Certificates evidence and represent direct, fractional undivided interests of the Owners thereof in the principal and interest components of Lease Payments to be made by the District pursuant to the Lease Agreement.

The Certificates are dated the date of original delivery thereof and will be executed and delivered, without coupons, in denominations of \$5,000 or any integral multiple thereof, except that no Certificate shall represent principal payable in more than one year. The interest components evidenced by the Certificates will be due and payable semiannually on February 1 and August 1 of each year (each a “**Payment Date**”), commencing August 1, 2018.

Each Certificate shall be dated as of the date of its execution, and interest represented thereby shall be payable from the Payment Date next preceding the date of execution thereof, (a) unless it is executed following the close of business on the fifteenth day of the month preceding each Payment Date, whether or not such fifteenth day is a Business Day (a “**Record Date**”) and on or before the next succeeding Payment Date, in which event interest represented thereby shall be payable from such Payment Date, or (b) unless it is executed on or before March 15, 2018, in which event interest represented thereby shall be payable from the day when the Certificates, duly executed by the Trustee, are delivered to the Underwriter; *provided, however*, that if, as of the date of any Certificate, interest represented by such Certificate is in default, interest represented thereby shall be payable from the Payment Date to which interest has previously been paid or made available for payment with respect to such Certificate. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Lease Payments evidenced by the Certificates will be payable no later than five Business Days preceding each Payment Date. Interest represented by the Certificates will be calculated at the respective rates per annum as set forth on the front inside cover page of this Official Statement.

Prepayment

The Certificates are subject to prepayment as described below. Capitalized terms used below and not defined have the meanings assigned to such terms in the Trust Agreement.

Optional Prepayment. The Certificates maturing on or before August 1, 20____, are not subject to optional prepayment before their respective stated maturities. The Certificates maturing on or after August 1, 20____, are subject to prepayment prior to their respective stated maturities, at the option of the District, in whole, or in part among maturities on such basis as designated by the District and by lot within any one maturity, on August 1, 20____, or on any date thereafter, upon payment of a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

Extraordinary Optional Prepayment from General Obligation Bond Proceeds. The Certificates are subject to extraordinary optional prepayment before their respective stated maturities at the option of the District, in whole, or in part among maturities on such basis as designated by the District and by lot within any one maturity, on any date commencing on _____, 20__ or on any date thereafter from General Obligation Bond Proceeds, upon payment of a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

As defined herein and in the Trust Agreement, the term “**General Obligation Bond Proceeds**” means proceeds of general obligation bonds, or bond anticipation notes, issued by the District pursuant to a measure approved by District voters and thereafter issued pursuant to State law.

Mandatory Prepayment from Sinking Fund Prepayments. The Certificates maturing on August 1, 20__ (the “**Term Certificates**”) are subject to mandatory sinking fund prepayment by lot on August 1 in each year as set forth in the following tables, from the principal components of the Lease Payments required to be paid with respect to each of such dates, at a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest represented thereby to the prepayment date, without premium, as follows:

Sinking Fund Prepayment Date (August 1)	Principal Amount To Be Prepaid
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Notwithstanding the foregoing, if some but not all of the Term Certificates are prepaid under the Trust Agreement, the aggregate principal amount of the Term Certificates to be prepaid in each year as reflected in the foregoing table shall be reduced by the aggregate principal amount of Term Certificates so prepaid, to be allocated among sinking fund installments on a pro rata basis in integral multiples of \$5,000 such that the resulting amount of principal represented by the Term Certificates subject to prepayment on any date is equal to the aggregate principal components of the Lease Payments coming due and payable on such date.

Mandatory Prepayment from Net Proceeds. The Certificates are subject to mandatory prepayment, in whole or in part on any Business Day, among maturities on a pro rata basis and by lot within a maturity, from the Net Proceeds of insurance or eminent domain proceedings credited towards the prepayment of the Lease Payments under the Lease Agreement and Trust Agreement, at a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest represented thereby to the date fixed for prepayment, without premium. See APPENDIX A for additional information.

Purchase In Lieu of Prepayment. In lieu of prepayment of Certificates as provided in the Trust Agreement and described above, amounts held by the Trustee for such prepayment may, at the written request of the District, be applied by the Trustee to the purchase of Certificates at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the District may in its discretion direct, but not to exceed the prepayment price which would be payable if such Certificates were prepaid.

Notice of Prepayment. The Trustee will mail notice of prepayment of the Certificates by first class mail with postage prepaid, to the Owners of Certificates designated for prepayment at their respective addresses appearing on the Registration Books, at least 20 days but not more than 60 days prior to the prepayment date. Such notice shall:

- (a) state the prepayment date and prepayment price;
- (b) state the numbers or maturities of the Certificates to be prepaid, if less than all of the then Outstanding Certificates are to be called for prepayment;
- (c) if a Certificate is to be prepaid only in part, identify the portion of the Certificate which is to be prepaid;
- (d) require that such Certificates be surrendered on the prepayment date at the Office of the Trustee for prepayment at said prepayment price;
- (e) state that interest represented by the Certificates will not accrue from and after the prepayment date; and
- (f) state that on the prepayment date the principal and premium, if any, represented by each Certificate will become due and payable, together with accrued interest represented thereby to the prepayment date, and that from and after such date interest represented thereby ceases to accrue and be payable.

Neither the failure to receive any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates or the cessation of accrual of interest represented thereby from and after the date fixed for prepayment.

While the Certificates are subject to the book-entry system, the Trustee will not be required to give any notice of prepayment to any person or entity other than DTC and to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System and at the District's written direction, other securities depositories and information services. DTC and the DTC Participants shall have sole responsibility for providing any such notice of prepayment to the Beneficial Owners of the Certificates to be prepaid. Any failure at DTC to notify any DTC Participant, or any failure of a DTC Participant to notify the Beneficial Owner of any Certificates to be prepaid, of a notice of prepayment or its content or effect will not affect the validity of the notice of prepayment, or alter the effect of prepayment described below under "Effect of Prepayment."

Rescission of Prepayment Notice. The District may rescind any prepayment of the Certificates, and notice thereof, for any reason on any date prior to the date fixed for such prepayment by causing written notice of the rescission to be given to the Owners of the Certificates so called for prepayment. Notice of rescission of prepayment will be given in the same manner in which the notice of prepayment was originally given. The actual receipt of notice of such rescission is not a condition precedent to rescission and failure to receive such notice or any defect in such notice will not affect the validity of the rescission. The District, the Corporation or the Trustee have no liability to the Owners of any Certificates, or any other party, as a result of the District's decision to rescind a prepayment of the Certificates.

Selection of Certificates. Whenever provision is made in the Trust Agreement for the prepayment of Certificates and less than all Outstanding Certificates of any maturity are called for prepayment, the Trustee shall select Certificates of such maturity for prepayment by lot. For the purposes of such selection, Certificates shall be deemed to be composed of \$5,000 portions, and any such portion may be separately prepaid.

Effect of Prepayment. Moneys for the prepayment (including the interest to the applicable date of prepayment) of Certificates having been set aside in the Lease Payment Fund, the Certificates shall become due and payable on the date of such prepayment, and, upon presentation and surrender thereof at the Office of the Trustee, said Certificates shall be paid at the unpaid principal amount (or applicable portion thereof) represented thereby plus interest accrued and unpaid to said date of prepayment.

If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, together with interest represented thereby to said date of prepayment, shall be held by the Trustee so as to be available therefor on such date of prepayment, then, from and after said date of prepayment, interest represented by the Certificates shall cease to accrue and become payable. All moneys held by the Trustee for the prepayment of Certificates shall be held in trust for the account of the Owners of the Certificates so to be prepaid, and shall be held by the Trustee in cash uninvested.

Book-Entry Only System

The Certificates will be executed and delivered as fully registered certificates, registered in the name of Cede & Co. as nominee of DTC, and will be available to actual purchasers of the Certificates (the “**Beneficial Owners**”) in the denominations set forth above, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (as defined in this Official Statement) as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Certificates. See “APPENDIX F – Book-Entry Only System.” If the book-entry-only system is no longer used with respect to the Certificates, the Certificates will be registered and transferred in accordance with the Trust Agreement, as described below.

Transfer and Exchange of Certificates

While the Certificates are subject to DTC’s book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See APPENDIX F. During any period in which the Certificates are not subject to DTC’s book-entry system, their exchange and transfer will be governed by provisions of the Trust Agreement summarized in APPENDIX A.

LEASE PAYMENT SCHEDULE

Following is the schedule of Payment Dates with respect to the Certificates, assuming no optional prepayment. Under the Lease Agreement, Lease Payments are due the fifth Business Day immediately preceding each Payment Date.

**GUADALUPE UNION SCHOOL DISTRICT
SCHEDULE OF LEASE PAYMENTS**

Date	Principal Component	Interest Component	Total Payments
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Total

SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES

Nature of the Certificates

General. Each Certificate evidences and represents a direct, undivided fractional interest in the principal component of the Lease Payment due under the Lease Agreement on the payment date or prepayment date of such Certificate, and the interest component of all Lease Payments (based on the stated interest rate with respect to such Certificate) to accrue from the date of delivery to its principal payment date or prepayment date, as the case may be.

Assignment of Rights in Lease to Trustee. The Corporation, under the Assignment Agreement, will assign to the Trustee for the benefit of the Certificate Owners substantially all of the Corporation's right, title and interest in and to the Lease Agreement, including, without limitation, its right to receive Lease Payments to be paid by the District; except that the Corporation will retain certain rights under the Lease Agreement (including the rights to Additional Payments, repayment of advances, indemnification and payment of attorneys' fees). The District will pay Lease Payments directly to the Trustee, as assignee of the Corporation. See "– Lease Payments" below.

Lease Payments

General. For the right to the use and occupancy of the Leased Property, the Lease Agreement requires the District to make Lease Payments. To secure the payment of the Lease Payments, the District is required to pay to the Trustee, for deposit into the Lease Payment Fund established and maintained by the Trustee, on the fifth Business Day before each Payment Date, an amount sufficient to pay the Lease Payment then due.

Pursuant to the Trust Agreement, the Trustee shall withdraw moneys from the Lease Payment Fund on each Payment Date in amounts which equal the Lease Payment due on such Payment Date and shall cause all sums withdrawn from the Lease Payment Fund to be deposited in the Certificate Payment Account, and shall cause the same to be applied to the payment of principal and interest evidenced by the Certificates due on such Payment Date.

Scheduled Lease Payments relating to the Certificates are set forth above under the heading "LEASE PAYMENT SCHEDULE."

Additional Rent. The Lease Agreement requires the District to pay, in addition to the Lease Payments, all costs and expenses incurred by the District under the Lease Agreement or under the Trust Agreement, or incurred by the Corporation to comply with the provisions of the Trust Agreement, including without limitation all Costs of Issuance (to the extent not paid from amounts on deposit in the Costs of Issuance Fund), annual compensation due to the Trustee and all of its reasonable costs and expenses (including amounts payable to the Trustee by virtue of indemnification) payable as a result of the performance of and compliance with its duties under the Trust Agreement, and all reasonable costs and expenses of attorneys, auditors, engineers and accountants engaged by the Corporation or the Trustee in connection with the Leased Property or the performance of their duties under the Lease Agreement or under the Trust Agreement (collectively, "**Additional Payments**").

Covenant to Appropriate Funds. The District covenants under the Lease Agreement to take such action as may be necessary to include all Lease Payments and all estimated Additional Payments due under the Lease Agreement in its annual budgets. The Lease

Agreement provides that it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform such covenant.

See "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS - The Lease Agreement - Lease Payments; Budget and Appropriation; Abatement."

Abatement

Lease Payments will be paid by the District in each rental period for the District's right to use and occupy the Leased Property for such rental period. The obligation of the District to pay Lease Payments will be abated, proportionately, during any period in which, by reason of damage or destruction, or taking in eminent domain or any defect in title to the Leased Property, there is substantial interference with the use and possession of the Leased Property by the District. The Lease Agreement provides that the amount of such abatement shall be determined by the District such that the resulting Lease Payments represent the fair consideration for the use and possession of the portion of the Leased Property not damaged or destroyed or taken; provided, however, that such abatement shall not result so long as moneys in the Lease Payment Fund and the Reserve Fund and Net Proceeds of insurance and rental interruption insurance and condemnation awards are sufficient to make Lease Payments when and as due.

Such abatement will continue for the period commencing with such damage or destruction or taking and ending with the substantial completion of the work of repair or reconstruction; and the term of the Lease Agreement shall be extended as provided in the Lease Agreement, except that the term of the Lease Agreement will in no event be extended more than ten years beyond the termination date. Abatement of Lease Payments is not an event of default under the Lease Agreement and does not permit the Trustee to take any action or avail itself of any remedy against the District. In the event of any such partial damage or destruction or taking, the Lease Agreement will continue in full force and effect and the District waives any right to terminate the Lease Agreement by virtue of any such damage or destruction or taking. For information regarding rental interruption insurance, see " – Covenant to Maintain Insurance" below.

The Trustee cannot terminate the Lease Agreement solely on the basis of such substantial interference. Abatement of Lease Payments is not an event of default under the Lease Agreement and does not permit the Trustee to take any action or avail itself of any remedy against the District. For a description of abatement resulting from condemnation of all or part of the Leased Property, see "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Lease Payments – Abatement."

Limited Obligation

NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OR OTHERWISE, OR AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Termination or Abatement Due to Eminent Domain. Under the Lease Agreement, if the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the term of the Lease Agreement will cease with respect thereto as of the day possession is so taken.

If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, (a) the Lease Agreement will continue in full force and effect with respect thereto and will not be terminated by virtue of such taking, and the parties waive the benefit of any law to the contrary, and (b) there will be a partial abatement of Lease Payments allocated thereto, in an amount to be agreed upon by the District and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property, calculated in accordance with the Lease Agreement.

However, there will be no abatement of Lease Payments to the extent that amounts in the Reserve Fund, insurance proceeds and eminent domain proceeds are available to pay Lease Payments that would otherwise be abated under this provision, and such proceeds and amounts will constitute a special fund for the payment of the Lease Payments.

Lease Payment Fund

Establishment. Under the Trust Agreement the Trustee will establish a special fund designated as the "Lease Payment Fund." All moneys at any time deposited by the Trustee in the Lease Payment Fund will be held by the Trustee in trust for the benefit of the District and the Owners of the Certificates.

So long as any Certificates are Outstanding, neither the District nor the Corporation will have any beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in the Trust Agreement, and such moneys will be used and applied by the Trustee as set forth in the Trust Agreement.

Deposits. All Lease Payments received by the Trustee will be deposited in the Lease Payment Fund.

Application of Moneys. All amounts in the Lease Payment Fund will be used and withdrawn by the Trustee solely for the purpose of paying the principal and interest represented by the Certificates as they become due and payable, in accordance with the Trust Agreement.

Lease Payment Fund; Surplus. Any surplus remaining in the Lease Payment Fund after prepayment and payment of all Certificates, including premiums and accrued interest (if any) and payment of any applicable fees and expenses to the Trustee, or provision for such prepayment or payment having been made to the satisfaction of the Trustee, will be withdrawn by the Trustee and remitted to the District.

Action on Default

If the District defaults under the Lease Agreement, the Trustee, as assignee of the Corporation's rights under the Lease Agreement, may terminate the Lease Agreement and recover certain damages from the District, or may retain the Lease Agreement and hold the District liable for all Lease Payments thereunder on an annual basis. Lease Payments may not be accelerated upon a default under the Lease Agreement. See "CERTAIN RISK FACTORS."

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Corporation) contained in the Lease Agreement and the Trust Agreement, see APPENDIX A.

Reserve Fund

The Reserve Fund is established by the Trust Agreement to be held by the Trustee in trust for the benefit of the District and the Owners of the Certificates, as a reserve for the payment when due of the Lease Payments on behalf of the District. The Trustee will retain in the Reserve Fund amounts necessary to maintain an amount on deposit in the Reserve Fund equal to the Reserve Requirement. As defined in the Trust Agreement, the Reserve Requirement means as of the date of calculation thereof by the District, an amount equal to the lesser of (a) 10% of the original principal amount of the Certificates, or (b) the maximum amount of Lease Payments (excluding Lease Payments with respect to which the District shall have posted a security deposit pursuant to the Lease Agreement) coming due in the current or any future fiscal year, or (c) 125% of average annual Lease Payments.

If the Certificates are partially refunded, the Reserve Requirement shall be reduced to an amount equal to the maximum annual lease payments relating to the Certificate not so refunded, as specified in a certificate of a District Representative delivered to the Trustee.

If three Business Days prior to any Interest Payment Date the moneys available in the Lease Payment Fund do not equal the amount of the Lease Payment then coming due and payable, the Trustee shall apply the moneys available in the Reserve Fund to make such payments on behalf of the District by transferring the amount necessary for this purpose to the Lease Payment Fund.

[The District will acquire a reserve fund insurance policy (the “**Reserve Policy**”) for the Certificates in an amount equal to the initial Reserve Requirement, which will be credited to the Reserve Fund for the Certificates.] Amounts available in the Reserve Fund, including amounts available pursuant to the Reserve Policy, are to be used to make delinquent Lease Payments to the extent that the moneys available in the Lease Payment Account do not equal the amount of the principal and interest evidenced by the Certificates then coming due.

If (i) funds have been withdrawn from the Reserve Fund in order to pay interest or principal evidenced by the Certificates or a draw on a reserve fund surety shall have been made or if there shall be a deficiency in the Reserve Fund resulting from a decrease of 10% or more in the market value of the Permitted Investments in the Reserve Fund, determined as provided in the Trust Agreement, (ii) Lease Payments are not in abatement under the Lease Agreement, (iii) the amount of the Lease Payments is less than the fair rental value of the Leased Property, and (iv) the amount on deposit in the Reserve Fund is less than the Reserve Requirement, then the Lease Agreement provides that the District shall pay from its first available moneys after payment of Lease Payments, to the Trustee, Reserve Replenishment Rent consistent with such fair rental value (a) over a one-year period, in substantially equal quarterly payments as further provided in the Trust Agreement, or (b) if such payments prescribed in clause (a) are inconsistent with fair rental value, in such maximum amounts as shall be recommended by the appraisal referenced in the Lease Agreement consistent with fair rental value on each Lease Payment Date until the amount on deposit in the Reserve Fund equals the Reserve Requirement; provided, if a draw on a reserve fund surety shall have been made, then the

Lessee shall repay the costs in accordance with the Trust Agreement or such costs in accordance with the applicable reserve fund surety.

See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS" for a further description of the application of funds in the Reserve Fund.

Covenant to Maintain Insurance

The Lease Agreement requires the District to obtain public liability and property damage insurance, casualty insurance, rental interruption insurance, and to obtain a title insurance policy with respect to the Leased Property, as described below.

Public Liability and Property Damage Insurance. The District will maintain or cause to be maintained, throughout the term of the Lease Agreement, comprehensive general insurance in protection of the Corporation, the District and their respective members, officers, agents, employees and assigns. Such insurance shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such insurance shall provide coverage in such liability limits and be subject to such deductibles as the District deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of a program of self-insurance by the District, or in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District shall apply the proceeds of such insurance toward extinguishment or satisfaction of the liability with respect to which the net proceeds are paid.

Casualty Insurance. The District will procure and maintain, or cause to be procured and maintained, at all times throughout the term of the Lease Agreement, casualty insurance against loss or damage to the insured buildings, facilities and other improvements constituting any part of the Leased Property, in an amount at least equal to the lesser of (a) the replacement value of such buildings, facilities and improvements, or (b) the aggregate principal amount of the Outstanding Certificates. Such insurance shall, as nearly as practicable, cover loss or damage by fire, explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance, and shall include earthquake coverage if such coverage is available at reasonable cost from reputable insurers in the reasonable determination of the District, whose determination is final and conclusive. Such insurance may be subject to such deductibles as the District deems prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such insurance may not be maintained by the District in the form of self-insurance. The District shall apply the Net Proceeds of such insurance as provided in the Lease Agreement.

Rental Interruption Insurance. The District will procure and maintain, or cause to be procured and maintained, at all times throughout the term of the Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the buildings, facilities and other improvements constituting any part of the Leased Property, as a result of any of the hazards covered in due to a casualty as described in the preceding paragraphs, in an amount at least equal to the maximum Lease Payments coming due and payable during any two consecutive Fiscal Years during the remaining Term of the Lease. Such insurance may be maintained as part of or in conjunction with any other insurance coverage

carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such insurance may not be maintained by the District in the form of self-insurance. The Net Proceeds of such insurance, if any, shall be paid to the Trustee and deposited in the Lease Payment Fund, and shall be credited towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

Title Insurance. The District shall obtain a CLTA title insurance policy from Stewart Title Guaranty Company, insuring the District's leasehold estate in the Leased Property under the Lease, in an amount at least equal to the aggregate principal amount of the Certificates. All Net Proceeds received under such title insurance policy will be deposited with the Trustee in the Lease Payment Fund and credited towards the prepayment of the Lease Payments under the Lease Agreement.

See also "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Insurance."

Insurance and Condemnation Fund

The Lease Agreement requires that Net Proceeds of any insurance or condemnation award with respect to the Leased Property (other than proceeds of rental interruption insurance, which are required to be deposited into the Lease Payment Fund) be paid to the Trustee to be applied as provided in the Trust Agreement. The Trust Agreement provides that such Net Proceeds received by the Trustee shall be deposited in the Insurance and Condemnation Fund and that the District shall, within 90 days of the deposit of Net Proceeds with the Trustee, file a certificate with the Trustee and the Net Proceeds shall be applied by the Trustee as follows:

Application of Net Proceeds of Insurance. Any Net Proceeds of insurance collected by the District in the event of accident to or destruction of any component of the Leased Property are required to be paid to the Trustee and deposited by the Trustee promptly upon receipt thereof in a special fund designated as the "Insurance and Condemnation Fund" which the Trustee shall establish. If the District determines and notifies the Trustee in writing of its determination, within 90 days following the date of such deposit, that the replacement, repair, restoration, modification or improvement of the Leased Property is not economically feasible or in the best interests of the District, then such Net Proceeds shall be promptly transferred by the Trustee to the Lease Payment Fund and applied to the prepayment of Lease Payments and the corresponding mandatory prepayment of Certificates, which prepayment shall be made on the first prepayment date for which notice of prepayment can be timely given. The determination of the District to apply Net Proceeds to the prepayment of Certificates is subject to the following:

- (a) if the Leased Property is damaged or destroyed in full, such Net Proceeds may be transferred to the Lease Payment Fund to be used to prepay Outstanding Certificates only if such Net Proceeds, together with other available moneys, are sufficient to cause the corresponding prepayment of all Lease Payments allocable to the Leased Property; and
- (b) if the Leased Property is damaged or destroyed in part but not in whole, such Net Proceeds may be transferred to the Lease Payment Fund to be used to prepay Outstanding Certificates only if the Lease Payments which result after the corresponding abatement thereof under the Lease Agreement are sufficient to pay the full amount of principal and interest

represented by the Certificates which remain Outstanding after such prepayment.

All Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Lease Payment Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Leased Property by the District, upon receipt of written requisitions of the District stating with respect to each payment to be made (a) the name and address of the person, firm or corporation to whom payment is due, (b) the amount to be paid and (c) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation. Any balance of the Net Proceeds remaining after the District shall file a written certificate with the Trustee stating that such work has been completed shall, after payment of all amounts then due and owing to the Trustee hereunder, be paid to the District.

See "THE CERTIFICATES – Prepayment – Mandatory Prepayment from Net Proceeds."

Application of Net Proceeds of Condemnation Award. The Trust Agreement provides that, if all or any part of the Leased Property is taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund, under the Lease Agreement, and shall be applied and disbursed by the Trustee as follows:

- (a) If the District gives written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease Agreement, and (ii) that such proceeds are not needed for repair, replacement or rehabilitation of the Leased Property, and the District has given written notice to the Trustee of such determination, the Trustee will transfer such proceeds to the Lease Payment Fund to be credited towards the payment of the Lease Payments as they become due and payable.
- (b) If the District gives written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease Agreement, and (ii) such proceeds are needed for repair, replacement or rehabilitation of the Leased Property, the Trustee will pay to the District, or to its order, from said proceeds such amounts as the District may expend for the repair or rehabilitation of the Leased Property.
- (c) If (i) less than all of the Leased Property is taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the District gives written notice to the Trustee of its determination that such eminent domain proceedings have materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease Agreement, or (ii) all of the Leased Property is taken in such eminent domain proceedings, then the Trustee will transfer such proceeds to the

Lease Payment Fund to be credited toward the prepayment of the Lease Payments of the Lease Agreement and applied to the corresponding mandatory prepayment of Certificates, which prepayment shall be made on the first prepayment date for which notice of prepayment can be timely given.

In making any such determination whether to repair, replace or rehabilitate the Leased Property under this Section, the District may obtain, but is not required to obtain, at its expense, the report of an independent engineer or other independent professional consultant, a copy of which must be filed with the Trustee. Any such determination by the District is final. See also "THE CERTIFICATES – Prepayment – Mandatory Prepayment from Net Proceeds."

THE DISTRICT

General Information

The District is located in Santa Barbara County (the "**County**"), and serves students from the City of Guadalupe. The District currently operates one elementary school and one junior high school, serving over 1,200 students.

Administration

Board of Trustees. The District is governed by a five-member Board of Trustees whose members are elected to four-year terms. The terms are staggered on two-year intervals to provide continuity of governance. Vacancies during terms are filled by an individual appointed by a majority of the remaining Board members or, if there is no majority, by a special election. Members appointed by a majority of the Board serve until the next scheduled election, at which time the voters elect a person to serve the remaining years of the term.

