WPUSD
Board Packet

Part 2

06-02-20

WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES MEETING FACT SHEET

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. **Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students**
2. **Foster a safe, caring environment where individual differences are valued and respected.**
3. **Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.**
4. **Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.**
5. **Promote student health and nutrition in order to enhance readiness for learning.**

SUBJECT:
Approval of Resolution 19/20.32 - Authorizing the Issuance and Sale of Bond Anticipation Notes and Related Documents and Actions for Community Facilities District No. 2

AGENDA ITEM AREA:
Action

REQUESTED BY:
Audrey Kilpatrick
Asst. Supt. - Business & Operations

ENCLOSURES:
Resolution and Related Financing Documents

DEPARTMENT:
Business Services

FINANCIAL INPUT/SOURCE:
Costs Included in Bond Anticipation Note Financing

MEETING DATE:
June 2, 2020

ROLL CALL REQUIRED:
Yes

BACKGROUND:
As part of the District's capital facilities construction plan, including the construction of Twelve Bridges High School, Leaman Elementary, Lincoln High Modernization and Glen Edwards Middle Modernization, several funding applications have been submitted to the State. As previously discussed with the Board, the State has not been timely in releasing their share of funding for capital projects. As such, in order to fund the State's portion of project costs, beyond what the District's General Obligation Bonds were intended to fund, the District initiated a financing plan consisting of two bridge financings. The first bridge financing funded on December 24, 2019. The second bridge financing will be in the form of Bond Anticipation Notes (Notes) from the District's two CFDs. Resolution 19/20.32 approves the issuance of a portion of the second bridge financing, advancing the proceeds of two project applications submitted after Proposition 51 funding was exhausted for Twelve Bridges High School and Leaman Elementary. Security for repayment is the annual CFD tax collections from both CFD 1 and 2. These revenue streams are part of the COP repayment plan, so the Notes will actually be repaid from the receipt of future State funds.

With board approval, Resolution 19/20.32 will authorize the issuance and sale of Notes and related documents and actions for Community Facilities District (CFD) No. 2 to finance a portion of the costs related to construction of Twelve Bridges High School and the Scott M. Leaman Elementary School, and the modernization of Glen Edwards Middle School. The CFD No. 2 Notes, in an aggregate principal amount, are not to exceed $40,000,000. Drafts of the Preliminary Official, Statement, Note Purchase Agreement, Fiscal Agent Agreement and Agreement for Note Counsel and Disclosure Counsel Services are provided.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES MEETING FACT SHEET

In compliance with SB 450, the good faith estimates set forth herein are provided with respect to the Notes. Such good faith estimates have been provided to the District by Capitol Public Finance Group. Each estimate is based on the current financing plan and current market conditions, including market interest rates prevailing at the time of preparation of the estimate. The estimated aggregate principal amount of the Notes to be sold is $35,670,000. The estimated true interest cost of the Notes, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Notes, is 2.51%. The estimated finance charge for the Notes, which means the sum of all fees and charges paid to third parties (or costs associated with the Notes), is $355,000 based upon an estimated cost of issuance of $175,000 and an estimated underwriter's discount of $180,000. The estimate of the amount of proceeds to be received by the District from the sale of the Notes, less the finance charge of the Notes, as estimated above, and less estimated capitalized interest, is $33,625,000. The estimated total payment amount, which means the sum total of all payments to pay debt service on the Notes, plus the finance charge for the Notes, as described above, not paid with the proceeds of the Notes, calculated to the final maturity of the Notes, is $38,000,000. The foregoing estimates are good faith estimates only. The actual figures may differ from the estimates owing to (a) differences between assumptions regarding the date of the sale of the Notes, the principal amount of Notes sold, the amortization of the Notes, and market interest rates at the time of sale of the Notes and, (b) other market conditions, (c) changes in the School District's financing plan, or (d) a combination of such factors.

Cathy Dominico, the District's financial advisor from Capitol Public Finance Group, will present the timeline and overview of the bridge financing plan.