Current members of the Board of Trustees, together with their office and the date their term expires, are listed below.

GUADALUPE UNION SCHOOL DISTRICT BOARD OF TRUSTEES

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Diana Arriola	President	December 2018
MaryLou Sabedra-Cuello	Vice President	December 2018
Sheila Marie Cepeda	Clerk	December 2018
David Hosking	Member	December 2020
José E. Pereyra	Member	December 2020

Superintendent and Administrative Personnel. The Superintendent of the District is appointed by the Board and is responsible for management of the day-to-day operations and supervises the work of other District administrators. Ed Cora and Gloria Grijalva currently serve as the Superintendent and Chief Business Official, respectively, of the District.

Recent Enrollment Trends

The following table shows recent enrollment history for the District.

ANNUAL ENROLLMENT Fiscal Years 2011-12 through 2017-18 (Projected) Guadalupe Union School District

School Year	Enrollment	% Change
2011-12	1,201	--
2012-13	1,182	(1.6)%
2013-14	1,232	4.2
2014-15	1,282	4.1
2015-16	1,269	(1.0)
2016-17	1,280	0.9
2017-18*	1,291	0.9

*Projection.

Source: California Department of Education; Guadalupe Union School District.

Employee Relations

The District currently has ___ certificated, ___ classified and ___ management full-time equivalent positions. The certificated and classified employees of the District are represented by their respective bargaining units, as set forth in the following table.

BARGAINING UNITS Guadalupe Union School District

Employee Group	Number of Employees Represented	Contract Expiration Date
Guadalupe Teachers Association	___	June 30, 2019
California School Employees Association	___	June 30, 2019

Source: Guadalupe Union School District.

Risk Management

The District participates in three joint ventures under joint powers agreements (“JPAs”); the Self-Insurance Program for Employees, the Self-Insured Schools of California II, and the Self-Insured Schools of California III. The relationship between the District and the JPAs are such that none of the JPAs are a component unit of the District for financial reporting purposes.

The JPAs are independently accountable for their fiscal matters. The insurance groups maintain their own accounting records. Budgets are not subject to any approval other than of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPA.

DISTRICT FINANCIAL INFORMATION

Education Funding Generally

School districts in California receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the one percent general *ad valorem* tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly affect a school district's revenues and operations.

From 1973-74 to 2012-13, California school districts operated under general purpose revenue limits established by the State Legislature. In general, revenue limits were calculated for each school district by multiplying (1) the average daily attendance ("**ADA**") for such district by (2) a base revenue limit per unit of ADA. The revenue limit calculations were adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type. Funding of the District's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments amounted to the difference between the District's revenue limit and its local property tax revenues.

The fiscal year 2013-14 State budget package (the "**2013-14 State Budget**") replaced the previous K-12 finance system with a new formula known as the Local Control Funding Formula (the "**LCFF**"). Under the LCFF, revenue limits and most state categorical programs were eliminated. School districts instead receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that reflect student demographic factors. The LCFF includes the following components:

- A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is \$2,375 more than the average revenue limit provided prior to LCFF implementation. The base grants will be adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.
- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 50% of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.
- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and is being phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget (based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**"), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts will have the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

Based on revenue projections, districts will reach what is referred to as "full funding" in eight years, being fiscal year 2020-21. This projection assumes that the State's economy will improve each year; if the economy falters it could take longer to reach full funding.

The target LCFF amounts for State school districts and charter schools based on grade levels and Targeted Students is shown below.

Grade Span Funding at Full LCFF Implementation (Target Amount)

Grade Span	Base Grant⁽¹⁾	K-3 Class Size Reduction and 9-12 Adjustments	Average Assuming 0% Targeted Students	Average Assuming 25% Targeted Students	Average Assuming 50% Targeted Students	Average Assuming 100% Targeted Students
K-3	\$6,845	\$712	\$7,557	\$7,935	\$8,313	\$10,769
4-6	6,947	N/A	6,947	7,294	7,642	9,899
7-8	7,154	N/A	7,154	7,512	7,869	10,194
9-12	8,289	\$216	8,505	8,930	9,355	12,119

(1) Does not include adjustments for cost of living.

Source: California Department of Education.

The new legislation included a "hold harmless" provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its fiscal year 2012-13 level, unadjusted for changes in ADA or cost of living adjustments.

The LCFF includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts, county offices of education, and charter schools are required to develop and adopt local control and accountability plans, which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the 2013-14 State Budget created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts.

District accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the General Fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30.

District expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The Governmental Accounting Standards Board (“**GASB**”) published its Statement No. 34 “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments” on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management’s Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting, (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iv) required supplementary information.

Financial Statements

General. The District’s general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District’s June 30, 2017 Audited Financial Statements were prepared by Vavrinek, Trine, Day & Co., LLP and are attached hereto as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Office of the District, 4465 Ninth Street, P.O. Box 788, Guadalupe, California 93434; telephone (805) 343-2114. The District has not requested, and the auditor has not provided, any review or update of such Financial Statements in connection with inclusion in this Official Statement. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. This District may impose a charge for copying, mailing and handling.

General Fund Revenues, Expenditures and Changes in Fund Balance. The District's General Fund is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund. The following table shows the audited income and expense statements for the District's General Fund for the fiscal years 2012-13 through 2016-17.

REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2012-13 through 2016-17 (Audited)
Guadalupe Union School District

	Audited 2012-13	Audited 2013-14	Audited 2014-15	Audited 2015-16	Audited 2016-17
Revenues					
Revenue Limit Sources/LCFF ⁽¹⁾	\$6,063,649	\$7,590,649	\$9,330,523	\$11,486,859	\$11,983,740
Federal Revenue	655,871	788,734	663,511	665,596	826,463
Other State Revenue	1,856,501	1,062,518	774,831	1,466,638	1,122,602
Other Local Revenue	571,958	558,982	717,644	449,818	507,419
Total Revenues	9,147,979	10,000,883	11,486,509	14,068,911	14,440,224
Expenditures					
Current:					
Instruction	6,431,746	7,138,985	7,329,302	8,392,629	9,200,971
Instruction-related activities:					
Supervision of instruction	129,138	315,140	213,208	295,460	481,552
Instructional library, media and technology	120,391	133,798	199,949	404,228	337,648
School site administration	333,826	445,079	569,414	630,316	687,069
Pupil services:					
Home-to-school transportation	111,940	130,664	172,017	254,207	270,086
Food services	--	--	5,801	--	1,552
All other pupil services	423,211	561,316	721,116	817,132	911,911
Administration:					
Data processing	9,000	--	23,904	11,550	12,533
All other administration	618,061	647,640	796,160	885,350	1,014,226
Plant services	795,168	1,110,334	1,216,576	1,521,333	1,457,871
Facility acquisition and construction	12,793	255,131	465,286	73,125	533,124
Community services	300,007	219,754	155,595	147,654	130,701
Debt service:					
Principal	--	--	--	3,489	--
Interest and other	3,250	3,864	--	478	15,868
Total Expenditures	9,288,531	10,961,705	11,868,328	13,436,951	15,055,112
Excess of Revenues Over/(Under) Expenditures	(140,552)	(960,822)	(381,919)	631,960	(614,888)
Other Financing Sources (Uses)					
Transfers in	--	--	--	--	--
Other sources	--	--	--	43,105	--
Transfers out	--	--	(190,000)	(200,000)	(60,000)
Total Other Financing Sources (Uses)	--	--	(190,000)	(156,895)	(60,000)
Net Change in Fund Balance	(140,552)	(960,822)	(571,919)	475,065	(674,888)
Fund Balances, beginning of fiscal year (July 1)	3,121,667	2,981,115	2,020,293	1,448,374	2,199,966 ⁽²⁾
Fund Balance, end of fiscal year (June 30)	\$2,981,115	\$2,020,293	\$1,448,374	\$1,923,439	\$1,525,078

(1) LCFF commenced in fiscal year 2013-14.

(2) Increase in beginning fund balance for fiscal year 2016-17 due to _____.
Source: District Audited Financial Statements for fiscal years 2012-13 through 2016-17.

District Budget and Interim Financial Reporting

Budgeting - Education Code Requirements. The District is required by provisions of the California Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("**AB 1200**"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Santa Barbara County Superintendent of Schools (the "**County Superintendent**").

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) after also consulting with the district's board, develop and impose revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

Interim Certifications Regarding Ability to Meet Financial Obligations. AB 1200 imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal

year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district's repayment of indebtedness is probable.

District's Budget Approval/Disapproval and Certification History. During the past five years, each of the District's adopted budgets has been approved by the County Superintendent and the District has certified each of its interim reports as positive.

Copies of Budgets and Other Financial Reports. Copies of the District's budget, interim reports and certifications may be obtained upon request from the District Office, 4465 Ninth Street, P.O. Box 788, Guadalupe, California 93434; telephone (805) 343-2114. The District may impose charges for copying, mailing and handling.

District's Fiscal Year 2017-18 Budget and Fiscal Year 2017-18 First Interim Projections. The following table shows the income and expense statements for the District for fiscal year 2017-18 (adopted budget and first interim projections).

REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE⁽¹⁾
Fiscal Year 2017-18 (Adopted Budget and First Interim Report)
Guadalupe Union School District

	Adopted Budget 2017-18	First Interim Projections Fiscal Year 2017-18
<u>Revenues</u>		
LCFF	\$12,830,683	\$12,761,579
Federal Revenues	763,159	690,092
Other State Revenues	637,818	1,536,495
Other Local Revenues	806,478	677,328
Total Revenues	15,038,138	15,655,493
<u>Expenditures</u>		
Certificated Salaries	6,770,914	7,008,399
Classified Salaries	2,411,063	2,348,363
Employee Benefits	3,127,651	3,521,922
Books and Supplies	1,127,905	1,170,129
Contract Services & Operating Exp.	1,657,574	1,756,156
Capital Outlay	312,187	347,187
Other Outgo (excluding indirect costs)	18,196	18,196
Other Outgo – Transfers of Indirect Costs	(41,396)	(41,396)
Total Expenditures	15,384,093	16,128,957
Excess of Revenues Over/(Under) Expenditures	(345,955)	(463,463)
<u>Other Financing Sources (Uses)</u>		
Operating transfers in	--	--
Operating transfers out	(60,000)	(60,000)
Other sources	--	--
Total Other Financing Sources/(Uses)	(60,000)	(60,000)
 Net change in fund balance	 (405,955)	 (523,463)
 Fund Balance, July 1	 1,696,630	 1,471,289
Fund Balance, June 30	\$1,290,674	\$947,826

(1) Totals may not sum due to rounding.
Source: Guadalupe Union School District.

District Reserves. The District's ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State's minimum required reserve of 3% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by the District in the future. The District maintains an unrestricted reserve which meets the State's minimum requirements.

In connection with legislation adopted in connection with the State's fiscal year 2014-15 Budget ("**SB 858**"), the Education Code was amended to provide that, beginning in fiscal year 2015-16, if a district's proposed budget includes a local reserve above the minimum recommended level, the governing board must provide the information for review at the annual public hearing on its proposed budget. In addition, SB 858 included a provision, which became effective upon the passage of Proposition 2 at the November 4, 2014 statewide election, which limits the amount of reserves which may be maintained at the District level. Specifically, the legislation, among other things, enacted Education Code Section 42127.01, which became operative December 15, 2014, and provides that in any fiscal year immediately after a fiscal year in which a transfer is made to the State's Public School System Stabilization Account (the Proposition 98 reserve), a school district may not adopt a budget that contains a reserve for economic uncertainties in excess of twice the applicable minimum recommended reserve for economic uncertainties established by the State Board (for school districts with ADA over 400,000, the limit is three times the amount). Exemptions can be granted by the County Superintendent under certain circumstances.

In August of 2015, Senate Bill 799 ("**SB 799**") was introduced into the State Senate in response to SB 858 proposing reforms to the reserve cap. SB 799 proposes a cap on unassigned reserves and special reserves for other than capital outlay of seventeen percent, with exemptions from the cap for school districts with less than 2,500 average daily attendance and basic aid districts.

The District cannot predict how SB 858 or SB 799, if enacted, will impact its reserves and future spending.

Attendance - LCFF Funding

As previously described, prior to fiscal year 2013-14, school districts in the State derived most State funding based on a formula which considered a revenue limit per unit of ADA. With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth LCFF funding per ADA for the District for fiscal years 2013-14 through 2017-18 (Budgeted).

ADA AND LCFF FUNDING Fiscal Years 2013-14 through 2017-18 (Budgeted) Guadalupe Union School District

Fiscal Year	ADA	LCFF "Phase-In" Entitlement Per ADA ⁽¹⁾
2013-14	1,168	\$6,443
2014-15	1,216	7,552
2015-16	1,220	8,988
2016-17	1,215	—
2017-18 ⁽¹⁾	1,230	—

(1) Represents the average entitlement per ADA across grade spans.

(2) First Interim Report.

Source: Guadalupe Union School District.

The District's unduplicated pupil count for fiscal year 2016-17 for purposes of calculating entitlement under the LCFF for supplemental funding and concentration grant funding is approximately 93.1%.

Revenue Sources

The District categorizes its general fund revenues into four sources, being the LCFF, Federal Revenues, Other State Revenues and Local Revenues. Each of these revenue sources is described below.

LCFF Sources. District funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding under the LCFF. Generally, the State apportionments will amount to the difference between the District's LCFF funding entitlement and its local property tax revenues.

Beginning in fiscal year 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Section 42238(h) of the Education Code of the State itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in

equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under No Child Left Behind, the Individuals With Disabilities Education Act, and specialized programs such as Drug Free Schools.

Other State Revenues. Other State Revenues consist primarily of apportionments for mandated costs reimbursements, special education master plan, and State lottery apportionments.

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings, leases and rentals.

District Retirement Systems

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. Commencing with fiscal year ended June 30, 2016, the District has implemented the provisions of GASB Statement Nos. 68 and 71 which require certain new pension disclosures in the notes to their audited financial statements. See APPENDIX B for additional information.

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended. The program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers and the State. The District's employer contributions to STRS for recent fiscal years are set forth in the following table.

**STRS Contributions
Guadalupe Union School District
Fiscal Years 2013-14 through 2017-18 (Budgeted)**

Fiscal Year	Amount
2013-14	\$412,897
2014-15	456,370
2015-16	630,160
2016-17	888,949
2017-18 ⁽¹⁾	1,589,458

(1) Budgeted.

Source: *Guadalupe Union School District Audited Financial Statements and First Interim Report for Fiscal Year 2017-18.*

Historically, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the combination of investment earnings and statutory contributions were not sufficient to pay actuarially required amounts. As a result, the STRS defined benefit program showed an estimated unfunded actuarial liability of approximately \$96.7 billion as of June 30, 2016 (the date of the last actuarial valuation). In connection with the State's adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 ("**AB 1469**"), which represents a legislative effort to address the unfunded liabilities of the STRS pension plan. AB 1469 addressed the funding gap by increasing contributions by employees, employers and the State. In particular, employer contribution rates are scheduled to increase through at least fiscal year 2020-21, from a contribution rate of 8.25% in fiscal year 2013-14 to 19.1% in fiscal year 2020-21. Thereafter, employer contribution rates will be determined by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

The District's employer contribution rates for fiscal years 2014-15 and 2015-16 were 8.88% and 10.73%, respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2016-17 through fiscal year 2020-21 are set forth in the following table.

**PROJECTED EMPLOYER CONTRIBUTION RATES (STRS)
Fiscal Years 2016-17 through 2020-21**

Fiscal Year	Projected Employer Contribution Rate⁽¹⁾
2016-17	12.58%
2017-18	14.43
2018-19	16.28
2019-20	18.13
2020-21	19.10

(1) Expressed as a percentage of covered payroll.
Source: AB 1469

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the "Schools Pool." Benefit provisions are established by State statutes, as legislatively amended. Contributions to PERS

are made by employers and employees. Each fiscal year, the District is required to contribute an amount based on an actuarially determined employer rate. The District's employer contributions to PERS for recent fiscal years are set forth in the following table.

**PERS Contributions
Guadalupe Union School District
Fiscal Years 2013-14 through 2017-18 (Budgeted)**

Fiscal Year	Amount
2013-14	\$117,320
2014-15	142,042
2015-16	194,794
2016-17	332,364
2017-18 ⁽¹⁾	343,655

(1) First Interim Report.

Source: *Guadalupe Union School District Audited Financial Statements and First Interim Report for Fiscal Year 2017-18.*

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. The PERS unfunded liability, on a market value of assets basis, was approximately \$21.8 billion as of June 30, 2016 (the date of the last actuarial valuation). To address this issue, the PERS board has taken a number of actions. In April 2013, for example, the PERS board approved changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates. In April 2014, PERS set new contribution rates, reflecting new demographic assumptions and other changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy intended to incrementally lower its discount rate – its assumed rate of investment return – in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. In December 2016, PERS voted to lower its discount rate from the current 7.5% to 7.0% over the next three years according to the following schedule.

Fiscal Year	Discount Rate
2017-18	7.375%
2018-19	7.250
2019-20	7.000

The new rates and underlying assumptions, which are aimed at eliminating the unfunded liability of PERS in approximately 30 years, will be implemented for school districts beginning in fiscal year 2016-17, with the costs spread over 20 years and the increases phased in over the first five years.

The District's employer contribution rates for PERS for fiscal years 2014-15 and 2015-16 were 11.771% and 11.847%, respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2016-17 through fiscal year 2020-21 are set forth in the following table.

PROJECTED EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2016-17 through 2020-21⁽¹⁾

Fiscal Year	Projected Employer Contribution Rate ⁽²⁾
2016-17	13.888%
2017-18	15.500
2018-19	17.100
2019-20	18.600
2020-21	19.800

(1) Rates were estimated by PERS in 2016. The PERS board is expected to approve official employer contribution rates for each fiscal year shown during the immediately preceding fiscal year.

(2) Expressed as a percentage of covered payroll.

Source: PERS

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

PERS has predicted that the impact of PEPRA on employees and employers, including the District and other employers in the PERS system, will vary, based on each employer's current level of benefits. As a result of the implementation of PEPRA, new members must pay at least 50% of the normal costs of the plan, which can fluctuate from year to year. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn.

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPPRA, resulting from any legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

Additional Information. Additional information regarding the District's retirement programs is available in the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Other Post-Employment Benefit Obligation

GASB 45. In June 2004, the Governmental Accounting Standards Board ("GASB") issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions* ("GASB 45"). The pronouncement requires employers providing healthcare benefits to retirees to recognize and account for the costs for providing these benefits on an accrual basis and provide footnote disclosure on the progress toward funding the benefits. The implementation date for this pronouncement was staggered in three phases based upon the entity's annual revenues, similar to the implementation for GASB Statement No. 34 and 35. GASB 45 was effective for the District for the fiscal year ending June 30, 2008. GASB 45 provides that school districts should establish a reserve fund and annually transfer sufficient funds to this reserve in order to pay for retiree employment benefits other than pensions for the period of time agreed in union contracts.

Plan Description. The District offers elective medical insurance coverage on behalf of its eligible retirees and their dependents. Retirees under age 65 must pay a tiered premium that is actuarially equivalent to the composite rates used for the District's active employees. The District does not directly contribute towards the cost of premiums for retirees. The ability to maintain coverage at a blended rate constitutes a significant economic benefit to the retirees, called an "implicit subsidy" under GASB 45.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other post-employment benefit ("OPEB") cost is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. GASB 45 requires local government employers who provide OPEB as part of the compensation offered to employees to recognize the expense and related liabilities and assets in their financial statements.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (“**UAAL**”) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the 2016-17 fiscal year, the amount actually contributed to the plan, and changes in the School District's OPEB obligation to the Plan:

Annual required contribution (ARC)	\$29,417
Interest on net OPEB obligation	6,951
Adjustment to annual required contribution	<u>(10,049)</u>
Annual OPEB cost (expense)	26,319
Contributes made	<u>(329)</u>
Increase in net OPEB obligation	25,990
Net OPEB obligation, beginning of year	<u>154,474</u>
Net OPEB obligation, end of year	\$180,464

Funding Status and Funding Progress. As of July 1, 2015, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) for benefits was \$294,197.

Long Term District Debt

General. In addition to the District's ongoing obligations with respect to retirement plans described above, the District has outstanding general obligation bond indebtedness. The District has never defaulted on the payment of principal or interest on any of its long-term indebtedness. See APPENDIX B for summaries and expected debt service requirements of the District's long-term debt.

General Obligation Bonds. The District has outstanding general obligation bonds and refunding bonds, each of which is secured by *ad valorem* taxes upon all property subject to taxation by the District, as summarized in the following table.

**Summary of Outstanding General Obligation Bond Debt
Guadalupe Union School District**

GO Bond Issue	Date Issued	Final Maturity	Original Issue Amount	Principal Amount Outstanding (As of January 1, 2018)
Election of 2016, Series A-1 Bonds	03/16/2017	2037	\$800,000	\$800,000
Election of 2016, Series A-2 Bonds	03/16/2017	2042	1,975,000	1,975,000
Total			\$2,775,000	\$2,775,000

Source: Guadalupe Union School District; Financial Advisor.

State Funding of Education

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. School districts in California receive operating income primarily from two sources: (1) the State funded portion which is derived from the State's general fund, and (2) a locally funded portion, being a district's share of the 1% general *ad valorem* tax levy authorized by the California Constitution (see "DISTRICT FINANCIAL INFORMATION – Education Funding Generally" above). School districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55% of their operating revenues from various State sources.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The following information concerning the State's budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. Neither the District, the Corporation, nor the Underwriter are responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

The Budget Process. The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "**Governor's Budget**"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal and must pass a budget bill by June 15 of each year upon majority vote, although any proposal for tax increases requires a two-thirds supermajority vote of each house.

Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a majority vote of each house of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each house of the Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each house of the Legislature, and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets

Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. *The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District or the Underwriter and is not incorporated herein by reference.*

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading "Bond Information", posts various State of California Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State.
- The California State Treasurer's Office Internet home page at www.treasurer.ca.gov, under the heading "Financial Information", posts the State's audited financial statements. In addition, the Financial Information section includes the State's Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation from the State's most current Official Statement, which discusses the State budget and its impact on school districts.
- The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget", includes the text of proposed and adopted State Budgets.
- The State Legislative Analyst's Office prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)".

Prior Years' Budgeting Techniques. Declining revenues and fiscal difficulties which

arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools, until a later date in the fiscal year, or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures which were implemented or could have been implemented if certain State budgeting goals were not met, among others, and the dissolution of local redevelopment agencies in part to make available additional funding for local agencies. There can be no certainty that budget-cutting strategies such as those used in recent years will not be used in the future should the State Budget again be stressed and if projections included in such budget do not materialize.

2013-14 State Budget: Significant Change in Education Funding. As described previously herein, the 2013-14 Budget and its related implementing legislation enacted significant reforms to the State's system of K-12 education finance with the enactment of the LCFF. Significant reforms such as the LCFF and other changes in law may have significant impacts on the District's finances.

2017-18 Adopted State Budget

On June 27, 2017, the Governor signed the 2017-18 State budget (the "**2017-18 State Budget**") into law. The 2017-18 State Budget calls for the spending of \$125.1 billion from the general fund, \$54.9 billion from special funds and \$3.3 billion from bond funds. The 2017-18 State Budget includes a funding increase of \$3.1 billion for K-14 education, an expanded tax credit for low-wage workers and puts an additional \$1.8 billion into the State's budget stabilization reserve, bringing the rainy-day fund balance to \$8.5 billion, or 66% of the constitutional target. Significant features of the 2017-18 Budget include:

- total funding of \$92.5 billion for K-12 education programs, including an increase in funding of \$1.4 billion to continue the State's transition to LCFF, bringing the formula to 97% of full implementation;
- an increase of \$877 million in one-time discretionary grants to provide school districts, charter schools and county offices of education with funds to be used for items such as deferred maintenance, professional development, induction for beginning teachers, instructional materials, technology, and the implementation of new educational standards;
- an increase in \$7 million to support county offices of education, which funding requires county superintendents of schools to summarize how the county offices of education will support school districts and schools within the county;
- \$1.8 billion to pay down past budgetary borrowing and State employee pension liabilities;
- a \$6 billion supplemental payment to PERS, on top of the actuarially determined annual contribution of \$5.2 billion, through a loan from the State's Surplus Money Investment Fund, which will reduce unfunded liabilities, stabilize the State's contribution rate and save \$11 billion over the next twenty years;

- \$2.8 billion dollars for STRS, which contribution is consistent with the funding strategy of putting STRS on a sustainable path forward and eliminating its current unfunded liability in approximately 30 years;
- new appropriations of \$2.8 billion, distributed evenly between State and local transportation authorities, to implement the Road Repair and Accountability Act of 2017;
- \$84.9 million to address issues from the State's recent drought emergency, including \$41.9 million to extend the fire season and expand the State's firefighting capabilities to reduce the fire risk from climate change, the recent drought and tree mortality; and
- an increase of \$31.5 million to repair and maintain the aging infrastructure of the State's park system.

Availability of 2017-18 Adopted State Budget

The complete 2017-18 Adopted State Budget is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated in this Official Statement by such reference. The information referred to above should not be relied upon in making an investment decision with respect to the Certificates.

2018-19 Proposed State Budget

On January 10, 2018, the Governor released the proposed State budget for fiscal year 2018-19 (the "**2018-19 Proposed Budget**"). The 2018-19 Proposed Budget, despite projecting a one-time surplus and assuming continued expansion of the State economy, proposes a \$3.5 billion deposit in order to fully fund the State's "Rainy Day Fund" in order to soften the magnitude of any future budget cuts. The 2018-19 Proposed Budget includes \$131.7 billion in general fund spending and reserves of \$1.2 billion. The 2018-19 Proposed Budget revises the Proposition 98 minimum funding guarantee for school districts, community college districts, and other state agencies that provide direct elementary and secondary instructional programs for kindergarten through grade 14 to \$78.3 billion, reflecting a year-to-year increase of \$3.1 billion from fiscal year 2017-18. This includes an approximately \$3 billion investment to fully implement the LCFF two years earlier than originally projected. Ongoing Proposition 98 per-pupil expenditures in fiscal year 2018-19 are set at \$11,614, an increase of \$465 per-pupil over the revised level for fiscal year 2017-18. The Governor is required to release a May Revision to the proposed budget by May 14 of each year.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State Legislature and the Governor to address the State's current or future revenues and expenditures. Future State budgets will be affected by national and state economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its budgets.

Disclaimer Regarding State Budgets. The State has not entered into any contractual commitment with the District, the County, or the Owners of the Certificates to provide State budget information to the District or the owners of the Certificates. Although they believe the State sources of information listed above are reliable, neither the District nor the Underwriter assumes any responsibility for the accuracy of the State budget information set forth or referred to in this Official Statement or incorporated herein.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory regulations has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto.

Ad Valorem Property Taxation

One source of local revenues for the District's General Fund is its share of the one percent general fund apportionment levy on District properties.

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on August 1 and March 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

District Assessed Valuations

Generally. The assessed valuation of property in the District is established by the Santa Barbara County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIII A of the California Constitution. Prior to 1981-82, assessed

valuations were reported at 25% of the full value of property. Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Assessed Valuation History. The following table sets forth recent history of the assessed value in the District.

GUADALUPE UNION SCHOOL DISTRICT
Assessed Valuation
Fiscal Years 2007-08 through 2017-18

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2007-08	\$334,153,994	\$569,663	\$21,187,007	\$355,910,664
2008-09	331,050,687	569,663	22,560,445	354,180,795
2009-10	323,851,299	569,663	20,687,815	345,108,777
2010-11	325,932,171	569,663	24,903,301	351,405,135
2011-12	322,281,230	569,663	23,553,229	346,404,122
2012-13	329,454,238	67,712	26,516,451	356,038,401
2013-14	337,062,864	67,462	25,035,916	362,166,242
2014-15	361,835,691	67,462	27,364,730	389,267,883
2015-16	380,769,803	67,462	27,655,244	408,492,509
2016-17	400,913,592	67,462	30,554,786	431,535,840
2017-18	<u>432,017,942</u>	<u>82,454</u>	<u>30,039,274</u>	<u>462,139,670</u>

Source: California Municipal Statistics, Inc.

As indicated in the above table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation may result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and natural disasters such as earthquakes, fires, floods and droughts.

With respect to droughts specifically, the State of California has faced water shortfalls in recent years. Recent events include a declaration of drought emergency by the California State Governor on January 17, 2014 and subsequent conservation orders and regulations were imposed by the Governor and California State Water Resources Control Board. Following a series of recent storms in California bringing record-level precipitation in late 2016 and early 2017, on April 7, 2017, the Governor declared an end to the historic drought emergency with the exception of Fresno, Kings, Tulare and Tuolumne counties, where emergency drinking water projects will continue to help address diminished groundwater supplies. Notwithstanding the improved water conditions, the District cannot predict or make any representations regarding the effects that the recent drought and related conditions had or may have on the value of taxable property within the District, or to what extent the effects the recent drought may have had on economic activity in the District.

Assessed values can also be reassessed or appealed which could impact property tax revenues within the District. These include appeals based on Proposition 8, typically because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value, or an assessment appeal challenging the base year value of an assessed property. Proposition 8 reductions may also be unilaterally applied by the County Assessor. The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or by reductions initiated by the County Assessor. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, could reduce local property tax revenues available to the District and adversely affect the ability of the District to pay the Lease Payments.

Assessed Valuation by Land Use. The following table shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2017-18.

GUADALUPE UNION SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2017-18

	2017-18	% of	No. of	% of
<u>Non-Residential:</u>	<u>Assessed Valuation ⁽¹⁾</u>	<u>Total</u>	<u>Parcels</u>	<u>Total</u>
Agricultural/Rural	\$ 93,411,898	21.62%	128	6.11%
Commercial/Office	19,959,994	4.62	69	3.29
Vacant Commercial	8,835,397	2.05	30	1.43
Hotel/Motel	2,436,768	0.56	4	0.19
Industrial	43,653,171	10.10	25	1.19
Vacant Industrial	5,363,458	1.24	25	1.19
Recreational	332,866	0.08	1	0.05
Government/Social/Institutional	44,627	0.01	9	0.43
Miscellaneous	2,144,250	0.50	70	3.34
Subtotal Non-Residential	\$176,182,429	40.78%	361	17.23%
<u>Residential:</u>				
Single Family Residence	\$217,811,392	50.42%	1,437	68.59%
Condominium	9,797,787	2.27	76	3.63
Mobile Home	83,978	0.02	4	0.19
2-4 Residential Units	13,193,001	3.05	72	3.44
5+ Residential Units/Apartments	7,380,478	1.71	38	1.81
Miscellaneous Residential	467,394	0.11	1	0.05
Vacant Residential	7,101,483	1.64	106	5.06
Subtotal Residential	\$255,835,513	59.22%	1,734	82.77%
<u>Total</u>	<u>\$432,017,942</u>	<u>100.00%</u>	<u>2,095</u>	<u>100.00%</u>

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment— Teeter Plan

The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “**Teeter Plan**”), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, each entity levying property taxes in the County may draw on the amount of

uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. The District participates in the Teeter Plan, and thus receives 100% of secured property taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes. Currently, the County includes the one percent general fund apportionment and the District's general obligation bond levies in its Teeter Plan.

So long as the Teeter Plan remains in effect and the County continues to include the District in the Teeter Plan, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes will not be dependent upon actual collections of the *ad valorem* property taxes by the County. However, under the statute creating the Teeter Plan, the Board of Supervisors could under certain circumstances terminate the Teeter Plan in its entirety and, in addition, the Board of Supervisors could terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%. In the event that the Teeter Plan were terminated with regard to the secured tax roll, the amount of the levy of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

Largest Secured Property Taxpayers in District

The following table shows the 20 largest secured property taxpayers in the District as determined by secured assessed valuation in fiscal year 2017-18.

GUADALUPE UNION SCHOOL DISTRICT Top Twenty Secured Property Taxpayers Fiscal Year 2017-18

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2017-18 Assessed Valuation</u>	<u>% of Total ⁽¹⁾</u>
1. Apio Inc.	Industrial	\$ 38,437,377	8.90%
2. Guadalupe Beach LLC	Residential Development	11,927,530	2.76
3. Vecchioli Family Trust	Agricultural	10,727,162	2.48
4. BGV Olivera LLC	Residential Development	9,654,665	2.23
5. GB Land South LLC / GB 4 & 9	Commercial Land	8,832,285	2.04
6. Jose Guadalupe Alvarez	Commercial	7,264,720	1.68
7. Waller Flowerseed Co.	Nursery/Greenhouse	6,259,517	1.45
8. Grubstake Investments LLC	Agricultural	4,500,135	1.04
9. Adam Business LP	Agricultural	4,480,188	1.04
10. JDJ Land Company LLC	Agricultural	4,456,365	1.03
11. US Trust Company NA	Agricultural	4,229,662	0.98
12. Eugene Rene Leroy Trust	Agricultural	3,776,269	0.87
13. Rosella Cotti	Agricultural	3,640,911	0.84
14. Maretti & Minetti Ranch Company	Agricultural	3,559,599	0.82
15. Betteravia Properties	Agricultural	3,478,454	0.81
16. Jack & Yvon Gresser Family Trust	Agricultural	3,320,555	0.77
17. Tri-M Rental Group	Agricultural	2,933,087	0.68
18. Joseph L. Ruiz, Sr. Trust	Residential	2,892,056	0.67
19. Ernest C. and Peggie L. Wineman Trust	Agricultural	2,690,426	0.62
20. Broccoli Brothers LLC	Agricultural	2,476,588	0.57
		\$139,537,551	32.30%

(1) 2017-18 Local secured assessed valuation: \$ ~~432,017,942~~

Source: California Municipal Statistics, Inc.

Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. and dated January 26, 2018 with respect to debt issued by February 2, 2018. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

GUADALUPE UNION SCHOOL DISTRICT Statement of Direct and Overlapping Bonded Debt (Debt Issued as of February 2, 2018)

2017-18 Assessed Valuation: \$462,139,670

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 2/2/18</u>
<u>Allan Hancock Joint Community College District</u>	<u>1.757%</u>	<u>\$2,246,662</u>
<u>Santa Maria Joint Union High School District</u>	<u>3.254</u>	<u>4,088,139</u>
<u>Guadalupe Union School District</u>	<u>100.000</u>	<u>2,775,000⁽¹⁾</u>
<u>City of Guadalupe</u>	<u>100.000</u>	<u>32,000</u>
<u>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</u>		<u>\$9,141,801</u>

<u>OVERLAPPING GENERAL FUND DEBT:</u>		
<u>Santa Barbara County General Fund Obligations</u>	<u>0.585%</u>	<u>\$271,411</u>
<u>Santa Maria Joint Union High School District General Fund Obligations</u>	<u>3.254</u>	<u>93,782</u>
<u>TOTAL GROSS OVERLAPPING GENERAL FUND DEBT</u>		<u>\$365,193</u>
<u>Less: Santa Barbara County utility supported obligations</u>		<u>18,925</u>
<u>TOTAL NET OVERLAPPING GENERAL FUND DEBT</u>		<u>\$346,268</u>

<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		
<u>Guadalupe City Redevelopment Agency</u>	<u>100.000 %</u>	<u>\$4,840,000</u>
<u>TOTAL OVERLAPPING TAX INCREMENT DEBT</u>		<u>\$4,840,000</u>

<u>GROSS COMBINED TOTAL DEBT</u>	<u>\$14,346,994⁽²⁾</u>
<u>NET COMBINED TOTAL DEBT</u>	<u>\$14,328,069</u>

Ratios to 2017-18 Assessed Valuation:

<u>Direct Debt (\$2,775,000)</u>	<u>0.60%</u>
<u>Total Direct and Overlapping Tax and Assessment Debt</u>	<u>1.98%</u>
<u>Gross Combined Total Debt</u>	<u>3.10%</u>
<u>Net Combined Total Debt</u>	<u>3.10%</u>

Ratios to Redevelopment Successor Agency Incremental Valuation (\$210,188,548):

<u>Total Overlapping Tax Increment Debt</u>	<u>2.30%</u>
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(1) Excludes the Certificates.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

COUNTY INVESTMENT POOL

In accordance with Government Code Section 53600 *et seq.*, the Santa Barbara County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. See APPENDIX G hereto for a copy of Santa Barbara County's Investment Policy and recent investment report.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Articles XIII A, XIII B, XIII C, and XIII D of the State Constitution, Propositions 62, 98, 111, 187 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIII A of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIII A to the State Constitution ("**Article XIII A**"). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness (which provided the authority for the issuance of the 2010 Note), and (iii) (as a result of an amendment to Article XIII A approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of

reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Fresno County Superior Court, in *County of Orange v. Fresno County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Fresno County assessor violated the 2% inflation adjustment provision of Article XIII A, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIII B of the California Constitution

Article XIII B ("**Article XIII B**") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("**unitary property**"). Under the State Constitution, such property is assessed by the State Board of Equalization ("**SBE**") as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Articles XIII C and XIII D

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIII C and XIII D (respectively, "**Article XIII C**" and "**Article XIII D**"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIII C establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in

accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIII C to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay Lease Payments and therefore payments due on the Certificates.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “**Accountability Act**”). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as “K-14 school districts”) at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K 14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to K 14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("**Proposition 111**") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the “**first test**”) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to *per capita* personal income) and enrollment (the “**second test**”). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the “**third test**”). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a “credit” to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as “**Proposition 39**”) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary school district or high school district), or \$25 (for a community college district), per \$100,000 of taxable property value. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning in fiscal year 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provisions of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Proposition 51

At the November 8, 2016 Election, voters in the State approved the California Public School Facility Bonds Initiative, ("**Proposition 51**"). Proposition 51 authorizes the sale and issuance of \$9 billion in general obligation bonds to fund the construction and modernization of school facilities for both community colleges and K-12 schools within the state. Specifically, the

\$9 billion will be allocated between a State School Facilities Fund and a California Community College Capital Outlay Bond Fund. The funds can then be used to allocate bond revenue in the following manner:

- \$3 billion for construction of new K-12 school district facilities;
- Another \$3 billion for the modernization of K-12 public school sites, which includes repairs to outdated facilities to increase earthquake and fire safety, removing asbestos, technology upgrades and other health and safety improvements;
- \$500 million for various charter school facilities;
- \$500 million for career technical education facilities;
- \$2 billion for California community college facility construction and modernization.

The State issues general obligation bonds for facility projects. Typically, K-12 schools can submit proposals for such projects to the State Office of Public School Construction for both modernization and new construction. If the project is approved, the school district will receive State grant funding and in turn the school district must contribute local funding to such projects. If sufficient local funding is unavailable, the school district may potentially receive the full project cost via State grant funding. Career technical education and charter school facilities face a similar approval process. Community college districts, on the other hand, must submit requests for facility projects to the Chancellor of the community college system. Selected projects are eventually approved and funded as part of the annual State budget. A scoring system is used to determine the State and local contributions for these community college sites.

The impact that Proposition 51 will generally have on school district behavior is unclear. Some school districts may spend less local funds given the greater support of state funding. However, school districts may decide to spend more local funds by proposing an increased number of facility projects with the knowledge that additional state funding could be available. It is also possible that school districts will make no changes to their number of proposals for construction and modernization projects.

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment, also known as “**Proposition 30**”, temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases for such period the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,000 for single filers (over \$340,000 but less than \$408,000 for head of household filers and over \$500,000 but less than \$600,000 for joint filers), (ii) 2% for taxable income over \$300,000 but less than \$500,000 for single filers (over \$408,000 but less than \$680,000 for head of household filers

and over \$600,000 but less than \$1,000,000 for joint filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$680,000 for head of household filers and over \$1,000,000 for joint filers). Proposition 55 (described below) extended said increases to personal income rates through the end of 2030.

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See “Proposition 98” and “Proposition 111” above. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the “EPA”). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children’s Education and Health Care Protection Act of 2016, also known as Proposition 55, was a proposed constitutional amendment initiative that was approved on the November 8, 2016 general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through the end of 2030, instead of the scheduled expiration date of December 31, 2018. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges.

California Senate Bill 222

Senate Bill 222 (“**SB 222**”) was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 52515 to the California Government Code to provide that voter approved general obligation bonds which are secured by *ad valorem* tax collections are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds as secured debt in bankruptcy due to the existence of a statutory lien.

Future Initiatives and Changes in Law

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 98, 111, 1A, 22, 26, 30 and 39 were each adopted as measures that qualified for the ballot under the State’s initiative process. From time to time other initiative measures or other legislative enactments could be adopted further affecting District revenues or the District’s

ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

CERTAIN RISK FACTORS

The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Certificates. The discussion does not purport to be, nor should it be construed to be, complete nor a summary of all factors which may affect the financial condition of the District, the District's ability to make Lease Payments in the future, or the effectiveness of any remedies that the Trustee may have or circumstances under which Lease Payments may be abated.

No Pledge of Taxes

The Lease Payments and other payments due under the Lease Agreement are not secured by any pledge of taxes or other revenues of the District. The Lease Payments are secured by a District covenant to annually budget and appropriate sufficient funds to make Lease Payments from any lawfully available funds, including the general fund. In the event that the District's general fund revenues are less than its total obligations, the District may choose to pay other costs or expenses before making the Lease Payments.

The obligation of the District to pay the Lease Payments and Additional Payments does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The obligation of the District to pay Lease Payments and Additional Payments does not constitute a debt or indebtedness of the Corporation, the District, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the District, the District is obligated under the Lease Agreement to pay Lease Payments and Additional Payments from any source of legally available funds (subject to certain exceptions) and the District has covenanted in the Lease Agreement that, for as long as the Leased Property is available for its use and possession, it will make the necessary annual appropriations within its budget for all Lease Payments and Additional Payments. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

The District is currently liable on other obligations payable from general revenues and may incur additional obligations payable from its general fund.

Additional Obligations of the District

The District has existing obligations payable from its general fund. See "DISTRICT FINANCIAL INFORMATION – Long Term District Debt - Capital Leases." In addition, under the Lease Agreement the District is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of owners of the Certificates. To the extent that additional obligations are incurred by the District, the funds available to pay Lease Payments may be decreased.

Limited Recourse on Default

Whenever any event of default referred to in the Lease Agreement happens and continues, the Trustee, as the assignee of the Corporation, is authorized under the terms of the Lease Agreement to exercise any and all remedies available under law or granted under the Lease Agreement.

Notwithstanding a default under the Lease Agreement, there is no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then due or past due to be immediately due and payable. Neither the Corporation nor the Trustee has any right to re-enter or re-let the Leased Property except following the occurrence and during the continuation of an event of default under the Lease Agreement.

Following an event of default, the Corporation may elect either to terminate the Lease Agreement and seek to collect damages from the District or to maintain the Lease Agreement in effect and seek to collect the Lease Payments as they become due. The Lease Agreement further provides that so long as an event of default exists under the Lease Agreement, the Corporation, or its assignee, may re-enter the Leased Property for the purpose of taking possession of all or any portion of the Leased Property and to re-let the Leased Property and, in addition, at its option, with or without such entry, to terminate the Lease Agreement as described therein. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement."

No assurance can be given that the Trustee will be able to re-let the Leased Property so as to provide rental income sufficient to pay principal and interest evidenced by the Certificates in a timely manner or that such re-letting will not adversely affect the exclusion of interest with respect thereto from gross income for federal or State income tax purposes. Due to the essential governmental purposes which are served by the Leased Property, it is unlikely that a court would permit the exercise of the remedies of repossession and re-letting with respect to the Leased Property.

In the event of a default, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease Agreement and the Trustee is not empowered to sell the Leased Property and use the proceeds of such sale to prepay the Certificates or pay debt service with respect thereto. The District will be liable only for Lease Payments on an annual basis and, in the event of a default, the Trustee would be required to seek a separate judgment each year for that year's defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against school districts in California, including a limitation on enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Lease Payments were due and against funds needed to serve the public welfare and interest.

Abatement

The obligation of the District under the Lease Agreement to pay Lease Payments is in consideration of the use and possession of the Leased Property.

Under certain circumstances relating to damage, destruction, condemnation or title defects with respect to the Leased Property which cause a substantial interference with the use and possession of the Leased Property, the District's obligation to make Lease Payments is subject to full or partial abatement and could result in the Trustee having inadequate funds to

pay the principal and interest with respect to the Certificates as and when due. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Abatement” and “APPENDIX A – SUMMARY OF CERTAIN PROVISIONS PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement.” Abatement is not a default under the Lease Agreement and does not result in the Trustee having the right to take any action to avail itself of any remedy against the District.

Property Taxes

Levy and Collection. The District does not have any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the District’s share of local property tax revenues, and accordingly, could have an adverse impact on the ability of the District to make Lease Payments. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the District’s ability to pay principal and interest with respect to the Certificates when due.

Reduction in Inflationary Rate. Article XIII A of the California Constitution provides that the full cash value base of real property used in determining assessed value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS.” Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. The District is unable to predict if any adjustments to the full cash value base of real property within the District, whether an increase or a reduction, will be realized in the future.

Appeals of Assessed Values. There are two types of appeals of assessed values that could adversely impact property tax revenues:

Proposition 8 Appeals. Most of the appeals that might be filed in the District would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as Proposition 8 appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are

adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. However, current case law is uncertain as to whether or not property may be adjusted to its prior value at once or if adjustments may only be made subject to the 2% limitation. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution."

Base Year Appeals. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their property. Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not significantly reduce the District's property tax revenues.

Local Housing Market. Economic downturns can have a negative impact on local property values. High rates of foreclosures tend to depreciate values of homes in the overall market, which could lead to more Proposition 8 appeals. Although the District's total assessed valuation has been increasing since 2012-13, it is not possible to predict how a future mortgage crisis, tightening credit markets, increased foreclosure activity and major reductions in home prices throughout the region could affect home values, assessed values, assessment appeals or collections of property taxes by the County.

State Budget Considerations

Most school districts in California receive a significant amount of their funding from State appropriations, as determined in each year's State budget. As a result, decreases in State revenue sources may impact the amount of funds appropriated to school districts, as has occurred in recent years. A deterioration in the State's economy due to factors such as reduced income tax revenues and sales tax revenues can negatively impact the State budget and the District's revenues, and therefore funds available to make Lease Payments. In addition, the State legislature has at times adopted legislation in connection with its annual budgets which may impact education funding, and may do so again in the future. The District cannot predict how State budgets and future legislation may impact its finances.

Absence of Earthquake and Flood Insurance

The District, like much of California, is subject to seismic activity that could result in interference with its right to use and possession of the Leased Property. If any portion of the Leased Property is destroyed or rendered useless by a natural hazard such as an earthquake or flood, an abatement could occur and result in the Trustee having inadequate funds to pay the principal and interest represented by the Certificates as and when due. The Lease Agreement does not require the District to obtain earthquake or flood insurance on the Leased Property.

All building components of the Leased Property were constructed under the standards of the "Field Act" (California State Building Code, Title 24). The Field Act requires substantially higher construction standards for public schools and hospitals than are required for other types of construction. The Field Act requires that building systems be capable of withstanding seismic forces from the "most credible" earthquake likely to occur in the vicinity of the building system being constructed.

Limitations on Remedies; Bankruptcy

The rights of the owners of the Certificates are subject to the limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the owners of the Certificates, and enforcement of the District's obligations under the Lease Agreement, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State.

Bankruptcy proceedings under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the District, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Certificates to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights. See "– Limited Recourse on Default" above.

LEGAL OPINIONS

The proceedings in connection with the authorization, sale, execution and delivery of the Certificates are subject to the approval as to their legality of Jones Hall, A Professional Law Corporation, San Francisco, California ("**Special Counsel**"). A copy of the legal opinion, certified by the official in whose office the original is filed, will be attached to each Certificate, and a form of such opinion is attached as APPENDIX D. Jones Hall, A Professional Law Corporation, San Francisco, California, is also acting as Disclosure Counsel to the District ("**Disclosure Counsel**"). Dannis Woliver Kelley, Long Beach, California, is serving as counsel to the Underwriter ("**Underwriter's Counsel**").

The fees of Special Counsel, Disclosure Counsel, and Underwriter's Counsel are contingent upon the execution and delivery of the Certificates.

FINANCIAL ADVISOR

Isom Advisors, A Division of Urban Futures, Inc., Walnut Creek, California, is acting as the District's financial advisor in connection with the Certificates. The Financial Advisor is a

registered "Municipal Advisor" with the Securities Exchange Commission and the Municipal Securities Rulemaking Board. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The fees of the Financial Advisor with respect to the Certificates are contingent upon their sale and delivery. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel, subject, however to the qualifications set forth below, under existing law, the portion of the Lease Payments designated as and comprising interest and received by the Owners of the Certificates is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings, and the Lease Agreement is a "qualified tax-exempt obligation" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") such that, in the case of certain financial institutions (within the meaning of section 265(b)(5) of the Tax Code), a deduction for federal income tax purposes is allowed for 80% of that portion of such financial institution's interest expense allocable to interest payable with respect to the Certificates..

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the Certificates. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest with respect to the Certificates in gross income for federal income tax purposes to be retroactive to the date of delivery of the Certificates, or may cause the Lease Agreement to not be a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Tax Code. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Certificates, or the amount, accrual or receipt of interest represented by the Certificates.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a Certificate is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Certificate is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Certificate on the basis of a constant interest rate compounded on each interest or principal payment date (with

straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Certificates to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Certificate. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Certificates who purchase the Certificates after the initial offering of a substantial amount of such maturity. Owners of such Certificates should consult their own tax advisors with respect to the tax consequences of ownership of Certificates with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Certificates under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Certificate (said term being the shorter of the Certificate's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Certificate for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Certificate is amortized each year over the term to maturity of the Certificate on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Certificate premium is not deductible for federal income tax purposes. Owners of premium Certificates, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Certificates.

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Certificates to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Certificates. Prospective purchasers of the Certificates should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

California Tax Status. In the further opinion of Special Counsel, the portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from California personal income taxes.

Form of Opinion. A copy of the proposed form of opinion of Special Counsel is attached hereto as APPENDIX D.

Other Tax Considerations. Owners of the Certificates should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Certificates may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Certificates other than as expressly described above, including any federal tax consequences arising with respect to the ownership, sale or disposition of the Certificates, or the amount, accrual or receipt of interest on the Certificates.

Future legislation, if enacted into law, or clarification of the Tax Code may cause interest on the Certificates to be subject to, directly or indirectly, federal income taxation, or otherwise

prevent owners of the Certificates from realizing the full current benefit of the tax status of such interest.

For example, various proposals have been made in Congress and by the President that, if enacted, would subject interest on indebtedness that is otherwise excludable from gross income for federal income tax purposes, including interest on the Certificates, to a tax payable by certain bondholders that are individuals, estates or trusts with adjusted gross income in excess of certain specified thresholds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to indebtedness issued prior to enactment.

The introduction or enactment of any such future legislation or clarification of the Tax Code may also affect the market price for, or marketability of, the Certificates. Prospective purchasers of the Certificates should consult their own tax advisors regarding any pending or proposed federal tax legislation, as to which Bond Counsel expresses no opinion. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Certificates, or as to the consequences of owning or receiving interest on the Certificates, as of any future date.

NO LITIGATION

There is no action, suit or proceeding known to be pending, or threatened, restraining or enjoining the execution or delivery of the Certificates, the Trust Agreement, the Lease Agreement, the Site Lease, the Assignment Agreement or any other document relating to the Certificates or in any way contesting or affecting the validity of the foregoing.

There are a number of lawsuits and claims pending against the District which have arisen in the regular course of administering the affairs of the District. In the opinion of the District, such suits and claims as are presently pending will not have a material adverse effect on the ability of the District to make Lease Payments with respect to the Certificates.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC business ("**S&P**") has assigned a rating of "___" to the Certificates. There is no assurance that the credit rating given to the Certificates will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Certificates. Such rating reflects only the views of S&P and an explanation of the significance of such rating may be obtained from the rating agency.

CONTINUING DISCLOSURE

The District has covenanted, for the benefit of holders and beneficial owners of the Certificates to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board on an annual basis (an “**Annual Report**”) not later than nine months after the end of the District’s fiscal year (which currently would be March 31), commencing March 31, 2018, with the report for the 2016-17 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. The filing of this Official Statement with the Municipal Securities Rulemaking Board will serve as the first Annual Report. The Annual Report and other required notices will be filed by the District with the Municipal Securities Rulemaking Board (the “**MSRB**”) in the manner prescribed by the Securities Exchange Commission. The form of Continuing Disclosure Certificate is attached as APPENDIX E. These covenants have been made in order to assist the Underwriter in complying with SECURITIES AND EXCHANGE COMMISSION Rule 15c2-12(b)(5) (the “**Rule**”).

During the past five years, the District has not been subject to any continuing disclosure undertakings. The District has engaged Isom Advisors, a Division of Urban Futures, Inc., to act as dissemination agent with respect to the District’s continuing disclosure undertakings for the Bonds.

Neither the County nor any other entity other than the District shall have any obligation or incur any liability whatsoever with respect to the performance of the District’s duties regarding continuing disclosure.

UNDERWRITING

The Certificates are being purchased by RBC Capital Markets (the “**Underwriter**”). Under a Certificate Purchase Agreement (the “**Purchase Agreement**”), the Underwriter has agreed to purchase the Certificates at a purchase price of \$_____ (which is equal to the principal amount represented by the Certificates, plus/less original issue premium/discount of \$_____, less an Underwriter’s discount of \$_____). The Purchase Agreement provides that the Underwriter will purchase all of the Certificates (if any are purchased), and the Underwriter’s obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

The Underwriter may offer and sell the Certificates to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter.

ADDITIONAL INFORMATION

The discussions herein about the Site Lease, Lease Agreement, Trust Agreement, Assignment Agreement and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the Underwriter and following delivery of the Certificates will be on file at the offices of the Paying Agent in Los Angeles, California.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Certificates.

EXECUTION

The execution and delivery of this Official Statement have been duly authorized by the District.

GUADALUPE UNION SCHOOL DISTRICT

By: _____
Superintendent

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS

The following is a brief summary of certain provisions of the Site Lease, the Lease Agreement, the Trust Agreement and the Assignment Agreement. This summary is not intended to be definitive and is qualified in its entirety by reference to such documents for the complete terms thereof. Copies of such documents are available upon request from the Guadalupe Union School District.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2017**

APPENDIX C

GENERAL INFORMATION ABOUT THE COUNTY OF SANTA BARBARA

This section provides certain information about the economy and demographic trends in the County of Santa Barbara (the “County”). The Certificates are not a debt (or a pledge of the full faith and credit) of the City, the County, the State of California (the “State”) or any of its political subdivisions (other than the District), and none of the City, the County, the State or any of its political subdivisions (other than the District) is liable therefor.

General and Location

Santa Barbara County was established by an act of the State Legislature on February 18, 1850. It occupies an area of 2,774 square miles, of which one-third is located in the Los Padres National Forest. There are eight incorporated cities located wholly or partially within Santa Barbara County: Santa Maria, Santa Barbara, Lompoc, Goleta, Carpinteria, Guadalupe, Solvang, and Buellton.

The County is served by Amtrak trains and Greyhound Lines buses. The Santa Barbara Metropolitan Transit District serves the southern portion of the county. In the North County, the cities of Lompoc, Santa Maria, and Buellton/Solvang have their own bus services.

Population

The City’s population at January 1, 2017, the most recent estimate, was 7,414 according to the State Department of Finance. The table on the following page shows population estimates for the City, County and the State of California for the last five years.

CITY OF GUADALUPE, COUNTY OF SANTA BARBARA AND STATE OF CALIFORNIA Population Estimates

	2013	2014	2015	2016	2017
Buellton	4,871	4,907	4,935	4,957	5,129
Carpinteria	13,299	13,688	13,794	13,928	13,943
Goleta	29,910	30,179	30,684	31,235	31,760
Guadalupe	7,185	7,248	7,303	7,348	7,414
Lompoc	43,389	44,110	44,298	44,116	44,042
Santa Barbara	91,131	92,132	92,958	93,190	93,063
Santa Maria	100,981	101,986	102,948	104,404	106,280
Solvang	5,207	5,272	5,375	5,451	5,593
Balance Of County	137,387	139,090	140,723	142,088	143,439
County Total	433,360	438,612	443,018	446,717	307,224
California	38,239,207	38,567,459	38,907,642	39,255,883	39,523,613

Source: State Department of Finance estimates (as of January 1, 2017).

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2012 through 2016.

**CITY OF GUADALUPE, COUNTY OF SANTA BARBARA,
STATE OF CALIFORNIA AND UNITED STATES
Effective Buying Income
Calendar Years 2012 Through 2016**

Year and Area		Total Effective Buying Income (000s omitted)	Median Household Effective Buying Income
2012	City of Guadalupe	\$79,480	\$37,727
	County of Santa Barbara	9,638,395	47,879
	California	864,088,828	47,307
	United States	6,737,867,730	41,358
2013	City of Guadalupe	\$83,045	\$40,335
	County of Santa Barbara	10,106,778	51,502
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of Guadalupe	\$95,003	\$46,340
	County of Santa Barbara	10,336,743	54,052
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2015	City of Guadalupe	\$105,610	\$47,591
	County of Santa Barbara	11,291,721	56,247
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016	City of Guadalupe	\$97,316	\$43,641
	County of Santa Barbara	1,238,225	55,605
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043

Source: The Nielsen Company (US) Inc.

Taxable Transactions

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. Total taxable sales during the first three quarters of calendar year 2016 in the County were reported to be \$5,089,797,000, a 1.58% increase over the total taxable sales of \$5,010,541,000 reported during the first three quarters of calendar year 2015. Annual figures for calendar year 2016 are not yet available.

COUNTY OF SANTA BARBARA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2011	7,814	\$4,014,173	12,302	\$5,716,474
2012	7,862	4,302,083	12,400	6,051,129
2013	8,244	4,533,338	12,708	6,332,059
2014	8,492	7,733,331	12,989	6,613,353
2015 ⁽¹⁾	5,916	4,804,407	14,095	6,767,900

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Largest Employers

The following chart presents the major employers in the County as of January 2018.

SANTA BARBARA COUNTY Major Employers January 2018

Employer Name	Location	Industry
Alisal Guest Ranch & Resort	Solvang	Resorts
Bacara Resort & Spa	Goleta	Resorts
Chumash Casino Resort	Santa Ynez	Casinos
Citrix Systems Inc	Goleta	Computer Software
Cottage Health	Santa Barbara	Health Care Management
D B Specialty Farms	Santa Maria	Farms
Devereux Foundation	Goleta	Schools
Four Seasons Resrt	Santa Barbara	Hotels & Motels
Hacienda Harvesting	Santa Maria	General Contractors
Jordano's	Santa Barbara	Human Resource Consultants
Jordano's Foodservice	Santa Barbara	Food Products (Whls)
Lompoc Valley Medical Ctr	Lompoc	Medical Centers
Marian Regional Medical Ctr	Santa Maria	Hospitals
Mission Linen Supply Inc	Santa Barbara	Linen Supply Service
Mission Linen Supply Inc	Santa Barbara	Linen Supply Service
Montecito FM Inc	Santa Barbara	Radio Stations & Broadcasting Companies
Pacific Diagnostic Lab	Goleta	Laboratories-Medical
Santa Barbara City Clg	Santa Barbara	Schools-Universities & Colleges Academic
Santa Barbara Cottage Hospital	Santa Barbara	Hospitals
Santa Barbara County Coroner	Santa Barbara	Government Offices-County
Santa Barbara Sheriff's Dept	Santa Barbara	Government Offices-County
Santa Ynez Tribal Gaming Cmte	Santa Ynez	Government Ofcs-Authorities/Commissions
University Ca Santa Barbara	Santa Barbara	Schools-Universities & Colleges Academic
University of Ca-Santa Barbara	Santa Barbara	Schools-Universities & Colleges Academic
Vandenberg Air Force Base	Vandenberg AFB	Military Bases

Source: State of California Employment Development Department, America's Labor Market Information System (ALMIS) Employer Database, 2018 1st Edition.

Employment

The unemployment rate in the County was 3.8 percent in November 2017, unchanged from a revised 3.8 percent in October 2017, and below the year-ago estimate of 4.8 percent. This compares with an unadjusted unemployment rate of 4.0 percent for California and 3.9 percent for the nation during the same period.

The following table shows civilian labor force and wage and salary employment data for the Santa Maria-Santa Barbara Metropolitan Statistical Area by industry type for the past five calendar years.

SANTA MARIA-SANTA BARBARA METROPOLITAN STATISTICAL AREA
(Santa Barbara County)
Civilian Labor Force, Employment and Unemployment
(Annual Averages)
March 2016 Benchmark

	2012	2013	2014	2015	2016
Civilian Labor Force (1)	216,000	217,300	218,200	217,800	216,600
Employment	197,900	201,700	204,900	206,300	205,800
Unemployment	18,100	15,600	13,300	11,500	10,800
Unemployment Rate	8.4%	7.2%	6.1%	5.3%	5.0%
Wage and Salary Employment: (2)					
Agriculture	18,800	19,300	21,000	21,000	20,700
Mining, Logging, and Construction	8,100	8,500	8,700	9,000	9,200
Manufacturing	12,000	12,100	12,300	13,000	13,400
Wholesale Trade	4,200	4,600	4,600	4,800	4,800
Retail Trade	18,500	18,900	19,300	19,500	19,200
Transportation, Warehousing & Utilities	3,000	3,300	3,300	3,300	3,200
Information	4,200	4,300	4,400	4,500	5,000
Financial Activities	6,500	6,500	6,400	6,400	6,500
Professional & Business Services	22,500	23,300	22,700	22,300	21,800
Educational & Health Services	24,000	24,600	25,100	25,700	26,500
Leisure & Hospitality	22,900	24,400	25,500	26,500	27,300
Other Services	5,300	5,500	5,700	5,900	6,000
Federal Government	4,000	3,700	3,700	3,600	3,600
State Government	10,700	11,000	11,000	11,300	11,500
Local Government	23,100	23,200	23,700	23,800	23,000
Total, All Industries (3)	187,700	193,000	197,300	200,400	201,600

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Construction Trends

The following table show a five-year summary of the valuation of building permits issued in the County.

COUNTY OF SANTA BARBARA Total Building Permit Valuations (Valuations in Thousands)*					
	2012	2013	2014	2015	2016
Permit Valuation					
New Single-family	\$104,823.4	\$104,499.7	\$133,802.8	\$136,832.0	\$145,028.7
New Multi-family	30,340.1	14,185.0	66,497.1	118,902.3	84,802.1
Res. Alterations/Additions	72,544.9	85,603.4	90,190.1	94,853.0	113,548.1
Total Residential	207,708.4	204,288.1	290,490.0	350,587.3	343,378.9
New Commercial	49,125.8	127,986.0	45,739.9	65,891.3	103,113.4
New Industrial	11,084.3	2,024.0	4,603.0	6,686.7	13,866.3
New Other	1,686.7	8,102.0	33,835.7	39,050.2	66,502.5
Com. Alterations/Additions	56,807.9	80,341.4	99,646.5	117,332.9	97,087.4
Total Nonresidential	118,704.7	218,453.4	183,825.1	228,961.1	280,569.6
New Dwelling Units					
Single Family	251	307	369	377	367
Multiple Family	245	119	552	694	550
TOTAL	496	426	921	1,071	917

Source: Construction Industry Research Board, Building Permit Summary.

* Subtotals may be slightly off due to rounding.

APPENDIX D
FORM OF LEGAL OPINION

[Letterhead of Jones Hall, A Professional Law Corporation]

_____, 2018

Board of Trustees
Guadalupe Union School District
4465 Ninth Street
Guadalupe, California 93434

Re: \$_____ Guadalupe Union School District
 2018 Certificates of Participation (Bank Qualified)

Members of the Board of Trustees:

We have acted as special counsel in connection with the delivery by the Guadalupe Union School District (the "District") of a Lease Agreement dated as of _____ 1, 2018 (the "Lease Agreement"), between the Local Facilities Finance Corporation, a California nonprofit public benefit corporation (the "Corporation") as lessor and the District as lessee. Under a Trust Agreement dated as of _____ 1, 2018 (the "Trust Agreement"), among the District, the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), the Trustee has executed and delivered 2018 Certificates of Participation in the aggregate principal amount of \$_____ (the "Certificates") evidencing the direct, undivided fractional interests of the owners thereof in lease payments to be made by the District under the Lease Agreement (the "Lease Payments"), which have been assigned by the Corporation to the Trustee under an Assignment Agreement dated as of _____ 1, 2018 (the "Assignment Agreement") between the Corporation and the Trustee. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Lease Agreement and the Trust Agreement, and in certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is a school district duly organized and validly existing under the Constitution and laws of the State of California with the full power to enter into the Lease Agreement and the Trust Agreement and to perform the agreements on its part contained therein.

2. The Lease Agreement and the Trust Agreement have been duly approved by the District and constitute valid and binding obligations of the District enforceable against the District in accordance with their respective terms.

3. The Certificates have been validly executed and delivered by the Trustee under the Trust Agreement and, by virtue of the assignment made under the Assignment Agreement, the owners of the Certificates are entitled to the benefits of the Lease Agreement.

4. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings. The Lease Agreement is a "qualified tax-exempt obligation" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code"), and, in the case of certain financial institutions (within the meaning of section 265(b)(5) of the Code), a deduction is allowed for 80 percent of that portion of such financial institutions' interest expense allocable to interest payable with respect to the Certificates. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Tax Code that must be satisfied subsequent to the delivery of the Lease Agreement in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted in the Lease Agreement and the Trust Agreement and other instruments relating to the Certificates to comply with each of such requirements. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of delivery of the Lease Agreement, and the Lease Agreement to lose its status as a "qualified tax-exempt obligation" as described herein

5. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from personal income taxation imposed by the State of California.

Except as set forth above, we express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Certificates, or the amount, accrual or receipt of interest represented by the Certificates.

The rights of the owners of the Certificates and the enforceability of the Lease Agreement, the Trust Agreement and the Assignment Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____

2018 CERTIFICATES OF PARTICIPATION

Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
GUADALUPE UNION SCHOOL DISTRICT
to the Local Facilities Finance Corporation

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the Guadalupe Union School District (the “**District**”) in connection with the execution and delivery of the captioned certificate of participation (the “**Certificates**”). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of _____ 1, 2018 (the “**Trust Agreement**”), among the District, the Local Facilities Finance Corporation and U.S. Bank National Association as trustee for the Certificates (the “**Trustee**”).

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 Certificates and in order to assist the Participating Underwriter in complying with SECURITIES AND EXCHANGE COMMISSION Rule 15c2-12(b)(5).

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

“*Annual Report*” means any Annual Report provided by the District under and as described in Sections 3 and 4.

“*Annual Report Date*” means the date not later than nine months after the end of each fiscal year of the District (currently June 30th), commencing by March 31, 2018.

“*Dissemination Agent*” means, initially, Isom Advisors, a Division of Urban Futures, or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a).

“*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.

“*Official Statement*” means the final official statement executed by the District in connection with the issuance of the Certificates.

“Participating Underwriter” means RBC Capital Markets, the original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

“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.

“Trustee” means U.S. Bank National Association, or any successor thereto.

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 March 31, 2018 with the report for the 2016-17 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; provided that the filing of the Official Statement with the MSRB shall serve as the first Annual Report. 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; 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). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(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) in a timely manner 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 Trustee and 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 certifying that the Annual Report has been provided under 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:

(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 Annual Report Date, 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 on or before the Annual Report Date, the following information shall be included in the Annual Report:

- (i) the most recently adopted budget, or interim report showing budgeted figures, which is available at the time of filing the Annual Report;
- (ii) average daily attendance in the District on an aggregate basis for the most recently completed fiscal year;
- (iii) pension plan contributions for the most recently completed fiscal year;
- (iv) a summary of the outstanding principal amounts of short-term borrowings, lease obligations and other long-term borrowings of the District for the most recently completed fiscal year;
- (v) assessed valuation of taxable properties in the District for the most recently completed fiscal year;
- (vi) assessed valuation of properties of the top twenty taxpayers for the most recently completed fiscal year;
- (vii) if the District is not participating in the County's Teeter Plan, property tax collection delinquencies for the District for the most recently completed fiscal year or if not available at the time of the filing of the Annual Report for the prior fiscal year, if available from the County, and
- (viii) such further 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.

(c) 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. 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 Certificates:

- (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 District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the 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 Trustee or the change of name of a Trustee, if material.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) 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. 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 Certificates under the Trust Agreement.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with

respect to certain notices, determinations or other events affecting the tax status of the Lease Payments relating to the Certificates. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) 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 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 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 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 legal defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the District. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Trustee.

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 Certificates, 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 Certificates, 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 Certificates in the manner provided in the Trust Agreement for amendments to the Trust Agreement 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 Certificates.

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(c).

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. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Certificates 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 Trust Agreement, 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.

(a) 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 they 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 Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Certificate holders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

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 Certificates, and shall create no rights in any other person or entity.

Date: _____, 2018

GUADALUPE UNION SCHOOL DISTRICT

By: _____
Name:
Title:

ACCEPTANCE OF DUTIES AS DISSEMINATION AGENT

**ISOM ADVISORS, a DIVISION OF
URBAN FUTURES, INC.**

By: _____
Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Guadalupe Union School District (the "District")

Name of Issue: \$_____ Guadalupe Union School District
2018 Certificates of Participation

Date of Issuance: _____, 2018

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Certificates of Participation as required by the Continuing Disclosure Certificate executed by the District in connection with the execution and delivery of the Certificates captioned above. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT

By: _____
Its: _____

cc: Paying Agent and Participating Underwriter

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Certificates, payment of principal, interest and other payments on the Certificates to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Certificates and other related transactions between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Certificates, (b) Certificates representing ownership interest in or other confirmation or ownership interest in the Certificates, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Certificates, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Certificates"). The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each maturity of each series of the Certificates, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is

the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

4. To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Certificates, such as prepayments, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Prepayment notices will be sent to DTC. If less than all of the Certificates within an issue are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's

MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Prepayment proceeds, distributions, and interest payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Certificates are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Certificate certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

APPENDIX G

SANTA BARBARA COUNTY INVESTMENT POLICY AND REPORT

\$ _____
2018 CERTIFICATES OF PARTICIPATION
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
GUADALUPE UNION SCHOOL DISTRICT
to Local Facilities Finance Corporation
(Bank Qualified)

CERTIFICATE PURCHASE AGREEMENT

_____, 2018

Board of Trustees
Guadalupe Union School District
4465 Ninth Street/P.O. Box 788
Guadalupe, CA 93434

Ladies and Gentlemen:

The undersigned on behalf of RBC Capital Markets, LLC (the "Underwriter"), hereby offers to enter into this Certificate Purchase Agreement (the "Purchase Agreement") with the Guadalupe Union School District (the "District"), acting on behalf of itself and the Corporation (defined herein) for the purchase by the Underwriter of the \$_____ aggregate principal amount of Guadalupe Union School District 2018 Certificates of Participation (the "Certificates"). Upon acceptance of this offer by the District, this Purchase Agreement will be binding upon the District and the Underwriter. The offer made hereby is made subject to acceptance by the District (by delivery to the Underwriter of an executed counterpart hereof by the District) at or before 11:59 p.m., California time, on the date hereof or at such later time and date as shall have been consented to by the Underwriter.

The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of March 1, 2018 (the "Trust Agreement"), among the District, Local Facilities Finance Corporation (the "Corporation") and U.S. Bank National Association, as trustee (the "Trustee"). All terms used herein and not otherwise defined herein shall have the respective meanings assigned thereto in the Trust Agreement.

1. **Purchase and Purchase Price; Terms of Certificates.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the District agrees to cause the Trustee to execute and deliver to the Underwriter, and the Underwriter agrees to purchase, all (but not less than all) of the Certificates at an aggregate purchase price of \$_____ (representing the aggregate principal amount of \$_____, less original issue discount of \$_____ and less an Underwriter's discount of \$_____). From the purchase price, on the Closing Date (defined below), the Underwriter shall wire the amount of \$_____ to the Insurer (defined below), representing payment for the municipal bond insurance premium (\$_____) and the reserve fund surety (\$_____).

The Certificates shall be dated the date of their delivery and shall be substantially in the form described in, shall be executed, delivered and secured under and pursuant to, and shall be payable and subject to prepayment as provided in, the Trust Agreement.

The Certificates shall be subject to prepayment as described in Exhibit A.

The proceeds of the Certificates will be used to (i) finance school facility improvement projects, (ii) purchase a municipal bond insurance policy and a debt service reserve fund insurance policy from _____ (the "Insurer"), and (iii) pay certain other costs incurred in connection with the execution and delivery of the Certificates.

The District hereby ratifies, confirms and approves the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement of the District, dated _____, 2018, relating to the Certificates (the "Preliminary Official Statement"), which Preliminary Official Statement the District deemed final and so certified as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for information permitted to be omitted therefrom by Rule 15c2-12. The District hereby agrees to deliver or cause to be delivered to the Underwriter within seven business days from the date hereof copies of the Official Statement (as hereinafter defined), in such reasonable quantity as the Underwriter shall request. The District hereby approves of the use and distribution by the Underwriter of the Official Statement in connection with the offer and sale of the Certificates.

The District hereby further authorizes the Underwriter to use, in connection with the offer and sale of the Certificates, the Trust Agreement, the Lease Agreement, the Site Lease and the Assignment Agreement, and the Continuing Disclosure Certificate (collectively, the "Certificate Documents").

The District acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction, including the process leading thereto, between the District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the District, (ii) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the District or any other person or entity and has not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters), (iii) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement, except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission or the rules of the Municipal Securities Rulemaking Board (the "MSRB"), and (iv) the District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The 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 MSRB.

2. **Closing; Official Statement.** At 8:30 a.m. California time, on _____, 2018, or at such other time or on such earlier or later date as the Underwriter and the District mutually agree upon (the "Closing" or the "Closing Date"), the District will, subject to the terms and conditions hereof, deliver or cause the Certificates to be delivered to The Depository Trust Company ("DTC"), duly executed in accordance with the provisions of the Trust Agreement. Subject to the terms and conditions hereof, upon receipt of proof of such delivery to DTC, the Underwriter will pay the purchase price of the Certificates as set forth in Section 1 hereof in federal or other immediately available funds. The Certificates shall be delivered as aforesaid at the offices of DTC in Jersey City, New Jersey, or at such other place as the Underwriter and the

District mutually agree upon. On the Closing Date, the District will deliver or cause to be delivered the other documents mentioned herein at the offices of Jones Hall, A Professional Law Corporation, San Francisco, California ("Special Counsel"), or at such other place as shall have been mutually agreed upon by the Underwriter and the District.

The Underwriter agrees to make a bona fide public offering of the Certificates at the initial offering prices or yields set forth on the inside cover of the Official Statement dated the date hereof (the "Official Statement"); provided, however, that the Underwriter reserves the right to make concessions to dealers and to change such initial offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Certificates. The Underwriter agrees that, in connection with the public offering and initial delivery of the Certificates to the purchasers thereof from the Underwriter, the Underwriter will deliver or cause to be delivered to each purchaser a copy of the Official Statement.

The Certificates (bearing CUSIP numbers) shall be in fully registered form, initially registered in the name of Cede & Co., as nominee of DTC, and shall be subject to a book-entry system of registration and transfer as described in the Official Statement. The Certificates shall be made available to the Underwriter for purposes of inspection for a reasonable period prior to the Closing Date.

3. **Covenants, Representations and Warranties of the District.** The District hereby covenants, represents and warrants to the Underwriter that:

(a) **Due Organization and Authorization.** The District is, and will be on the Closing Date, a school district duly organized and validly existing under the constitution and laws of the State of California. The District has all necessary power and Corporation and has taken all official actions necessary to execute and deliver the Official Statement and to execute, deliver and perform its duties under this Purchase Agreement and each of the Certificate Documents to which it is a party, and this Purchase Agreement and each of the Certificate Documents to which the District is a party has been duly authorized, executed and delivered by the District and, assuming the due authorization, execution and delivery by the other respective parties thereto, will constitute legally valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or principles of equity involving judicial discretion.

(b) **No Conflicts or Breach.** The District is not in material breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States of America material to the conduct of its governmental or financial functions or any applicable judgment or decree or any loan agreement, indenture, bond, certificate, note, resolution or other agreement or instrument to which the District is a party or to which the District or any of its properties is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any of the foregoing; and the authorization, execution and delivery of this Purchase Agreement, the Certificate Documents to which the District is a party and the Certificates, and compliance with the provisions hereof and thereof, will not conflict with or constitute a material breach of or default under any constitutional provision, law, administrative rule or regulation, or any judgment, decree, license, permit, loan agreement, indenture, bond, certificate, note, resolution, agreement or other instrument

to which the District (or any of its officers in their respective capacities as such) is subject or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument except as may be provided by the Certificates or the Certificate Documents.

(c) Consents. Except for the actions of the other parties hereto, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory entity having jurisdiction over the District required for the execution and delivery of this Purchase Agreement or the Certificate Documents to which the District is a party, or the execution and sale of the Certificates or the consummation by the District of the transactions contemplated herein, in the Official Statement or in the Certificate Documents, which has not been duly obtained or made on or prior to the date hereof.

(d) Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental or public entity pending or, to the best knowledge of the District, threatened against the District which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates or the Certificate Documents, or contesting the validity of this Purchase Agreement, the Certificates or any of the Certificate Documents to which the District is party or the powers of the District to enter into or perform its obligations under this Purchase Agreement or the Certificate Documents to which it is a party or the existence or powers of the District, or which, if determined adversely to the District, would materially impair the District's ability to meet its obligations under the Lease Agreement or materially and adversely affect the District's financial condition or in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Certificates from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

(e) Official Statement Accurate and Complete. The Preliminary Official Statement provided to the Underwriter has been deemed final by the District, as required by Rule 15c2-12. The preparation and distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the District and the statements and information contained therein (except for statements and information regarding DTC, or the Insurer) are true and correct in all material respects and such statements and information do not contain and will 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 the light of the circumstances under which they were made, not misleading, as of the respective dates thereof. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the final Official Statement which has been furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

(f) Subsequent Events; Amendment of Official Statement. After the Closing, the District will not adopt any amendment of or supplement to the Official Statement to

which the Underwriter shall reasonably object in writing. Within 25 days following the “end of the underwriting period” (determined pursuant to Section 12), whichever occurs first, if any event relating to or affecting the Certificates, the Trustee or the District, shall occur that would cause the information contained in the final Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the District will notify the Underwriter, and, if in the opinion of the District or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will forthwith prepare and furnish to the Underwriter (at the expense of the District) an amendment or supplement that 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 the Official Statement is delivered to purchaser, not misleading. The District shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB.

(g) Application of Certificate Proceeds. The proceeds from the sale to the Underwriter of the Certificates will be applied in the manner and for the purposes specified in the Trust Agreement and as described in the Official Statement.

(h) Certificates Constitute Representations. Any certificate signed by any official of the District and delivered in connection with the transactions contemplated by the Official Statement and this Purchase Agreement shall be deemed to be a representation by the District to the Underwriter as to the statements made therein.

(i) Cooperation with Blue Sky Endeavors. The District agrees to cooperate with the Underwriter in endeavoring to qualify the Certificates for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may reasonably request; provided, however, that the District will not be required to consent to service of process in any such jurisdiction or to qualify as a foreign Corporation in connection with any such qualification in any jurisdiction and that the Underwriter shall be solely responsible for the cost of such qualification.

(j) Tax Law Compliance. The District has complied with the Internal Revenue Code of 1986, as amended, with respect to the Certificates and the 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 Certificates, and the District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is an issuer whose arbitrage certificates may not be relied upon.

(k) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the District will not have issued 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 or the Official Statement.

(l) Continuing Disclosure. The District shall undertake, pursuant to Rule 15c2-12 and Section 6.13 of the Trust Agreement, the Continuing Disclosure Certificate with respect to the Certificates in substantially the form attached as Appendix E of the Preliminary Official Statement (the "Continuing Disclosure Certificate"), to provide certain annual financial information and notices of the occurrence of certain events described therein. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Based on a review of its prior undertakings, and except as disclosed in the Preliminary Official Statement and Official Statement, within the past five years the District has not failed to comply in all material respects with any continuing disclosure obligation entered into pursuant to Rule 15c2 12.

(m) Financial Information. The financial statements of, and other financial information regarding the District contained in the Official Statement fairly present the financial position of the 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 effect, and (iii) the other financial information has been determined on a basis substantially consistent with that of the District's audited financial statements included in the Official Statement. Since June 30, 2017, no material adverse change has occurred in the financial condition, assets, properties or results of operation of the District which is not described in the Official Statement.

(n) No Financial Advisory Relationship. The District acknowledges that the Underwriter has had no financial advisory relationship with the District with respect to the Certificates, nor to its knowledge does the District have a financial advisory relationship with any investment firm controlling, controlled by or under common control with the Underwriter.

(o) Not Acting as Fiduciary. Inasmuch as this purchase and sale represents a negotiated transaction, the District understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the District, but rather is acting solely in its capacity as Underwriter, for its own account.

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

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

(b) No Violation of Rule G-37. The execution and delivery hereof and the consummation of the transactions contemplated hereby does not and will not violate any of the prohibitions set forth in Rule G-37 promulgated by the MSRB.

(c) MSRB Forms Submitted. All reports required to be submitted to the MSRB pursuant to Rule G-37 have been and will be submitted to the MSRB.

(d) No Compensation or Gifts. 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 District's officers, agents or employees thereof), other than a bona fide officer, agent or employee working for Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Agreement.

(e) No Financial Advisory Relationship. The Underwriter has, and has had, no financial advisory relationship with the District as such term is defined in California Government Code Section 53590(c) or MSRB Rule G-23 with respect to the Certificates, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

(f) Rule 15c2-12 Compliance. The Underwriter has reasonably determined that the District's undertaking in the Continuing Disclosure Certificate to provide continuing disclosure with respect to the Certificates is sufficient to effect compliance with Rule 15c2-12.

[5. Establishment of Issue Price.

(a) Actions to Establish Price. The Underwriter agrees to assist the District in establishing the issue price of the Certificates and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates.

(b) 10% Test. The District will treat the first price at which 10% of each maturity of the Certificates (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Certificate Purchase Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Certificates. If at that time the 10% test has not been satisfied as to any maturity of the Certificates, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Certificates of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Certificates of that maturity or until all Certificates of that maturity have been sold to the public.

(c) Selling Group or Retail Distribution Agreements. The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The District

acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Certificates.

(d) Sales to the Public; Definitions. The Underwriter acknowledges that sales of any Certificates to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the public),
- (iii) a purchaser of any of the Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Certificate Purchase Agreement by all parties.]

6. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Certificates on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations, warranties and agreements on the part of the District contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the

statements of the officers and other officials of the District, the Corporation and the Trustee made in any certificates or other documents furnished pursuant to the provisions hereof or the Certificate Documents, and to the performance by the District, the Corporation, the Insurer and the Trustee of their respective obligations to be performed hereunder and under the Certificate Documents at or prior to the Closing Date, and to the following additional conditions:

(a) All Documents Delivered and Actions Taken. At the Closing Date, the Certificates, the Certificate Documents and the Official Statement shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Underwriter with only such changes as shall have been agreed to by the Underwriter, and said documents shall not have been amended, modified or supplemented, except as may have been agreed to by the Underwriter, and there shall have been taken in connection therewith, with the execution and delivery of the Certificates and with the transactions contemplated thereby and by this Purchase Agreement, all such actions as Special Counsel, shall deem to be necessary and appropriate;

(b) Representations True and Correct. The representations and warranties of the District contained in this Purchase Agreement shall be true, correct and complete in all material respects on the date hereof and on the Closing Date, as if made again on the Closing Date, and the Official Statement (as the same may be supplemented or amended with the written approval of the Underwriter) shall be true, correct and complete in all material respects and such information shall not contain any untrue statement of fact or omit to state any fact required to be stated therein or necessary to make the statements therein relating to the District, in light of the circumstances under which such statements were made, not misleading;

(c) Marketability. Between the date hereof and the Closing Date, neither the market price nor marketability, or the ability of the Underwriter to enforce contracts for the sale of the Certificates, at the initial offering prices set forth in the Official Statement, of the Certificates shall have been materially adversely affected, in the judgment of the Underwriter, by reason of any of the following:

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

(i) by or on behalf of the Treasury Department of the United States or the Internal Revenue Service with the purpose or effect, directly or indirectly (except as described in the Official Statement), of imposing federal income taxation upon such interest as would be received by the owners of the Certificates, or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental entity having jurisdiction of the subject matter, to the effect that obligations of the general character of the Certificates, or the Certificates, including any or all underlying arrangements, are not exempt from registration under the Securities Act

of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

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

(3) 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;

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

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental entity having jurisdiction of the subject matter, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Certificates, or the execution, delivery, offering or sale of the Certificates, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as then in effect;

(6) the occurrence of any adverse change of a material nature of the financial condition, results of operation or properties of the District;

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

(8) there shall have occurred or any notices shall have been given of any intended downgrading, suspension, withdrawal, or negative change in credit watch by any national rating service to any of the District's obligations;

(9) there shall have occurred or any notices shall have been given of any withdrawal, downgrading or placement on negative credit watch of any rating of the Insurer;

(10) the suspension by the Securities and Exchange Commission of trading in the outstanding securities of the District;

(11) legislation enacted by or introduced in the legislature of 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 Certificates in the hands of the holders thereof; or

(12) other disruptive events, occurrences or conditions in the securities or debt markets.

(d) Closing Documentation. At or prior to the Closing Date, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to the Underwriter:

(1) the Official Statement and each Certificate Document, duly executed and delivered by the respective parties thereto, with such amendments, modifications or supplements as may have been agreed to by the Underwriter;

(2) an unqualified approving opinion, dated the Closing Date and addressed to the District, of Special Counsel, in substantially the form attached to the Official Statement as Appendix D, and a letter of such counsel, dated the Closing Date and addressed to the Underwriter, to the effect that such opinion may be relied upon by the Underwriter to the same extent as of such opinion were addressed to it;

(3) the supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Special Counsel, substantially to the effect that (i) this Purchase Agreement and the Certificate Documents to which the District is a party have been duly authorized, executed and delivered by the District and are valid and binding agreements of the District enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium and other laws affecting the enforcement of creditors' rights, by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California (ii) the Certificates are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended, and (iii) the statements contained in the Official Statement under the captions "INTRODUCTION," "THE CERTIFICATES," "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES" and "TAX MATTERS", insofar as such statements purport to summarize certain provisions of the Certificates, the Certificate Documents and Special Counsel's opinion concerning certain federal tax matters relating to the Certificates, are accurate in all material respects;

(4) an opinion, dated the Closing Date and addressed to the Underwriter, of Jones Hall, A Professional Law Corporation, as disclosure counsel ("Disclosure Counsel"), substantially to the effect that, based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, Disclosure Counsel has no

reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein, the information included in the Appendices thereto, information relating to The Depository Trust Company and its book-entry system and information relating to the Insurer and its insurance policy and debt service reserve policy as to which no opinion need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(5) a certificate of the Trustee dated the Closing Date, signed by a duly authorized officer of the Trustee, to the effect that (i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the full power and being qualified to enter into and perform its duties under the Trust Agreement and the Assignment Agreement and to execute and deliver the Certificates to the Underwriter pursuant to the Trust Agreement, (ii) when delivered to and paid for by the Underwriter on the Closing Date, the Certificates will have been duly executed and delivered by the Trustee, (iii) the execution and delivery of the Trust Agreement and the Assignment Agreement and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Trust Agreement under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trust Agreement, and (iv) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental or public entity pending or, to the best knowledge of the Trustee, threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution and delivery of the Certificates, or in any way contesting or affecting the validity or enforceability of the Trust Agreement and the Assignment Agreement or contesting the powers of the Trustee or its Corporation to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trust Agreement or the Assignment Agreement or the ability of the Trustee to perform its obligations thereunder;

(6) an opinion of counsel to the Trustee, dated the Closing Date, addressed to the District and the Underwriter, to the effect that (i) the Trustee is a duly organized and validly existing national banking association in good standing under the laws of the United States and has full power and authority to undertake the trust of the Trust Agreement, (ii) the Trustee has duly authorized, executed and delivered the Trust Agreement and the Assignment Agreement and by all

proper corporate action has authorized the acceptance of the trust of the Trust Agreement, (iii) the Trust Agreement and the Assignment Agreement constitute legally valid and binding agreements of the Trustee, enforceable against the Trustee in accordance with their terms, (iv) the Certificates have been validly executed and delivered by the Trustee and are entitled to the benefits of the Trust Agreement to the extent legally enforceable in accordance with their terms, (v) no authorization, approval, consent, or other order of any governmental authority or agency having jurisdiction over the Trustee is required for the valid authorization, execution, delivery and performance by the Trustee of the Trust Agreement and the Assignment Agreement, (vi) the execution and delivery of the Trust Agreement and the Assignment Agreement and compliance by the Trustee with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Trustee a breach or default under any agreement or other instrument to which the Trustee is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or any existing law, regulation, court order or consent decree to which the Trustee is subject and (vii) no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the execution or delivery by the Trustee of any of the Certificates or the collection of the revenues that are the source of Lease Payments, or (B) in any way contesting or affecting any authority of the Trustee for the execution or delivery of the Certificates or the validity or enforceability of the Certificates or the Trust Agreement;

(7) a certificate of the District, dated the Closing Date, signed by an authorized officer thereof, to the effect that (i) the representations and warranties of the District contained in the Purchase Agreement and in the Certificate Documents to which it is a party are true and correct in all material respects as of the Closing Date as if made on the Closing Date, and (ii) to the best of the District's knowledge, no event affecting the District has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date the statements or information (except for statements and information regarding DTC, or the Insurer) contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information (except for statements and information regarding DTC, or the Insurer) therein not misleading in any material respect;

(8) a certificate of the Corporation, dated the Closing Date, signed by an authorized officer thereof, to the effect that (i) the Corporation is a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California, (ii) the Corporation has all necessary power and the Corporation and has taken all official actions necessary to execute, deliver and perform its duties under each of the Certificate Documents to which it is a party, and each of the Certificate Documents to which the Corporation is a party has been duly authorized, executed and delivered by the Corporation and, assuming the due authorization, execution and delivery by the other respective parties thereto, will constitute legally valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization,

moratorium or other similar laws relating to or limiting creditors' rights generally or principles of equity involving judicial discretion, (iii) the Corporation is not in material breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States of America material to the conduct of its functions or any applicable judgment or decree or any loan agreement, indenture, bond, certificate, note, resolution or other agreement or instrument to which the Corporation is a party or to which the Corporation or any of its properties is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any of the foregoing; and the authorization, execution and delivery of the Certificate Documents to which the Corporation is a party, and compliance with the provisions thereof, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative rule or regulation, or any judgment, decree, license, permit, loan agreement, indenture, bond, certificate, note, resolution, agreement or other instrument to which the Corporation (or any of its officers in their respective capacities as such) is subject or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument except as may be provided by the Certificate Documents, (iv) there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory entity having jurisdiction over the Corporation required for the execution and delivery of the Certificate Documents to which the Corporation is a party, or the consummation by the Corporation of the transactions contemplated in the Official Statement or in the Certificate Documents, which has not been duly obtained or made on or prior to the date hereof, (v) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental or public entity pending or, to the best knowledge of the Corporation, threatened against the Corporation which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates or any of the Certificate Documents, or contesting the validity of the Certificates or any of the Certificate Documents or the powers of the Corporation to enter into or perform its obligations under the Certificate Documents to which it is a party or the existence or powers of the Corporation, and (vi) to the best of the Corporation's knowledge, no event affecting the Corporation has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date the statements or information regarding the Corporation contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein regarding the Corporation not misleading in any material respect;

(9) a certified copy of the Resolution of the governing board of the District authorizing the execution and delivery of the Certificate Documents to which the District is a party and other matters pertaining thereto, together with evidence of the notice provided to County officials pursuant to Education Code Section 17150.1;

(10) a certified copy of the Resolution of the governing board of the Corporation authorizing the execution and delivery of the Certificate Documents to which the Corporation is a party and other matters pertaining thereto;

(11) a certified copy of the general resolution of the Trustee authorizing the execution and delivery of the Certificate Documents to which the Trustee is a party;

(12) the certificate insurance policy issued by the Insurer with respect to the Certificates, the tax certificate representations of the Insurer, and an opinion of counsel to the Insurer regarding the enforceability of such policy, in form reasonably satisfactory to the District, Special Counsel and the Underwriter;

(13) the municipal bond debt service reserve insurance policy issued by the Insurer to be credited to the reserve fund established for the Certificates, and the Insurance Agreement executed by the Insurer and the District with respect thereto;

(14) Internal Revenue Service Form 8038-G, as prepared for the Certificates;

(15) evidence of arrangements for the issuance of a binder for a CLTA title insurance policy or policies, providing the title insurance required by the Lease Agreement; and

(16) the rating letter of S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC to the effect that such rating agency has rated the Certificates "AA" based upon the issuance of the certificate insurance policy by the Insurer, and an underlying rating of "A+" without regard to the issuance of such policy, and that each such rating has not been revoked or downgraded;

(17) evidence satisfactory to Special Counsel and the Underwriter, of insurance in compliance with the Lease Agreement and the Trust Agreement;

(18) the duly executed Continuing Disclosure Certificate of the District in substantially the form attached to the Official Statement as Appendix E;

(19) a tax certificate of the District in form and substance acceptable to Special Counsel;

(20) The Underwriter shall provide the following certificates to the District:

(1) The receipt of the Underwriter, in form satisfactory to the District and signed by an authorized officer of the Underwriter, accepting delivery of the Certificates to the Underwriter and receipt of all documents required by the Underwriter, and the satisfaction of all conditions and terms of this Purchase Agreement by the District, and confirming to the District that as of the Closing Date, all of the representations of the

Underwriter contained in this Purchase Agreement are true, complete and correct in all material respects; and

(2) The certification of the Underwriter regarding the prices at which the Certificates have been reoffered to the public, in form satisfactory to Special Counsel, as described in this Purchase Agreement, which certification shall include such additional matters as Special Counsel shall specify.

(21) an opinion of Kronick, Moskovitz, Tiedemann & Girard, A Professional Corporation, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter.

(22) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Special Counsel may reasonably request to evidence compliance by the Trustee, the Corporation and the District with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Trustee, the Corporation and the District, and the due performance or satisfaction by the Trustee, the Corporation and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Trustee, the Insurer, the Corporation and the District.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted herein, all obligations of the Underwriter hereunder may be terminated by the Underwriter at, or at any time prior to, the Closing Date by written notice to the District and neither the Underwriter nor the Corporation shall have any further obligations hereunder.

7. **Fees and Expenses.** On the Closing Date, the Underwriter shall wire, on behalf of the District from proceeds of the Certificates, the total amount of \$_____ to the Insurer, representing payment of the premium for the municipal bond insurance policy for the Certificates of \$_____ and the premium for the reserve fund surety bond of \$_____. Except as provided in the following paragraph, the District shall pay all costs and expenses incurred in connection with or relating to the execution and sale of the Certificates, including but not limited to: (a) all fees and expenses of Special Counsel and Disclosure Counsel, (b) all expenses and costs of the District incident to the performance of its obligations hereunder and in connection with the authorization, execution and sale of the Certificates to the Underwriter including CUSIP numbers, (c) the costs of printing the Preliminary Official Statement and the Official Statement, (d) the fees and expenses of the Trustee and its counsel, (e) the fees of S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC business, for rating the Certificates, (f) fees of the financial advisor, (g) fees of Underwriter's counsel, and (h) the premium cost for title insurance.

The Underwriter shall pay any advertising expenses incurred in connection with the public offering of the Certificates, California Debt and Investment Advisory Commission and other regulatory bond fees, except as provided in the preceding paragraph, and all other expenses incurred by the Underwriter, including, but not limited to, fees and expenses in connection with the public offering and sale of the Certificates. Meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related

activities shall be considered an expense of the transaction and may be included in the expense component of the Underwriter's discount.

8. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Agreement, when accepted by the District in writing as heretofore specified, shall constitute the entire agreement between the District and the Underwriter. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the District in this Purchase Agreement shall survive regardless of (a) any investigation of any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Certificates hereunder, and (c) any termination of this Purchase Agreement.

9. **Survival of Certain Representations and Obligations.** The agreements, covenants, representations, warranties and other statements of the District and its officials or officers set forth in or made pursuant to this Purchase Agreement shall survive delivery of and payment for the Certificates, regardless of any investigation, or statements as to the results thereof, made by or on behalf of the Underwriter.

10. **Notices.** All notices, certificates and other communications provided for hereunder shall be in writing and, if to the District, mailed, certified, return receipt requested, or delivered to it, addressed to it at the address identified on page 1 hereof, Attention: Assistant Superintendent, Business Services, and if to the Underwriter, mailed, certified, return receipt requested, or delivered to it, addressed to it at:

RBC Capital Markets, LLC
777 S. Figueroa Street, Suite 850
Los Angeles, California 90017
Attn: Frank Vega, Managing Director

or such other address as shall be designated by any such party in a written notice to each of the other parties.

11. **Survival of Representations, Warranties and Agreements.** All representations, warranties and agreements in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of the Certificates hereunder.

12. **Determination of End of the Underwriting Period.** For purposes of this Purchase Agreement, the "end of the underwriting period" for the Certificates shall mean the day of the Closing unless the District has been notified in writing by the Underwriter, on or prior to the day of the Closing, that the "end of the underwriting period" for the Certificates for all purposes of Rule 15c2-12 of the Securities and Exchange Act of 1934 (the "Rule") will not occur on the day of the Closing. If the "end of the underwriting period" for the Certificates will not occur on the day of the Closing, the Underwriter agrees to notify the District in writing as soon as practicable following the "end of the underwriting period" for the Certificates for all purposes of the Rule.

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

14. **No Assignment**. 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 written consent of the other party hereto.

15. **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).

16. **Applicable Law**. This Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

17. **Effectiveness**. This Purchase Agreement shall become effective upon its execution by duly authorized officers of the Underwriter and the District and shall be valid and enforceable from and after the time of such execution.

[Signature page appears on the following page]

18. **Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Very truly yours,

RBC CAPITAL MARKETS, LLC,
as Underwriter

By: _____
Managing Director

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

GUADALUPE UNION SCHOOL DISTRICT

By: _____
Superintendent

Time of Execution: _____ p.m. PST

EXHIBIT A

Maturity Schedule

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price
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Prepayment Provisions

Optional Prepayment. The Certificates maturing on or before August 1, 20__, are not subject to optional prepayment before their respective stated maturities. The Certificates maturing on or after August 1, 20__, are subject to prepayment prior to their respective stated maturities, at the option of the District, in whole, or in part among maturities on such basis as designated by the District and by lot within any one maturity, on August 1, 20__, or on any date thereafter, upon payment of a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

Extraordinary Optional Prepayment from General Obligation Bond Proceeds. The Certificates are subject to extraordinary optional prepayment before their respective stated maturities at the option of the District, in whole, or in part among maturities on such basis as designated by the District and by lot within any one maturity, on any date commencing on August 1, 20__, or on any date thereafter from General Obligation Bond Proceeds, upon payment of a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

Mandatory Prepayment from Net Proceeds. The Certificates are subject to mandatory prepayment, in whole or in part on any Business Day, among maturities on a pro rata basis and by lot within a maturity, from the Net Proceeds of insurance or eminent domain proceedings credited towards the prepayment of the Lease Payments under the Lease Agreement and Trust Agreement, at a prepayment price equal to 100% of the principal amount

to be prepaid, together with accrued interest represented thereby to the date fixed for prepayment, without premium.

Capitalized terms used in this Exhibit A and not otherwise defined shall have the meanings given them in the Trust Agreement.

APPENDIX B

FORM OF ISSUE PRICE CERTIFICATE

\$ _____
2018 CERTIFICATES OF PARTICIPATION
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
GUADALUPE UNION SCHOOL DISTRICT
to Local Facilities Finance Corporation
(Bank Qualified)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of RBC Capital Markets, LLC (the “Underwriter”), based upon information available to it hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Certificates”).

1. Sale of the Certificates. As of the date of this certificate, for each Maturity of the Certificates, the first price at which at least 10% of such Maturity of the Certificates was sold to the Public is the respective price listed in Schedule A.

2. Defined Terms.

(a) *Issuer* means Guadalupe Union School District.

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

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. Accordingly, the Underwriter makes no representation as to the legal sufficiency of the factual matters set forth herein. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the

representations set forth in the Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Certificates, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Certificates. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

Dated: [Closing Date]

RBC CAPITAL MARKETS, LLC,
as Underwriter

By: _____
Managing Director

SCHEDULE A
ACTUAL SALE PRICES



GUADALUPE UNION SCHOOL DISTRICT

Resolution 2017/2018-12

In Recognition of Guadalupe Union School District's "Week of the Teacher" May 7 – 11, 2018

WHEREAS, quality education represents society's greatest and most lasting gift to new generations; and

WHEREAS, the future of our District depends largely on the work of dedicated and professional teachers; and

WHEREAS, teachers have the important task of helping today's students become tomorrow's leaders; and

WHEREAS, along with academics and instruction, teachers provide students with valuable guidance, support and encouragement; and

WHEREAS, it is appropriate that the Guadalupe Union School District recognize and appreciate the many contributions teachers make to the Guadalupe Union School District,

NOW THEREFORE, we, the Board of Trustees and Administrators of the Guadalupe Union School District proclaim May 7-11, 2018, as **"Week of the Teacher"** in Guadalupe, California, and urge all Guadalupe citizens to participate in an observance that expresses their appreciation of our dedicated teaching staff.

PASSED AND ADOPTED by the Board of Trustees of the Guadalupe Union School District, County of Santa Barbara, State of California, at a regular meeting, the 14th day of February 2018.

AYES:

NOES:

ABSENT:

Diana Arriola, Board President

Ed Cora, Superintendent/Board Secretary



GUADALUPE UNION SCHOOL DISTRICT

Resolution 2017/2018-13

In Recognition of Guadalupe Union School District's "Classified School Employees Week" May 21 – 25, 2018

WHEREAS, classified professionals provide valuable services to the schools and students of the Guadalupe Union School District; and

WHEREAS, classified professionals contribute to the establishment and promotion of a positive instructional environment; and

WHEREAS, classified professionals serve a vital role in providing for the welfare and safety of the Guadalupe Union School District's students; and

WHEREAS, classified professionals employed by the Guadalupe Union School District strive for excellence in all areas relative to the educational community.

NOW THEREFORE, BE IT RESOLVED, that the Guadalupe Union School District hereby recognizes and wishes to honor the contribution of the classified professionals to quality education in the state of California and in the Guadalupe Union School District and declares the week of May 21-25, 2018 as Classified School Employees Week in the Guadalupe Union School District.

PASSED AND ADOPTED by the Board of Trustees of the Guadalupe Union School District, County of Santa Barbara, State of California, at a regular meeting this 14th day of February 2018.

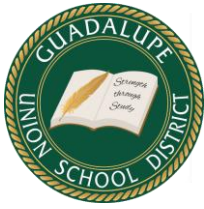
AYES:

NOES:

ABSENT:

Diana Arriola, Board President,

Ed Cora, Superintendent/Board Secretary



Guadalupe Union School District

P.O. Box 788, Guadalupe, CA 93434-0788 ● 805-343-2114 ● Fax: 805-343-6155

M E M O

Date: February 14, 2018

To: Board of Trustees

From: Ed Cora, District Superintendent

Re: Certificated/Classified Management and Confidential Employee Proposal

As the Board is aware, the District has settled salary and health benefits with GTA. Negotiations with CSEA have been completed and a tentative agreement is pending approval from the Board on March 14, 2018. This memo is a request to provide the same compensation package to the management team, as well as confidential employees.

The certificated and classified management team and confidential employees work extremely hard to ensure the district is making great strides toward increasing student achievement, as well as ensuring all employees and parents are provided with required services. The district is moving in the right direction in large part due to the dedication, hard work, and passion exhibited by all employees, including the management team and confidential employees.

Customarily, the Board has provided the management team and confidential employees the same compensation package as teachers and classified employees. The Board will be presented with this formal request at the February 14, 2018 Board meeting.

If you have any questions, please contact me. Thank you, in advance, for your consideration.

GUADALUPE UNION SCHOOL DISTRICT

COMPENSATION ADJUSTMENT FOR UNREPRESENTED EMPLOYEES

SUPERINTENDENT
DIRECTOR OF EDUCATIONAL SERVICES
PRINCIPALS
ASSISTANT PRINCIPAL
COORDINATOR OF BUSINESS SERVICES
CHIEF BUSINESS OFFICIAL
DIRECTOR OF NUTRITIONAL SERVICES
ASES COORDINATOR
FAMILY SERVICES COORDINATOR
EXECUTIVE ASSISTANT TO THE SUPERINTENDENT
ADMINISTRATIVE ASSISTANT - CONFIDENTIAL

For the 2017-2018 fiscal year, Certificated Administrators, Classified Managers and Confidential Employees will receive a one-time, off schedule, one percent (1%) compensation effective February 15, 2018.

Adopted and Approved by the Guadalupe Union School District Board of Education on _____.

GUADALUPE UNION SCHOOL DISTRICT BOARD OF EDUCATION

Diana Arriola
President, Board of Trustees

Sheila Marie C. Cepeda
Clerk, Board of Trustees

Ed Cora
Superintendent

Date

DISTRICT ADMINISTRATORS, CLASSIFIED MANAGERS AND CONFIDENTIAL EMPLOYEES

Julie Lopez
Certificated Administrators Representative

Carla Benevedo
Classified Managers and Confidential
Employees
Representative

Date

Kermit McKenzie Jr. High School

4710 West Main Street, P.O. Box 788 • Guadalupe, CA 93434-0788 • 805-343-1951 • Grades 6-8

Gabriel Solorio, Principal

gsolorio@gusdbobcats.com

<http://www.mckenziejrhigh.com/>

2016-17 School Accountability Report Card Published During the 2017-18 School Year



Guadalupe Union School District

4465 Ninth St., P.O. Box 788
Guadalupe, CA 93434-0788
(805) 343-2114
www.guadusd.org/

District Governing Board

David Hosking

Jose E. Pereyra

Sheila Marie Cepeda

Diana Arriola

MaryLou Sabedra-Cuello

District Administration

Ed Cora

Superintendent

Julie Lopez

Director of Educational Services

Gloria Grijalva

Chief Business Official

Dena Boortz

Director of Food Services

Alejandra Serrato Mora

ASES Program Supervisor

Samuel Duarte

Family Services Coordinator

Anne Rigali

Pupil Services Coordinator

School Description

MISSION STATEMENT:

"The Guadalupe Union School District will provide each student the academic and social skills that will assist them in becoming high school graduates as well as college and career ready, independent thinkers, lifelong learners, and responsible, productive members of society. We will educate students in a safe environment and in a continuing partnership with parents and community."

COMMUNITY DESCRIPTION

The Guadalupe Union School District (K-8) is located on the beautiful California Central Coast, approximately 70 miles north of Santa Barbara and 32 miles south of San Luis Obispo. The city which is situated in the northwest section of Santa Barbara County has a population of approximately 7,000 residents.

Guadalupe is located in the rural agricultural section of the greater Santa Maria Valley. Agriculture is the biggest industry in and around the city. Our district serves families of Guadalupe as well as families from the neighboring farms and ranches. Many of our students come from migrant families. Enrollment in October 2015, was 1,280 students in Kindergarten through 8th Grade. The student population is 96.8% Hispanic, 1.72% White, .47% Black, .55% Asian and .23% American Indian or Alaska Native, .0% Pacific Islander and .23% Other.

FROM THE PRINCIPAL

I would like to welcome you to the Kermit McKenzie Jr. High School Annual School Accountability Report Card and thank you for taking time to explore it. As principal, I could not be more proud of the school over which I preside, and am honored to have the opportunity to share the basis of such pride with you. The opportunity to do so has presented itself in the form of compliance with Proposition 98, which identifies the School Accountability as a required component that every school in California must issue. The purpose of this report card is to afford you further insight into the quality educational program we offer.

It is the belief of Kermit McKenzie Junior High School that students can and will excel in an environment that is tailored to their evolving needs. It is due to this belief that we have been able to successfully develop a comprehensive educational system that celebrates and promotes ethnic and cultural diversity, individuality, and emotional, intellectual, and social eminence. We strive to provide students with not only the stimulation and encouragement to accomplish such feats, but the means to do so as well.

In our long-standing tradition of excellence, we maintain our commitment to students, parents, community members, and staff to provide the best educational experience possible. We renew this commitment yearly in hopes that together, we will continue to improve our effectiveness in educating the students of today, preparing them to become productive citizens of tomorrow. It is in light of this fact that we welcome any suggestions, ideas, or comments you may have.

Thank you for assisting Kermit McKenzie Jr. High School in making our students' experience here not only a memorable one, but also an enjoyable one that will last a lifetime.

Mr. Gabriel Solorio, Principal

About the SARC

By February 1 of each year, every school in California is required by state law to publish a School Accountability Report Card (SARC). The SARC contains information about the condition and performance of each California public school. Under the Local Control Funding Formula (LCFF) all local educational agencies (LEAs) are required to prepare a Local Control and Accountability Plan (LCAP), which describes how they intend to meet annual school-specific goals for all pupils, with specific activities to address state and local priorities. Additionally, data reported in an LCAP is to be consistent with data reported in the SARC.

- For more information about SARC requirements, see the California Department of Education (CDE) SARC Web page at <http://www.cde.ca.gov/ta/ac/sa/>.
- For more information about the LCFF or LCAP, see the CDE LCFF Web page at <http://www.cde.ca.gov/fg/aa/lc/>.
- For additional information about the school, parents/guardians and community members should contact the school principal or the district office.

2016-17 Student Enrollment by Grade Level	
Grade Level	Number of Students
Grade 6	137
Grade 7	132
Grade 8	153
Total Enrollment	422

2016-17 Student Enrollment by Group	
Group	Percent of Total Enrollment
Black or African American	0.2
American Indian or Alaska Native	0.2
Asian	0
Filipino	0
Hispanic or Latino	97.6
Native Hawaiian or Pacific Islander	0
White	1.9
Two or More Races	0
Socioeconomically Disadvantaged	95.3
English Learners	43.6
Students with Disabilities	8.3
Foster Youth	0.2

A. Conditions of Learning

State Priority: Basic

The SARC provides the following information relevant to the State priority: Basic (Priority 1):

- Degree to which teachers are appropriately assigned and fully credentialed in the subject area and for the pupils they are teaching;
- Pupils have access to standards-aligned instructional materials; and
- School facilities are maintained in good repair.

Teacher Credentials			
Kermit McKenzie Jr. High School	15-16	16-17	17-18
With Full Credential	20	20	20
Without Full Credential	0	0	0
Teaching Outside Subject Area of Competence	0	0	0
Guadalupe Union School District	15-16	16-17	17-18
With Full Credential	♦	♦	♦
Without Full Credential	♦	♦	♦
Teaching Outside Subject Area of Competence	♦	♦	♦

Teacher Misassignments and Vacant Teacher Positions at this School			
Kermit McKenzie Jr. High School	15-16	16-17	17-18
Teachers of English Learners	0	0	2
Total Teacher Misassignments	0	0	0
Vacant Teacher Positions	0	0	0

* "Misassignments" refers to the number of positions filled by teachers who lack legal authorization to teach that grade level, subject area, student group, etc. Total Teacher Misassignments includes the number of Misassignments of Teachers of English Learners.

Quality, Currency, Availability of Textbooks and Instructional Materials (School Year 2017-18)

Guadalupe Union School District sets a high priority upon ensuring that sufficient and current textbooks and materials are available to support instructional programs. Guadalupe Union School District held a Public Hearing on September 14, 2015, and determined that each school within the district has sufficient and good quality textbooks or instructional materials, pursuant to the settlement of Williams vs. the State of California.

All students, including English Learners, are given their own individual standards-aligned textbooks or instructional materials, or both, in core subjects, health, and visual and performing arts for use in the classroom and to take home. Textbooks in all subject areas are aligned with the Common Core State Standards and are selected from the state's most recent list of standards-based materials. Textbooks and supplementary materials are adopted according to a cycle developed by the California Department of Education, making textbooks used in the school the most current available.

The table displays information collected in January 2015 about the quality, currency, and availability of the standards-aligned textbooks and other instructional materials used at the school.

Textbooks and Instructional Materials Year and month in which data were collected: September 2015	
Core Curriculum Area	Textbooks and Instructional Materials/Year of Adoption
Reading/Language Arts	6th-8th - Study Sync- McGraw Hill - Adoption Year 2017 The textbooks listed are from most recent adoption: Yes Percent of students lacking their own assigned textbook: 0
Mathematics	6th - 8th - Mathematics - CPM-adoption Year 2015 The textbooks listed are from most recent adoption: Yes Percent of students lacking their own assigned textbook: 0
Science	6th - 8th - Science - Prentice Hall - Adoption Year: 2007 The textbooks listed are from most recent adoption: Yes Percent of students lacking their own assigned textbook: 0
History-Social Science	6th - 8th - History/Social Science - Teacher's Curriculum Institute - Adoption Year: 2006 The textbooks listed are from most recent adoption: Yes Percent of students lacking their own assigned textbook: 0
Health	Positive Prevention Plus (pilot 2017-2018) The textbooks listed are from most recent adoption: Yes Percent of students lacking their own assigned textbook: 0

Note: Cells with N/A values do not require data.

School Facility Conditions and Planned Improvements (Most Recent Year)

Kermit McKenzie Jr. High School sits on eleven acres. School facilities span 30,000 square feet, and include 18 classrooms, a media center, workout room, student services center, cafeteria, administrative offices, restrooms, and storage rooms.

The November 2016 election addressed the need for a school facilities bond, allowing for the construction of a new middle school to be built at the southeast corner of the new Pasadera Development Project, the addition of an eight classroom wing at the current site and upgrade of playfields. Guadalupe Union School District is experiencing the highest enrollment ever, increasing by over 80 students over the last three years. Developers have begun construction on a new housing development. During the course of the next several years as the new (800) homes are built, it is estimated that 448 new students will enroll in our district. It is estimated that each new residential unit will generate 0.6 students for grades kindergarten through eighth grade. Until the new housing development becomes a reality, and the district is able to build a new junior high school, adequate facilities will continue to be a challenge. The Guadalupe Union School District participates in the State Financial Hardship program which provides assistance for districts that cannot provide all or part of their local share for a School Facility project.

The district is using its reserves to accomplish much needed facility improvements and repairs. The entire facility was painted the Summer of 2016.

Future planned projects include pavement rehabilitation at Kermit McKenzie Junior High School, replacing the fields and irrigation.

MAINTENANCE REPAIR

Safety concerns are the number one priority of Maintenance and Operations. District maintenance supervisors are proactive and conduct inspections at school sites on a continual basis. Repairs necessary to keep the school in good repair and working are completed in a timely manner. A work order process is used to ensure efficient service and that emergency and safety related repairs are given the highest priority.

CLEANING PROCESS AND SCHEDULE

The district governing board has adopted cleaning standards for all schools in the district. All schools are cleaned daily. A summary of these standards is available at the school office of the district office. The site administration team works daily with the custodial staff to develop cleaning schedules to ensure a clean and safe school.

School Facility Good Repair Status (Most Recent Year) Year and month in which data were collected: August 21, 2017				
System Inspected	Repair Status			Repair Needed and Action Taken or Planned
	Good	Fair	Poor	
Systems: Gas Leaks, Mechanical/HVAC, Sewer	X			
Interior: Interior Surfaces	X			
Cleanliness: Overall Cleanliness, Pest/ Vermin Infestation	X			
Electrical: Electrical	X			
Restrooms/Fountains: Restrooms, Sinks/ Fountains	X			
Safety: Fire Safety, Hazardous Materials	X			
Structural: Structural Damage, Roofs	X			
External: Playground/School Grounds, Windows/ Doors/Gates/Fences	X			
Overall Rating	Exemplary	Good	Fair	Poor
	X			

B. Pupil Outcomes

State Priority: Pupil Achievement

The SARC provides the following information relevant to the State priority: Pupil Achievement (Priority 4):

- Statewide assessments (i.e., California Assessment of Student Performance and Progress [CAASPP] System, which includes the Smarter Balanced Summative Assessments for students in the general education population and the California Alternate Assessments [CAAs] for English language arts/literacy [ELA] and mathematics given in grades three through eight and grade eleven. The CAAs have replaced the California Alternate Performance Assessment [CAPA] for ELA and mathematics, which were eliminated in 2015. Only eligible students may participate in the administration of the CAAs. CAA items are aligned with alternate achievement standards, which are linked with the Common Core State Standards [CCSS] for students with significant cognitive disabilities); and
- The percentage of students who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study

2016-17 CAASPP Results for All Students						
Subject	Percent of Students Meeting or Exceeding the State Standards (grades 3-8 and 11)					
	School		District		State	
	15-16	16-17	15-16	16-17	15-16	16-17
ELA	20	22	18	18	48	48
Math	7	4	7	8	36	37

* Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

CAASPP Test Results in Science for All Students						
Subject	Percent of Students Scoring at Proficient or Advanced (meeting or exceeding the state standards)					
	School		District		State	
	14-15	15-16	14-15	15-16	14-15	15-16
Science	20	33	22	35	56	54

Note: Science test results include California Standards Tests (CSTs), California Modified Assessment (CMA), and California Alternate Performance Assessment (CAPA) in grades five, eight, and ten.

Note: Scores are not shown when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The 2016-17 data are not available. The California Department of Education is developing a new science assessment based on the Next Generation Science Standards for California Public Schools (CA NGSS). The new California Science Test (CAST) was piloted in spring 2017. The CST and CMA for Science will no longer be administered.

Grade Level	2016-17 Percent of Students Meeting Fitness Standards		
	4 of 6	5 of 6	6 of 6
7	19.3	34.8	23

* Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

**2015-16 CAASPP Results by Student Group
Science (grades 5, 8, and 10)**

Group	Number of Students		Percent of Students	
	Enrolled	with Valid Scores	w/ Valid Scores	Proficient or Advanced
All Students	125	122	97.6	32.8
Male	80	77	96.3	32.5
Female	45	45	100.0	33.3
Hispanic or Latino	119	116	97.5	31.0
Socioeconomically Disadvantaged	113	111	98.2	31.5
English Learners	37	35	94.6	8.6
Students with Disabilities	14	13	92.9	7.7
Students Receiving Migrant Education Services	14	14	100.0	28.6

* Science test results include CSTs, CMA, and CAPA in grades five, eight, and ten. The "Proficient or Advanced" is calculated by taking the total number of students who scored at Proficient or Advanced on the science assessment divided by the total number of students with valid scores. Scores are not shown when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

**School Year 2016-17 CAASPP Assessment Results - English Language Arts (ELA)
Disaggregated by Student Groups, Grades Three through Eight and Eleven**

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	430	428	99.53	22.43
Male	226	224	99.12	18.3
Female	204	204	100	26.96
Black or African American	--	--	--	--
American Indian or Alaska Native	--	--	--	--
Hispanic or Latino	422	420	99.53	22.14
White	--	--	--	--
Socioeconomically Disadvantaged	407	406	99.75	22.41
English Learners	286	285	99.65	17.54
Students with Disabilities	38	38	100	13.16
Students Receiving Migrant Education Services	45	45	100	13.33
Foster Youth	--	--	--	--

Note: ELA test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3--Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

School Year 2016-17 CAASPP Assessment Results - Mathematics
Disaggregated by Student Groups, Grades Three through Eight and Eleven

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	430	427	99.3	4.47
Male	226	223	98.67	3.62
Female	204	204	100	5.39
Black or African American	--	--	--	--
American Indian or Alaska Native	--	--	--	--
Hispanic or Latino	422	419	99.29	4.56
White	--	--	--	--
Socioeconomically Disadvantaged	407	405	99.51	4.71
English Learners	286	284	99.3	3.89
Students with Disabilities	38	37	97.37	8.57
Students Receiving Migrant Education Services	45	44	97.78	0
Foster Youth	--	--	--	--

Note: Mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

C. Engagement

State Priority: Parental Involvement

The SARC provides the following information relevant to the State priority: Parental Involvement (Priority 3):

- Efforts the school district makes to seek parent input in making decisions for the school district and each schoolsite.

Opportunities for Parental Involvement (School Year 2017-18)

Parents and the community are very supportive of the education program at Kermit McKenzie Jr. High School. Parents and community members are welcome to visit the campus. Our school programs are enriched by contributions of local organizations as the local Kiwanis Club, Guadalupe Historical Society, local American Legion, etc.

Parents are encouraged to be involved in their child's education through volunteering in the classroom, participating at curriculum nights, as well as attending school-wide events held throughout the year, including the annual Science Fair Night, quarterly Coffee with the Superintendent meetings, etc. Parents are kept abreast of school activities through Blackboard Connect announcements, principal's newsletters, school website, FaceBook, progress reports, report cards, and grade level parent conferences.

The Annual Science Fair gives students the chance to display their ingenuity and understanding of science to their parents and the community.

State Priority: School Climate

The SARC provides the following information relevant to the State priority: School Climate (Priority 6):

- Pupil suspension rates;
- Pupil expulsion rates; and
- Other local measures on the sense of safety.

School Safety Plan

Kermit McKenzie Jr. High School is a closed campus. All visitors are required to sign in and wear visitor badges during their stay. During lunch, breaks, and before and after school, the principal and teachers supervise students and school grounds, including the cafeteria and playgrounds, to ensure a safe and orderly environment.

The Comprehensive Safe School Plan was developed by the District to comply with Senate bill 187 (S 187) of 1997. The plan provides students and staff members a means of ensuring a safe and orderly learning environment. Each school includes the following requirements of SB 187 within their safe school plans: Current status of school crime, child abuse reporting procedures, disaster procedures, routine, and emergency policies related to suspension and expulsion, notification to teachers and sexual harassment policy, provision of a school-wide dress code, safe ingress and egress of pupils, parents, and school employees, safe and orderly school environment, and school rules and procedures.

Suspensions and Expulsions			
School	2014-15	2015-16	2016-17
Suspensions Rate	15.5	11.5	12.2
Expulsions Rate	0.2	0.2	0.0
District	2014-15	2015-16	2016-17
Suspensions Rate	6.9	5.1	5.3
Expulsions Rate	0.1	0.1	0.0
State	2014-15	2015-16	2016-17
Suspensions Rate	3.8	3.7	3.6
Expulsions Rate	0.1	0.1	0.1

D. Other SARC Information

The information in this section is required to be in the SARC but is not included in the state priorities for LCFF.

2017-18 Federal Intervention Program		
Indicator	School	District
Program Improvement Status	In PI	In PI
First Year of Program Improvement	2005-2006	2009-2010
Year in Program Improvement	Year 5	Year 3
Number of Schools Currently in Program Improvement	2	
Percent of Schools Currently in Program Improvement	100	

Academic Counselors and Other Support Staff at this School	
Number of Full-Time Equivalent (FTE)	
Academic Counselor	
Counselor (Social/Behavioral or Career Development)	1.0
Library Media Teacher (Librarian)	1.0
Library Media Services Staff (Paraprofessional)	1.0
Psychologist	1.0
Social Worker	
Nurse	1.0
Speech/Language/Hearing Specialist	1.0
Resource Specialist	1.0
Other	
Average Number of Students per Staff Member	
Academic Counselor	

* One Full Time Equivalent (FTE) equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time.

Average Class Size and Class Size Distribution (Secondary)												
Subject	Average Class Size			Number of Classrooms*								
				1-22			23-32			33+		
	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
English	20	20	22	7	10	7	9	10	10			1
Mathematics	30	25	25		5	3	9	8	9	2		1
Science	29	28	28		2	1	8	7	8	1	1	1
Social Science	26	31	28	1			8	6	8	1	3	2

* Number of classes indicates how many classrooms fall into each size category (a range of total students per classroom). At the secondary school level, this information is reported by subject area rather than grade level.

Professional Development provided for Teachers

All training and curriculum development at Guadalupe Union School District revolves around AVID and newly adopted curriculum. Teachers align classroom curriculum to ensure that all students either meet or exceed state proficiency levels. The district offered four staff development days where teachers were offered a broad-based variety of professional growth opportunities in curriculum, teaching strategies, and methodologies.

FY 2015-16 Teacher and Administrative Salaries		
Category	District Amount	State Average for Districts In Same Category
Beginning Teacher Salary	\$46,355	\$47,034
Mid-Range Teacher Salary	\$74,880	\$73,126
Highest Teacher Salary	\$100,429	\$91,838
Average Principal Salary (ES)	\$127,805	\$116,119
Average Principal Salary (MS)	\$127,805	\$119,610
Average Principal Salary (HS)		\$115,194
Superintendent Salary	\$167,000	\$178,388
Percent of District Budget		
Teacher Salaries	38%	37%
Administrative Salaries	6%	6%

* For detailed information on salaries, see the CDE Certificated Salaries & Benefits webpage at www.cde.ca.gov/ds/fd/cs/.

Types of Services Funded

Emergency Repair Programs, Common Core, AVID, Home-to-School Transportation, Special Education, Title I, Title II, Title III, Migrant Education, After School Education and Safety, After School Tutoring, Reading Intervention, Flexible Funding, Instructional Materials and Staff Development

DataQuest

DataQuest is an online data tool located on the CDE DataQuest Web page at <http://dq.cde.ca.gov/dataquest/> that contains additional information about this school and comparisons of the school to the district and the county. Specifically, DataQuest is a dynamic system that provides reports for accountability (e.g., test data, enrollment, high school graduates, dropouts, course enrollments, staffing, and data regarding English learners).

Internet Access

Internet access is available at public libraries and other locations that are publicly accessible (e.g., the California State Library). Access to the Internet at libraries and public locations is generally provided on a first-come, first-served basis. Other use restrictions may include the hours of operation, the length of time that a workstation may be used (depending on availability), the types of software programs available on a workstation, and the ability to print documents.

FY 2015-16 Expenditures Per Pupil and School Site Teacher Salaries				
Level	Expenditures Per Pupil			Average Teacher Salary
	Total	Restricted	Unrestricted	
School Site	\$11,168	\$1,134	\$10,034	\$76,897
District	♦	♦	\$1,644	\$76,897
State	♦	♦	\$6,574	\$74,194
Percent Difference: School Site/District			510.3	0.0
Percent Difference: School Site/ State			76.7	7.4

* Cells with ♦ do not require data.

M B E S

Mary Buren Elementary School

1050 Peralta St., P.O. Box 788 • Guadalupe, CA 93434-0788 • (805) 343-2411 • Grades K-5

Jesely Alvarez, Principal

jalvarez@gusdbobcats.com

<http://www.maryburen.com/>

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Guadalupe Union Elementary School District

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Alejandra Serrato Mora

ASES Program Supervisor

Angela Soares

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Samuel Duarte

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School Description

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At Mary Buren Elementary, we believe preparing students for college and career readiness begins as early as kindergarten. As an AVID Elementary school, we teach students, early on, fundamental learning, study and academic behavioral skills. Our dedicated and highly qualified staff takes great pride in authentically knowing every student to ensure they thrive as learners.

Our vision is to provide every Mary Buren Elementary student the academic and social emotional foundation for college and career readiness and success in a global society. To ensure this, we:

- Commit to a safe and engaging learning environment.
- Hold high academic and social emotional expectations for all students.
- Build positive relationships with students, families, and the community.
- Provide rigorous, innovative, teaching and learning enhanced with arts, science and technology.
- Value families as partners in providing the best possible educational experience to our students.
- Collaborate to review data, share teaching and learning strategies, and continually grow our practice.

Thank you for working alongside of us in preparing every student for college, career, and life.

Mrs. Jesely Alvarez, Principal

About the SARC

By February 1 of each year, every school in California is required by state law to publish a School Accountability Report Card (SARC). The SARC contains information about the condition and performance of each California public school. Under the Local Control Funding Formula (LCFF) all local educational agencies (LEAs) are required to prepare a Local Control and Accountability Plan (LCAP), which describes how they intend to meet annual school-specific goals for all pupils, with specific activities to address state and local priorities. Additionally, data reported in an LCAP is to be consistent with data reported in the SARC.

- For more information about SARC requirements, see the California Department of Education (CDE) SARC Web page at <http://www.cde.ca.gov/ta/ac/sa/>.
- For more information about the LCFF or LCAP, see the CDE LCFF Web page at <http://www.cde.ca.gov/fg/aa/lc/>.
- For additional information about the school, parents/guardians and community members should contact the school principal or the district office.

2016-17 Student Enrollment by Grade Level	
Grade Level	Number of Students
Kindergarten	168
Grade 1	137
Grade 2	107
Grade 3	151
Grade 4	138
Grade 5	157
Total Enrollment	858

2016-17 Student Enrollment by Group	
Group	Percent of Total Enrollment
Black or African American	0.6
American Indian or Alaska Native	0.2
Asian	0.2
Filipino	0.6
Hispanic or Latino	96.3
Native Hawaiian or Pacific Islander	0
White	1.7
Two or More Races	0.3
Socioeconomically Disadvantaged	90.3
English Learners	62.2
Students with Disabilities	8.3
Foster Youth	0.7

A. Conditions of Learning

State Priority: Basic

The SARC provides the following information relevant to the State priority: Basic (Priority 1):

- Degree to which teachers are appropriately assigned and fully credentialed in the subject area and for the pupils they are teaching;
- Pupils have access to standards-aligned instructional materials; and
- School facilities are maintained in good repair.

Teacher Credentials			
Mary Buren Elementary School	15-16	16-17	17-18
With Full Credential	44	45	43
Without Full Credential	0	0	2
Teaching Outside Subject Area of Competence	0	0	0
Guadalupe Union Elementary School District	15-16	16-17	17-18
With Full Credential	♦	♦	♦
Without Full Credential	♦	♦	♦
Teaching Outside Subject Area of Competence	♦	♦	♦

Teacher Misassignments and Vacant Teacher Positions at this School			
Mary Buren Elementary School	15-16	16-17	17-18
Teachers of English Learners	0	0	0
Total Teacher Misassignments	0	0	0
Vacant Teacher Positions	0	0	0

* "Misassignments" refers to the number of positions filled by teachers who lack legal authorization to teach that grade level, subject area, student group, etc. Total Teacher Misassignments includes the number of Misassignments of Teachers of English Learners.

Quality, Currency, Availability of Textbooks and Instructional Materials (School Year 2017-18)

Guadalupe Union School District sets a high priority upon ensuring that sufficient and current textbooks and materials are available to support instructional programs. Guadalupe Union School District held a Public Hearing on September 14, 2015, and determined that each school within the district has sufficient and good quality textbooks or instructional materials, pursuant to the settlement of Williams vs. the State of California.

All students, including English Learners, are given their own individual standards-aligned textbooks or instructional materials, or both, in core subjects, health, and visual and performing arts for use in the classroom and to take home. Textbooks in all subject areas are aligned with the Common Core State Standards and are selected from the state's most recent list of standards-based materials. Textbooks and supplementary materials are adopted according to a cycle developed by the California Department of Education, making textbooks used in the school the most current available.

The table displays information collected in January 2015 about the quality, currency, and availability of the standards-aligned textbooks and other instructional materials used at the school.

Textbooks and Instructional Materials Year and month in which data were collected: September 2015	
Core Curriculum Area	Textbooks and Instructional Materials/Year of Adoption
Reading/Language Arts	K-5 - Reader's & Writers Workshop - Adoption Year 2015 The textbooks listed are from most recent adoption: Yes Percent of students lacking their own assigned textbook: 0
Mathematics	K-5 - Mathematics - Engage New York - Adoption Year 2014 The textbooks listed are from most recent adoption: Yes Percent of students lacking their own assigned textbook: 0
Science	K-5 - Science - Harcourt Brace - Adoption Year 2007 The textbooks listed are from most recent adoption: Yes Percent of students lacking their own assigned textbook: 0
History-Social Science	K-5 - History/Social Studies - Scott Foresman - Adoption Year 2006 The textbooks listed are from most recent adoption: Yes Percent of students lacking their own assigned textbook: 0
Health	Positive Prevention Plus The textbooks listed are from most recent adoption: Yes

Note: Cells with N/A values do not require data.

School Facility Conditions and Planned Improvements (Most Recent Year)

Built in 1974, Mary Buren Elementary School is situated on nine acres. School facilities span 67,600 square feet, and include 41 classrooms, a library, computer lab, cafeteria, administrative offices, restrooms and storage rooms. The November 2016 election addressed the need for a school facilities bond, allowing for the construction of a new middle school to be built at the southeast corner of the new Pasadera Development Project. The facility strongly supports teaching and learning through its ample classroom and playground space.

Guadalupe Union School District is experiencing the highest enrollment ever, increasing by over 80 students over the last three years. Developers have begun construction on a new housing development. During the course of the next several years as the new (800) homes are built, it is estimated that 448 new students will enroll in our district. It is estimated that each new residential unit will generate 0.6 students for grades kindergarten through eighth grade. Until the new housing development becomes a reality, and the district is able to build a new junior high school, adequate facilities will continue to be a challenge. The Guadalupe Union School District participates in the State Financial Hardship program which provides assistance for districts that cannot provide all or part of their local share for a School Facility project.

MAINTENANCE REPAIR

Safety concerns are the number one priority of Maintenance and Operations. District maintenance supervisors are proactive and conduct inspections at school sites on a continual basis. Repairs necessary to keep the school in good repair and working are completed in a timely manner. A work order process is used to ensure efficient service and that emergency and safety related repairs are given the highest priority.

CLEANING PROCESS AND SCHEDULE

All schools are cleaned daily. The administration team work daily with the custodial staff to develop cleaning schedules to ensure a clean and safe school.

The chart below displays the results of the most recent facilities inspection.

School Facility Good Repair Status (Most Recent Year) Year and month in which data were collected: September 2015				
System Inspected	Repair Status			Repair Needed and Action Taken or Planned
	Good	Fair	Poor	
Systems: Gas Leaks, Mechanical/HVAC, Sewer	X			
Interior: Interior Surfaces	X			
Cleanliness: Overall Cleanliness, Pest/ Vermin Infestation	X			
Electrical: Electrical	X			
Restrooms/Fountains: Restrooms, Sinks/ Fountains	X			
Safety: Fire Safety, Hazardous Materials	X			
Structural: Structural Damage, Roofs	X			
External: Playground/School Grounds, Windows/ Doors/Gates/Fences	X			
Overall Rating	Exemplary	Good	Fair	Poor
	X			

B. Pupil Outcomes

State Priority: Pupil Achievement

The SARC provides the following information relevant to the State priority: Pupil Achievement (Priority 4):

- Statewide assessments (i.e., California Assessment of Student Performance and Progress [CAASPP] System, which includes the Smarter Balanced Summative Assessments for students in the general education population and the California Alternate Assessments [CAAs] for English language arts/literacy [ELA] and mathematics given in grades three through eight and grade eleven. The CAAs have replaced the California Alternate Performance Assessment [CAPA] for ELA and mathematics, which were eliminated in 2015. Only eligible students may participate in the administration of the CAAs. CAA items are aligned with alternate achievement standards, which are linked with the Common Core State Standards [CCSS] for students with significant cognitive disabilities); and
- The percentage of students who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study

2016-17 CAASPP Results for All Students						
Subject	Percent of Students Meeting or Exceeding the State Standards (grades 3-8 and 11)					
	School		District		State	
	15-16	16-17	15-16	16-17	15-16	16-17
ELA	16	13	18	18	48	48
Math	6	11	7	8	36	37

* Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

CAASPP Test Results in Science for All Students						
Subject	Percent of Students Scoring at Proficient or Advanced (meeting or exceeding the state standards)					
	School		District		State	
	14-15	15-16	14-15	15-16	14-15	15-16
Science	24	37	22	35	56	54

Note: Science test results include California Standards Tests (CSTs), California Modified Assessment (CMA), and California Alternate Performance Assessment (CAPA) in grades five, eight, and ten.

Note: Scores are not shown when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The 2016-17 data are not available. The California Department of Education is developing a new science assessment based on the Next Generation Science Standards for California Public Schools (CA NGSS). The new California Science Test (CAST) was piloted in spring 2017. The CST and CMA for Science will no longer be administered.

Grade Level	2016-17 Percent of Students Meeting Fitness Standards		
	4 of 6	5 of 6	6 of 6
5	25.6	19.9	16.7

* Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

**2015-16 CAASPP Results by Student Group
Science (grades 5, 8, and 10)**

Group	Number of Students		Percent of Students	
	Enrolled	with Valid Scores	w/ Valid Scores	Proficient or Advanced
All Students	138	135	97.8	37.0
Male	74	73	98.7	31.5
Female	64	62	96.9	43.6
Hispanic or Latino	133	131	98.5	35.9
Socioeconomically Disadvantaged	129	128	99.2	35.9
English Learners	53	53	100.0	22.6
Students with Disabilities	12	12	100.0	25.0
Students Receiving Migrant Education Services	12	12	100.0	33.3

* Science test results include CSTs, CMA, and CAPA in grades five, eight, and ten. The "Proficient or Advanced" is calculated by taking the total number of students who scored at Proficient or Advanced on the science assessment divided by the total number of students with valid scores. Scores are not shown when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

**School Year 2016-17 CAASPP Assessment Results - English Language Arts (ELA)
Disaggregated by Student Groups, Grades Three through Eight and Eleven**

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	446	444	99.55	12.84
Male	218	216	99.08	11.57
Female	228	228	100	14.04
Black or African American	--	--	--	--
Filipino	--	--	--	--
Hispanic or Latino	437	435	99.54	12.41
White	--	--	--	--
Two or More Races	--	--	--	--
Socioeconomically Disadvantaged	405	403	99.51	13.15
English Learners	302	300	99.34	10.67
Students with Disabilities	40	40	100	12.5
Students Receiving Migrant Education Services	72	72	100	11.11
Foster Youth	--	--	--	--

Note: ELA test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3--Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

School Year 2016-17 CAASPP Assessment Results - Mathematics
Disaggregated by Student Groups, Grades Three through Eight and Eleven

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	445	442	99.33	10.63
Male	218	215	98.62	13.49
Female	227	227	100	7.93
Black or African American	--	--	--	--
Filipino	--	--	--	--
Hispanic or Latino	436	433	99.31	10.62
White	--	--	--	--
Two or More Races	--	--	--	--
Socioeconomically Disadvantaged	405	402	99.26	10.45
English Learners	302	300	99.34	8
Students with Disabilities	40	40	100	10
Students Receiving Migrant Education Services	72	72	100	12.5
Foster Youth	--	--	--	--

Note: Mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3—Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

C. Engagement

State Priority: Parental Involvement

The SARC provides the following information relevant to the State priority: Parental Involvement (Priority 3):

- Efforts the school district makes to seek parent input in making decisions for the school district and each schoolsite.

Opportunities for Parental Involvement (School Year 2017-18)

Parents and the community are very supportive of the education program at Mary Buren Elementary School. Student's benefit from a variety of community and parent led programs such as the Americorps tutoring program, Watch Dog Dads mentoring program, Volunteer Corps, and parent education courses offered through our Family Services Center.

Parents are encouraged to be involved in their child's education through volunteering in the classroom, as well as attending school-wide events held throughout the year. Parents are kept abreast of school activities through newsletters for activities such as Back-to-School Night, Open House, weekly Principal Coffee Hour, Coffee with the Superintendent quarterly meetings, classroom events, and/or student recognition assemblies.

State Priority: School Climate

The SARC provides the following information relevant to the State priority: School Climate (Priority 6):

- Pupil suspension rates;
- Pupil expulsion rates; and
- Other local measures on the sense of safety.

School Safety Plan

Mary Buren Elementary School is a closed campus. All visitors are required to sign in and to wear visitor badges during their stay. During lunch, breaks, and before and after school, the principal and teachers supervise students and school grounds, including the cafeteria and playgrounds, to ensure a safe and orderly environment.

The comprehensive Safe School Plan was developed by the district to comply with Senate Bill 187 (SB 187) of 1997. The plan provides students and staff a means of ensuring a safe and orderly learning environment. Each school includes the following requirements of SB 187 within their safe school plans; current status of school crime, child abuse reporting procedures, disaster procedures, routine, and emergency policies related to suspension and expulsion, notification to teachers, sexual harassment policy, provision of a school-wide dress code, safe ingress and egress of pupils, parents, and school employees, safe and orderly school environment, and school rules and procedures.

The school evaluates the plan annually and updates it as needed. Safety procedures, including elements of the Safe School Plan, are reviewed with school and District staff throughout the school year during various safety training opportunities and emergency drills. The plan was last updated and reviewed with school staff in March 2015.

Suspensions and Expulsions			
School	2014-15	2015-16	2016-17
Suspensions Rate	2.7	2.2	2.0
Expulsions Rate	0.0	0.0	0.0
District	2014-15	2015-16	2016-17
Suspensions Rate	6.9	5.1	5.3
Expulsions Rate	0.1	0.1	0.0
State	2014-15	2015-16	2016-17
Suspensions Rate	3.8	3.7	3.6
Expulsions Rate	0.1	0.1	0.1

D. Other SARC Information

The information in this section is required to be in the SARC but is not included in the state priorities for LCFF.

2017-18 Federal Intervention Program		
Indicator	School	District
Program Improvement Status	In PI	In PI
First Year of Program Improvement	2009-2010	2009-2010
Year in Program Improvement	Year 5	Year 3
Number of Schools Currently in Program Improvement	2	
Percent of Schools Currently in Program Improvement	100	

Academic Counselors and Other Support Staff at this School	
Number of Full-Time Equivalent (FTE)	
Academic Counselor	
Counselor (Social/Behavioral or Career Development)	1.0
Library Media Teacher (Librarian)	1.0
Library Media Services Staff (Paraprofessional)	1.0
Psychologist	1.0
Social Worker	
Nurse	1.0
Speech/Language/Hearing Specialist	1.0
Resource Specialist	1.0
Other	
Average Number of Students per Staff Member	
Academic Counselor	

* One Full Time Equivalent (FTE) equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time.

Average Class Size and Class Size Distribution (Elementary)												
Grade	Average Class Size			Number of Classrooms*								
				1-20			21-32			33+		
	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
K	24	19	21	2	4	2	4	5	6			
1	25	21	27		2		6	3	5			
2	27	24	21			2	5	6	3			
3	25	27	25				6	5	6			
4	27	25	27				5	6	5			
5	27	24	23		2	1	5	4	6			
Other	11		11	2		1						

* Number of classes indicates how many classes fall into each size category (a range of total students per class).

Professional Development provided for Teachers

All training and curriculum development at the Guadalupe Union School District revolves around AVID and newly adopted curriculum. Teachers align classroom curriculum to ensure that all students either meet or exceed state proficiency levels. The district offered four staff development days where teachers were offered a broad-based variety of professional growth opportunities in curriculum, teaching strategies, and methodologies.

FY 2015-16 Teacher and Administrative Salaries		
Category	District Amount	State Average for Districts In Same Category
Beginning Teacher Salary	\$46,355	\$47,034
Mid-Range Teacher Salary	\$74,880	\$73,126
Highest Teacher Salary	\$100,429	\$91,838
Average Principal Salary (ES)	\$127,805	\$116,119
Average Principal Salary (MS)	\$127,805	\$119,610
Average Principal Salary (HS)		\$115,194
Superintendent Salary	\$167,000	\$178,388
Percent of District Budget		
Teacher Salaries	38%	37%
Administrative Salaries	6%	6%

* For detailed information on salaries, see the CDE Certificated Salaries & Benefits webpage at www.cde.ca.gov/ds/fd/cs/.

FY 2015-16 Expenditures Per Pupil and School Site Teacher Salaries				
Level	Expenditures Per Pupil			Average Teacher Salary
	Total	Restricted	Unrestricted	
School Site	\$10,122	\$1,134	\$8,988	\$76,897
District	♦	♦	\$1,644	\$76,897
State	♦	♦	\$6,574	\$74,194
Percent Difference: School Site/District			446.7	0.0
Percent Difference: School Site/ State			58.3	7.4

* Cells with ♦ do not require data.

Types of Services Funded

Emergency Repair Programs, Common Core, AVID, Home-to-School Transportation, Special Education, Title I, Title II, Title III, Migrant Education, After School Education & Safety, After School Tutoring, Reading Intervention, Flexible Funding, Instructional Materials, and Staff Development.

DataQuest

DataQuest is an online data tool located on the CDE DataQuest Web page at <http://dq.cde.ca.gov/dataquest/> that contains additional information about this school and comparisons of the school to the district and the county. Specifically, DataQuest is a dynamic system that provides reports for accountability (e.g., test data, enrollment, high school graduates, dropouts, course enrollments, staffing, and data regarding English learners).

Internet Access

Internet access is available at public libraries and other locations that are publicly accessible (e.g., the California State Library). Access to the Internet at libraries and public locations is generally provided on a first-come, first-served basis. Other use restrictions may include the hours of operation, the length of time that a workstation may be used (depending on availability), the types of software programs available on a workstation, and the ability to print documents.



Santa Barbara County Education Office

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Telephone: (805) 964-4711 • FAX: (805) 964-4712 • sbceo.org

Susan C. Salcido, Superintendent of Schools

January 29, 2018

Ed Cora, Superintendent
Guadalupe Union School District
PO Box 788
Guadalupe, CA 93434-0788

Dear Mr. Cora,

California *Education Code* Section 1240 requires that Santa Barbara County Education Office visit schools identified in our county, review information in the areas noted below, and report to you the results of the visits and reviews. As the county superintendent designee, I am pleased to provide the second quarterly report for fiscal year 2017-18 as required by *Education Code* section 1240(c)(2)(G) pursuant to the Williams Settlement. This report presents the results of the visits and reviews at the Mary Buren and Kermit McKenzie Junior High Schools for the period of October, November, and December 2017.

The purpose of the visits as specified in California Education Code 1240 was to:

1. Determine if students have "sufficient" standards-aligned instructional materials in four core subject areas (English language arts, mathematics, history/social science and science), including science laboratory equipment in grades 9-12, and, as appropriate, in foreign languages, and health;
2. Determine if there is any facility condition that "poses an emergency or urgent threat to the health or safety of pupils or staff"; and
3. Determine if the school has provided accurate data on the annual school accountability report card related to the sufficiency of instructional materials and the safety, cleanliness, and adequacy of school facilities, including "good repair."

The law further requires that the county superintendent:

1. Annually monitor and review teacher misassignments and teacher vacancies in schools ranked in deciles 1-3 (2012 Base API); and
2. Receive quarterly reports on complaints filed within the school district concerning insufficient instructional materials, teacher vacancies and misassignments, and emergency or urgent facilities issues under the Uniform Complaint Procedure.

While the Uniform Complaint data are not mandated to be a part of this report to you, they are being included so that you and the citizens of our community will have a complete understanding of the environment in which the schools are functioning.

Before proceeding with the report, let me define some basic terms:

- "Sufficient textbooks or instructional materials" means each pupil, including English language learners, has a standards-aligned textbook, or instructional materials, or both, to use in class, use after class, and to take home.
- A school facility condition that poses an "emergency or urgent threat" is a "condition that poses a threat to the health or safety of pupils or staff while at school."
- "Good Repair" means the school facilities are clean, safe and functional as determined pursuant to the school facility inspection and evaluation instrument developed by the Office of Public School Construction or a local evaluation instrument that meets the same criteria. Each school district that receives state funding for facilities maintenance is required to establish a facilities inspection system to ensure that each of its schools is maintained in "good repair."

The findings of the visits are summarized in the attached report.

Please extend to your governing board, administration and site staff my appreciation for their professionalism in addressing the compliance requirements for the Williams Settlement Legislation.

Sincerely,



Kathy Hollis
Assistant Superintendent

KH/bca

Santa Barbara County Superintendent of Schools
WILLIAMS SETTLEMENT LEGISLATION
QUARTERLY REPORT FOR GUADALUPE UNION SCHOOL DISTRICT
2017-18 FISCAL YEAR

This report summarizes the results of the Williams Site Visits and documentation reviews at decile 1, 2, and 3 schools (2009 Base API) for the period of October, November, and December 2017.

INSTRUCTIONAL MATERIALS:

No reviews were conducted during this quarter in this category.

SCHOOL FACILITIES:

No reviews were conducted during this quarter in this category.

SCHOOL ACCOUNTABILITY REPORT CARD (SARC):

No reviews were conducted during this quarter in this category.

TEACHER MISASSIGNMENTS AND TEACHER VACANCIES:

No reviews were conducted during this quarter in this category.

UNIFORM COMPLAINTS (OPTIONAL):

The number of complaints filed within the district during this period, their nature, and resolution are noted below:

General Subject Area	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials	0	0	0
Teacher Misassignments or Vacancies	0	0	0
Facilities Conditions	0	0	0
TOTALS	0	0	0

Dress And Grooming

The Governing Board believes that appropriate dress and grooming by district employees contribute to a productive learning environment and model positive behavior. During school hours and at school activities, employees shall maintain professional standards of dress and grooming that demonstrate their high regard for education, present an image consistent with their job responsibilities and assignment, and not endanger the health or safety of employees or students. All employees shall be held to the same standards unless their assignment provides for modified dress as approved by their supervisor.

(cf. 4118 - Suspension/Disciplinary Action)

(cf. 4119.25/4219.25/4319.25 - Political Activities of Employees)

(cf. 4218 - Dismissal/Suspension/Disciplinary Action)

(cf. 5132 - Dress and Grooming)

Legal Reference:

EDUCATION CODE

35160 Authority of governing boards

35160.1 Broad authority of school districts

GOVERNMENT CODE

3543.2 Scope of representation

12949 Dress standards, consistency with gender identity

COURT DECISIONS

San Mateo City School District v. PERB (1983) 33 Cal. 3d 850

Domico v. Rapides Parish School Board (5th Cir. 1982) 675 F.2d 100

East Hartford Education Assn. v. Board of Education (2d Cir. 1977) 562 F. 2d 856

Finot v. Pasadena Board of Education (1967) 250 Cal.App.2d 189

PUBLIC EMPLOYMENT RELATIONS BOARD DECISIONS

Santa Ana Unified School District (1998) 22 PERC P29, 136

Inglewood Unified School District (1985) 10 PERC P17, 000

Management Resources:

WEB SITES

Public Employment Relations Board: <http://www.perb.ca.gov>

Policy GUADALUPE UNION SCHOOL DISTRICT

Kermit McKenzie Jr. High School **School Site Council**

Minutes should address each agenda item, summarize discussions and note approvals.

SCHOOL: Kermit McKenzie Jr. High

DATE: 1/23/2018

TIME: 4:30 P.M.

Members Present: *see attached sign in sheet*

Quorum Number in Bylaws: _____

Quorum Present? _____

Others Present: _____

Minutes of (Date): _____

Approved: _____

Amended: _____

Change: _____

MEETING TOPIC(S)

*Topic must be addressed if ELAC delegated responsibilities to SSC.

_____ Establishment and Elections results	_____ Review/Analyze Student Achievement Data
_____ Evaluate the Effectiveness of SPSA	_____ Develop/Modify SPSA
_____ Obtain Input on Priorities	_____ *Review of Parent Notification Letter
_____ Review Academic Plan	_____ *CELDT Assessment
_____ Develop School Climate Needs Assessment	_____ *Plan Activities to Improve School Attendance
_____ Develop Physical Environment Needs Assessment	_____ *Review Reclassification Procedures
_____ Develop/Modify Budget	_____ *Review Language Census (R-30)
_____ Review Attendance and Discipline Data	_____ *Review Services of English Learners
_____ Monitor Plan Implementation	_____ Recommend the Plan for Board Approval

I. Welcome

- Call meeting to order at 4:29 by Mr. Solorio.
- Sign in sheet passed around and signed (see attached)
- Approval of Minutes –: Motion made to approve the minutes made by Mr. Bauer and seconded by Christina Hernandez. Minutes approved.

II. Welcome & Introductions: each member introduced themselves -name and position.

III. New Business

- **Dena Boortz**-Food service Director - Ms. Boortz explained that the school menus are in compliance. Ms. Boortz indicated that the kitchen staff is focused on giving the students options that they like and they actually consume. For example for lunch- meat, fruit, vegetables.
- Ms. Boortz also indicated that a survey will be given to the students to learn more about what options the students prefer. Mr. Solorio acknowledged Ms. Boortz's efforts to have the students consume the meals.
- Per Ms. Boortz the numbers of students eating their meals have gone up.
- Mr. Bauer suggested that the numbers can go even higher if they were to have a 45 min lunch.
- Another suggestion was to have packed lunches outside- Grab and go lunch.
- Ms. Boortz concluded by stating that breakfast in the classroom gives an opportunity for all students to have access breakfast as opposed to having breakfast in the cafeteria. Ms. Boortz emphasized the importance of the students having breakfast.

Principal's Report

- Attendance: Due to the flu the attendance numbers were low, however, they are improving.
- Discipline: Restorative process has been ongoing for about two years. Ultimate goal will be to have the financial means to have a designated person do the Restorative Process. -
- Mr. Bauer stated that the Restorative Process has had a positive impact on the school.
- Other: Field update: it is getting closer to being done and as soon as it is open Jog a thon-color run will be done.

- **ASB Report**
- Report given by Nathan Mamagligsa, Melissa Ruelas and Paulina Ramirez: per students the rally on Friday 19th went well. They also had a Spirit day on Friday the 19th- Black and white.
Upcoming events: Candy grams for February.

IV. Other

- None

Announcements and Future Agenda Items

- Testing data

Next meeting date: February 27th @ 4:30 PM **Meeting adjourned at:** 5:15 PM

Minutes submitted by: Mr. Solorio

MARY BUREN ELEMENTARY
SCHOOL SITE COUNCIL
Wednesday, January 10, 2018
4:00 p.m. call to order

Agenda/Minutes

- I. Call to Order**
- II. Approval of Minutes**
By Alicia Solis and Sylvia Adame
- III. New Business/Action Items**
 - 1. Edit Single Site Plan
 - a. Review School Priority 3: School Climate
 - i. 3A: Add commas, take out “of,” Healthy Kids survey/Staff Survey 2018 for actions. Survey results for effectiveness. Continue morning announcement reminders
 - ii. 3B: Contact district for action. Add LHBTP to funding and actions
 - iii. 3C: Add CHC, Dignity Health, and Lion’s Club to funding. Add winter screenings and IEP checks to actions. Follow-up appointments to effectiveness.
 - iv. 3D: Add project began in Spring 2016 and was completed in Spring 2017.
 - v. 3E: Add move of 5th grade to McKenzie. Possible second staff lounge on lower campus to actions.
 - vi. PD: Change admin/ORC provide PD. Add Fighting Back Santa Maria to effectiveness.
 - vii. Pg 13: Add parent training for Second Steps to PD
 - 2. Principal’s Report
 - a. Academics (Columbia Teachers’ College staff developers for Writer’s Workshop for primary & intermediate. Ontiveros School visit for math instruction. Steel Drums performance, Sumi-e Japanese art for intermediate students. Social Studies adoption this school year).
 - b. Attendance: Total enrollment 872. Highest: 5th (28), lowest: 3rd (20)
 - c. Discipline (3 mediations, 6 referrals, 4 suspensions for Nov/Dec)
 - d. Campus: Field protected by fence over break. MOT responded quickly to roof repair.
 - 3. Committee Reports (see attached)

- a. ELAC
- b. Sped
- c. School Safety Committee
- d. Leadership Team
- e. Wellness Committee

IV. Public Comments (None)

V. Announcements and Future Agenda Items

1. Future SSC meetings

- a. Review actions for each priority with the end goal of assessing effectiveness of each action

V. Adjournment at 4:58 p.m.

Fund 01 - General Fund		Fiscal Year 2018 through 01/31/2018				
		Budget	Actual	Encumbrance	Balance	Avail
REVENUES						
LCFF Revenue Sources	(8010-8099)	12,761,579.00	6,581,067.54		6,180,511.46	48%
Federal Revenue	(8100-8299)	690,092.00	(28,996.51)		719,088.51	104%
Other State Revenue	(8300-8599)	1,536,494.60	580,219.37		956,275.23	62%
Other Local Revenue	(8600-8799)	677,327.64	278,751.53		398,576.11	59%
Total Revenues		15,665,493.24	7,411,041.93		8,254,451.31	53%
EXPENDITURES						
Certificated Salaries	(1000-1999)	7,008,398.72	3,536,615.26	.00	3,471,783.46	50%
Classified Salaries	(2000-2999)	2,348,362.96	1,236,268.40	.00	1,112,094.56	47%
Employee Benefits	(3000-3999)	3,521,922.30	1,629,393.59	10,166.69	1,882,362.02	53%
Books and Supplies	(4000-4999)	1,189,336.93	532,022.93	195,819.87	461,494.13	39%
Services & Operating Expenses	(5000-5999)	1,806,217.77	811,391.33	755,972.58	238,853.86	13%
Capital Outlay	(6000-6999)	347,187.00	61,290.56	3,241.88	282,654.56	81%
Other Outgo	(7100-7299, 7400-7499)	18,196.00	10,006.24	18,489.31	(10,299.55)	(57)%
Transfer of Indirect Costs	(7300-7399)	(41,396.00)	.00	.00	(41,396.00)	100%
Total Expenditures		16,198,225.68	7,816,988.31	983,690.33	7,397,547.04	46%
Operating Surplus/(Deficit)		(532,732.44)	(405,946.38)	(1,389,636.71)		
OTHER FINANCING SOURCES/USES						
Interfund Transfers Out	(7600-7629)	60,000.00	.00	.00	60,000.00	100%
Contributions	(8980-8999)	3,863.10	.00		3,863.10	100%
Total Other Financing Sources/Uses		(56,136.90)	.00	.00	(56,136.90)	100%
Net Surplus/(Deficit)		(588,869.34)	(405,946.38)	(1,389,636.71)		
Beginning Fund Balance		1,471,289.35	1,471,289.35	1,471,289.35		
Net Ending Fund Balance		882,420.01	1,065,342.97	81,652.64		
<i>*** calculated ***</i>						
Components of Ending Fund Balance						
Unassigned/Unappropriated - 9790		882,420.01	.00			
Ending Fund Balance		882,420.01	.00			

Fund 07 - Tax Rev Anticipation Note Fund		Fiscal Year 2018 through 01/31/2018			
	Budget	Actual	Encumbrance	Balance	Avail
Beginning Fund Balance	.08	.08	.08		
Net Ending Fund Balance	.08	.08	.08		
*** calculated ***					
Components of Ending Fund Balance					
Unassigned/Unappropriated - 9790	.08	.00			
Ending Fund Balance	.08	.00			

Fund 12 - Child Dvlpmt Fund		Fiscal Year 2018 through 01/31/2018				
		Budget	Actual	Encumbrance	Balance	Avail
REVENUES						
Other State Revenue	(8300-8599)	70,898.00	.00		70,898.00	100%
Other Local Revenue	(8600-8799)	.00	22.80		(22.80)	0%
Total Revenues		70,898.00	22.80		70,875.20	100%
EXPENDITURES						
Certificated Salaries	(1000-1999)	31,052.00	7,085.87	.00	23,966.13	77%
Classified Salaries	(2000-2999)	9,968.70	5,224.67	.00	4,744.03	48%
Employee Benefits	(3000-3999)	3,527.40	1,791.35	.00	1,736.05	49%
Books and Supplies	(4000-4999)	17,390.22	17,187.02	.00	203.20	1%
Services & Operating Expenses	(5000-5999)	13,859.68	2,427.80	2,400.00	9,031.88	65%
Total Expenditures		75,798.00	33,716.71	2,400.00	39,681.29	52%
Operating Surplus/(Deficit)		(4,900.00)	(33,693.91)	(36,093.91)		
Beginning Fund Balance		.00	42,387.12	42,387.12		
Net Ending Fund Balance		(4,900.00)	8,693.21	6,293.21		
*** calculated ***						
Components of Ending Fund Balance						
Unassigned/Unappropriated - 9790		(4,900.00)	.00			
Ending Fund Balance		(4,900.00)	.00			

Fund 13 - Cafeteria Spec Rev Fund		Fiscal Year 2018 through 01/31/2018				
		Budget	Actual	Encumbrance	Balance	Avail
REVENUES						
Federal Revenue	(8100-8299)	1,068,843.80	461,167.24		607,676.56	57%
Other State Revenue	(8300-8599)	91,000.00	39,587.09		51,412.91	56%
Other Local Revenue	(8600-8799)	9,000.00	4,713.64		4,286.36	48%
Total Revenues		1,168,843.80	505,467.97		663,375.83	57%
EXPENDITURES						
Classified Salaries	(2000-2999)	459,260.10	230,594.48	.00	228,665.62	50%
Employee Benefits	(3000-3999)	154,935.88	71,445.77	.00	83,490.11	54%
Books and Supplies	(4000-4999)	525,264.00	277,745.10	243,020.14	4,498.76	1%
Services & Operating Expenses	(5000-5999)	109,830.00	53,804.04	30,797.35	25,228.61	23%
Capital Outlay	(6000-6999)	8,000.00	3,918.57	.00	4,081.43	51%
Transfer of Indirect Costs	(7300-7399)	41,396.00	.00	.00	41,396.00	100%
Total Expenditures		1,298,685.98	637,507.96	273,817.49	387,360.53	30%
Operating Surplus/(Deficit)		(129,842.18)	(132,039.99)	(405,857.48)		
Beginning Fund Balance		182,337.24	182,337.24	182,337.24		
Net Ending Fund Balance		52,495.06	50,297.25	(223,520.24)		
*** calculated ***						
Components of Ending Fund Balance						
Unassigned/Unappropriated - 9790		52,495.06	.00			
Ending Fund Balance		52,495.06	.00			

Fund 14 - Deferred Maintenance Fund		Fiscal Year 2018 through 01/31/2018				
		Budget	Actual	Encumbrance	Balance	Avail
REVENUES						
Other Local Revenue	(8600-8799)	800.00	260.05		539.95	67%
Total Revenues		800.00	260.05		539.95	67%
EXPENDITURES						
Services & Operating Expenses	(5000-5999)	76,088.99	13,300.00	.00	62,788.99	83%
Capital Outlay	(6000-6999)	38,500.00	5,653.86	.00	32,846.14	85%
Total Expenditures		114,588.99	18,953.86	.00	95,635.13	83%
Operating Surplus/(Deficit)		(113,788.99)	(18,693.81)	(18,693.81)		
OTHER FINANCING SOURCES/USES						
Interfund Transfers In	(8900-8929)	60,000.00	.00		60,000.00	100%
Total Other Financing Sources/Uses		60,000.00	.00		60,000.00	100%
Net Surplus/(Deficit)		(53,788.99)	(18,693.81)	(18,693.81)		
Beginning Fund Balance		53,788.99	53,788.99	53,788.99		
Net Ending Fund Balance		.00	35,095.18	35,095.18		
*** calculated ***						

Fund 21 - Building Fund 1 - Measure M		Fiscal Year 2018 through 01/31/2018				
		Budget	Actual	Encumbrance	Balance	Avail
REVENUES						
Other Local Revenue	(8600-8799)	.00	3,503.85		(3,503.85)	0%
Total Revenues		.00	3,503.85		(3,503.85)	0%
EXPENDITURES						
Capital Outlay	(6000-6999)	52,906.88	40,232.00	12,674.88	0.00	0%
Total Expenditures		52,906.88	40,232.00	12,674.88	.00	0%
Operating Surplus/(Deficit)		(52,906.88)	(36,728.15)	(49,403.03)		
Beginning Fund Balance		789,359.60	789,359.60	789,359.60		
Net Ending Fund Balance		736,452.72	752,631.45	739,956.57		
*** calculated ***						
Components of Ending Fund Balance						
Unassigned/Unappropriated - 9790		736,452.72	.00			
Ending Fund Balance		736,452.72	.00			

Fund 22 - Building Fund 2 - Measure N		Fiscal Year 2018 through 01/31/2018				
		Budget	Actual	Encumbrance	Balance	Avail
REVENUES						
Other Local Revenue	(8600-8799)	.00	5,806.50		(5,806.50)	0%
Total Revenues		.00	5,806.50		(5,806.50)	0%
EXPENDITURES						
Books and Supplies	(4000-4999)	40,332.76	46,835.97	11,372.02	(17,875.23)	(44)%
Services & Operating Expenses	(5000-5999)	57,442.00	132,117.83	33,940.17	(108,616.00)	(189)%
Capital Outlay	(6000-6999)	770,166.48	171,986.92	40,882.95	557,296.61	72%
Other Outgo	(7100-7299, 7400-7499)	79,700.76	32,185.74	42,794.44	4,720.58	6%
Total Expenditures		947,642.00	383,126.46	128,989.58	435,525.96	46%
Operating Surplus/(Deficit)		(947,642.00)	(377,319.96)	(506,309.54)		
Beginning Fund Balance		1,369,641.31	1,369,641.31	1,369,641.31		
Net Ending Fund Balance		421,999.31	992,321.35	863,331.77		
*** calculated ***						
Components of Ending Fund Balance						
Unassigned/Unappropriated - 9790		421,999.31	.00			
Ending Fund Balance		421,999.31	.00			

Fund 25 - Capital Facilities Fund		Fiscal Year 2018 through 01/31/2018				
		Budget	Actual	Encumbrance	Balance	Avail
REVENUES						
Other Local Revenue	(8600-8799)	254,140.00	250,584.87		3,555.13	1%
Total Revenues		254,140.00	250,584.87		3,555.13	1%
EXPENDITURES						
Services & Operating Expenses	(5000-5999)	144,379.50	.00	.00	144,379.50	100%
Capital Outlay	(6000-6999)	442,058.26	79,400.00	65,425.00	297,233.26	67%
Total Expenditures		586,437.76	79,400.00	65,425.00	441,612.76	75%
Operating Surplus/(Deficit)		(332,297.76)	171,184.87	105,759.87		
Beginning Fund Balance		332,297.76	332,297.76	332,297.76		
Net Ending Fund Balance		.00	503,482.63	438,057.63		
*** calculated ***						

Fund 35 - Cnty Schl Facilities Fund 1		Fiscal Year 2018 through 01/31/2018				
		Budget	Actual	Encumbrance	Balance	Avail
REVENUES						
Other Local Revenue	(8600-8799)	12,000.00	13,084.91		(1,084.91)	(9)%
Total Revenues		12,000.00	13,084.91		(1,084.91)	(9)%
EXPENDITURES						
Services & Operating Expenses	(5000-5999)	33,726.00	7,713.49	21,622.38	4,390.13	13%
Capital Outlay	(6000-6999)	2,476,524.00	.00	.00	2,476,524.00	100%
Total Expenditures		2,510,250.00	7,713.49	21,622.38	2,480,914.13	99%
Operating Surplus/(Deficit)		(2,498,250.00)	5,371.42	(16,250.96)		
Beginning Fund Balance		2,559,933.65	2,560,183.65	2,560,183.65		
Net Ending Fund Balance		61,683.65	2,565,555.07	2,543,932.69		
*** calculated ***						
Components of Ending Fund Balance						
Unassigned/Unappropriated - 9790		61,683.65	.00			
Ending Fund Balance		61,683.65	.00			

Fund 40 - Spec Resv Cap Outlay Proj 1		Fiscal Year 2018 through 01/31/2018				
		Budget	Actual	Encumbrance	Balance	Avail
REVENUES						
Other State Revenue	(8300-8599)	71,500.00	.00		71,500.00	100%
Other Local Revenue	(8600-8799)	.00	646.67		(646.67)	0%
Total Revenues		71,500.00	646.67		70,853.33	99%
EXPENDITURES						
Services & Operating Expenses	(5000-5999)	38,500.00	23,680.00	14,820.00	0.00	0%
Capital Outlay	(6000-6999)	33,000.00	.00	664.13	32,335.87	98%
Total Expenditures		71,500.00	23,680.00	15,484.13	32,335.87	45%
Operating Surplus/(Deficit)		.00	(23,033.33)	(38,517.46)		
Net Surplus/(Deficit)		.00	(23,033.33)	(38,517.46)		
Net Ending Fund Balance		.00	(23,033.33)	(38,517.46)		
*** calculated ***						

Fund 51 - Bond Int & Redempt Fund 1 - M		Fiscal Year 2018 through 01/31/2018				
		Budget	Actual	Encumbrance	Balance	Avail
REVENUES						
Other State Revenue	(8300-8599)	.00	665.73		(665.73)	0%
Other Local Revenue	(8600-8799)	.00	72,334.15		(72,334.15)	0%
Total Revenues		.00	72,999.88		(72,999.88)	0%
Operating Surplus/(Deficit)		.00	72,999.88	72,999.88		
Beginning Fund Balance		2,958.13	2,958.13	2,958.13		
Net Ending Fund Balance		2,958.13	75,958.01	75,958.01		
*** calculated ***						
Components of Ending Fund Balance						
Unassigned/Unappropriated - 9790		2,958.13	.00			
Ending Fund Balance		2,958.13	.00			

Fund 55 - Bond Int & Redempt Fund 2 - N		Fiscal Year 2018 through 01/31/2018				
		Budget	Actual	Encumbrance	Balance	Avail
REVENUES						
Other State Revenue	(8300-8599)	.00	660.83		(660.83)	0%
Other Local Revenue	(8600-8799)	.00	72,324.99		(72,324.99)	0%
Total Revenues		.00	72,985.82		(72,985.82)	0%
Operating Surplus/(Deficit)		.00	72,985.82	72,985.82		
Beginning Fund Balance		36,964.83	36,964.83	36,964.83		
Net Ending Fund Balance		36,964.83	109,950.65	109,950.65		
*** calculated ***						
Components of Ending Fund Balance						
Unassigned/Unappropriated - 9790		36,964.83	.00			
Ending Fund Balance		36,964.83	.00			

Fund 67 - Self-Insurance Fund 1		Fiscal Year 2018 through 01/31/2018			
	Budget	Actual	Encumbrance	Balance	Avail
Beginning Fund Balance	2,279.60	2,279.60	2,279.60		
Net Ending Fund Balance	2,279.60	2,279.60	2,279.60		
*** calculated ***					
Components of Ending Fund Balance					
Unassigned/Unappropriated - 9790	2,279.60	.00			
Ending Fund Balance	2,279.60	.00			



SISC Self-Insured Schools of California

INVESTMENT POOL STATEMENT

For The Quarter Ended

September 30, 2017



**DANIELLS PHILLIPS
VAUGHAN & BOCK**
CPAs and Advisors

PATRICK W. PAGGI

INDEPENDENT ACCOUNTANT'S REPORT

To the Member of SISC Investment Pool:

We have examined the accompanying SISC Investment Pool Statement for the quarter ended September 30, 2017. This statement is the responsibility of the SISC Investment Pool management. Our responsibility is to express an opinion on this statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the market values, return on investments and rates of return of the SISC Investment Pool and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the SISC Investment Pool Statement referred to above presents the market values, return on investments and rates of return for the quarter ended September 30, 2017 in all material respects, in conformity with the SISC Investment Pool Guidelines.

This report is intended solely for the information and use of the SISC Investment Pool management and participating districts and is not intended to be and should not be used by anyone other than these specified parties.

Daniells Phillips Vaughan & Bock

Bakersfield, California
December 21, 2017

SISC INVESTMENT POOL STATEMENT

Guadalupe Union School District
Ed Cora, Superintendent
P. O. Box 788
Guadalupe, CA 93434

For the quarter ending: September 30, 2017

Initial Investment:	September 30, 1996	\$75,287
Additional Investment:	October 1, 1997	\$62,174
		<hr/> \$137,461

Market Value:	July 1, 2017	\$286,211
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Ending Market Value:	September 30, 2017	\$286,941
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Entrance to Date Return on Investment:		\$149,480
September 30, 1996 to September 30, 2017		

Current Period Return on Investment:		\$730
July 1, 2017 to September 30, 2017		

POOL'S QUARTERLY RETURN ON INVESTMENT:	0.26%
ANNUALIZED:	1.01%

POOL'S INCEPTION TO DATE RETURN ON INVESTMENT:	3.74%
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Note: The Pool's inception date is 7/01/94. If a district joined the pool after 7/01/94, their inception-to-date return may be different.

POOL'S YIELD TO MATURITY:	1.29%
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GUADALUPE UNION SCHOOL DISTRICT
Interdistrict Boundary Agreement Requests Summary

Informational Item: February 14, 2018

District Requested	Request Rec'd.	Student Name	Grade	School of Attendance	Reason for Transfer		
					Childcare	Employment	Other
Los Alamos	1/31/2018	P. Lazo	5th	Guadalupe USD		X	Employment Related Request
Los Alamos	1/31/2018	L. Teran-Lazo	4th	Guadalupe USD		X	Employment Related Request
Lompoc	1/23/2018	G. Tosches	4th	Hapgood Elementary		X	Employment Related Request

Mary Buren School, K-5

Discipline Distribution Report from 8/10/2017 to 10/3/2017

Code # and Name	Total Students	Total Incidence s	Grade							Suspension	Referral	Mediation
			TK	K	1	2	3	4	5			
04 *Assault (E) 48900 (a)(2)	1	1	-	-	-	-	-	1	-	1		
94 Obscene Language	1	1	-	1	-	-	-	-	-		1	
95 Violation of playground rules (physical)	12	13	-	-	3	3	-	2	5		6	7
96 Violation of playground rules (verbal)	8	8	-	-	-	-	-	8	-			8
97 Failure to comply w/directions (outside)	2	2	-	-	-	-	-	-	2		2	
98 Failure to comply w/directions (classroom)	3	3	-	2	-	-	-	1	-			3
99 Outreach Consultation	11	16	-	9	1	3	-	4	-		3	13
Totals:	38	44	0	12	4	6	-	16	7	1	12	31

Discipline Distribution Report from 10/4/2017 to 11/1/2017

Code # and Name	Total Students	Total Incidence s	Grade							Suspension	Referral	Mediation
			TK	K	1	2	3	4	5			
04 *Assault (E) 48900 (a)(2)	2	2	-	-	-	-	-	1	1	2		
95 Violation of playground rules (physical)	16	17	-	1	3	-	5	5	3		12	5
97 Failure to comply w/directions (outside)	2	2	-	-	1	-	1	-	-		1	1
98 Failure to comply w/directions (classroom)	4	4	-	1	-	1	2	-	-		2	2
99 Outreach Consultation	6	6	-	-	1	3	1	-	1			6
Totals:	30	31	0	2	5	4	9	6	5	2	15	14

Discipline Distribution Report from 11/2/2017 to 12/1/2017

Code # and Name	Total		Grade							Suspension	Referral	Mediation
	Students	Incidence s	TK	K	1	2	3	4	5			
04 *Assault (E) 48900 (a)(2)	2	2	-	-	-	-	1	1	-	2		
52 Fighting (S) 48900 (a)	2	2	-	-	1	-	-	1	-	2		
76 School Rules, Violation of	1	1	-	-	-	1	-	-	-		1	
95 Violation of playground rules (p	2	2	-	-	-	-	-	2	-		2	
98 Failure to comply w/directions	3	3	-	2	1	-	-	-	-		3	
99 Outreach Consultation	3	3	-	1	-	-	-	2	-			3
Totals:	13	13	0	3	2	1	1	6	-	4	6	3

Discipline Distribution Report from 12/2/2017 to 2/2/2018

Code # and Name	Total		Grade							Suspension	Referral	Mediation
	Students	Incidence s	TK	K	1	2	3	4	5			
18 *Property, Destruction of (S) 4	1	1	-	-	-	-	1	-	-	1		
25 *Weapon, Possession of (E) 4	1	1	-	-	-	-	-	-	1			
45 Dangerous Object										1		
54 Firearm, Possession of (E) 48	2	2	-	-	-	-	2	-	-	2		
74 Profanity (S) 48900 (i)	1	1	-	-	-	-	-	1	-			
84 Threats to Others (S) 48900 (a										1		
95 Violation of playground rules (p	9	9	-	-	4	2	-	-	3		1	8
96 Violation of playground rules (v	3	3	-	-	-	-	-	1	2		1	2
98 Failure to comply w/directions	1	1	-	-	-	-	-	-	1			1
99 Outreach Consultation	1	1	-	-	-	-	-	-	1			1
Totals:	19	19	-	-	4	2	4	4	9	5	2	12

Kermit McKenzie Junior High

January Report		Grade			Suspensions	Suspensions			
Code # and Name	Total	6	7	8	Incidents	Students Suspended*	Detention	Referral	Mediation
*Drugs, Possession of (E) 489	1		1		1	1			
*Theft (S) 48900 (g)	1	1			1	1			
Behavior, Defiance (S) 48900 (1		1		1	1			
Behavior, Inappropriate (S) 48	1			1	1	1			
Class Rules, Violation of	26	8	8	10			10		
Fighting (S) 48900 (a)	1			1	1	1			
Horseplay	1	1					1		
School Rules, Violation of	2	1	1				1		1
Tardy	1	1					1		
Failure to Comply w/Directions	1		1				1		
Violation of playground rules (p	1			1					1
Totals	37	12	12	13	5	5	15		2