RECOMMENDATION:

Approve Resolution 19/20.32 and forms of related Note financing documents.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 19/20.32

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE WESTERN PLACER UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES AND THE ISSUANCE OF BONDS, AND APPROVING RELATED DOCUMENTS AND ACTIONS FOR COMMUNITY FACILITIES DISTRICT NO. 2

RESOLVED, by the Board of Trustees (the "Board") of the Western Placer Unified School District (the "District"), as follows:

WHEREAS, the Board has conducted proceedings under and pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), to form the Western Placer Unified School District Community Facilities District No. 2 (the "CFD"), to authorize the levy of special taxes upon the land within the CFD, and to incur debt secured by said special taxes the proceeds of which are to be used to finance all or a portion of the costs of certain public school facilities; and

WHEREAS, pursuant to Section 53365.7 of the Act, the Board is empowered to issue notes in anticipation of the sale of bonds authorized to be issued for the District, but which have not been sold and delivered, and the proceeds from the sale of which notes may be used for authorized purposes of such bonds or to repay outstanding notes; and

WHEREAS, the Board desires to provide financing for costs related to construction of the Twelve Bridges High School and the Scott M. Leaman Elementary School, and the modernization of Glen Edwards Middle School (collectively, the "Facilities"), by means of the issuance of bond anticipation notes (the "Notes") by the District for the CFD pursuant to the Act in anticipation of the receipt of proceeds of California State school bonds that have been and are expected to be issued ("State School Bond Proceeds") that can be used for such purposes; and

WHEREAS, the Board further desires to authorize the issuance of special tax bonds (the "Bonds") proceeds of which would be used to repay all or any portion of the Notes that are not repaid with State School Bond Proceeds or other available funds prior to the maturity of the Notes; and

WHEREAS, in furtherance of the foregoing, the Board wishes at this time to authorize the issuance and sale, for and on behalf of the CFD, the Notes to be designated the Western Placer Unified School District Community Facilities District No. 2 2020 Bond Anticipation Notes in an aggregate principal amount not to exceed $40,000,000; and

WHEREAS, in order to provide security for the repayment of the Notes in the event that State School Bond Proceeds received by the District or other available funds are not sufficient to repay the Notes in full prior to their maturity, the Board also wishes at this time to authorize the issuance of the Bonds in an amount sufficient to repay the Notes at their maturity; and

WHEREAS, there have been submitted to the Board certain documents providing for the sale of the Notes to finance a portion of the costs of the Facilities and the Board, with the assistance of District staff and consultants, has reviewed said documents and found them to be in proper order; and

WHEREAS, following the adoption of this Resolution, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Notes as contemplated by this Resolution and the documents referred to herein exist, will have happened and will have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE, it is hereby DECLARED and ORDERED as follows:

Section 1. Pursuant to the Act, this Resolution and the Fiscal Agent Agreement (defined below), the Notes in an aggregate principal amount not to exceed $40,000,000 are hereby authorized to be issued by the District for the CFD and sold as provided herein. The Notes shall be executed in the form set forth in and otherwise as provided in the Fiscal Agent Agreement.

The Board hereby finds and determines that the Notes (a) are in compliance with Section 53345.8 of the Act, based upon the Placer County Assessor's assessed value of the property in the CFD; (b) when issued, the Notes will be in compliance with the applicable requirements of the District's Local Goals and Policies Concerning the Use of the Mello-Roos Community Facilities Act of 1982 (the "CFD Policies"), except that the requirement of the CFD Policies that a reserve fund be funded for the Notes is hereby waived; and (c) that the Notes are in compliance with applicable provisions of the District's Debt Issuance and Management Policy, constituting Board Policy 3470 related to Business and Noninstructional Operations.

Section 2. The Fiscal Agent Agreement, between the District, for and on behalf of the CFD, and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), in the form on file with the Clerk of the Board, is hereby approved. The President of the Board, the Superintendent and the Assistant Superintendent of Business and Operations (each an "Authorized Officer"), each acting alone, are hereby authorized to execute and deliver the Fiscal Agent Agreement, in said form together with such additions thereto or changes therein as are approved by the Authorized Officer executing the Fiscal Agent Agreement upon consultation with Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreement by an Authorized Officer. The date, manner of payment, interest rate, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Notes shall be as provided in the Fiscal Agent Agreement as finally executed.

Section 3. The Purchase Contract between the District and Hilltop Securities Inc. (the "Underwriter"), in the form on file with the Clerk of the Board, is hereby approved. Each of the Authorized Officers, acting alone, is hereby authorized to accept the offer of the Underwriter to purchase the Notes contained in the Purchase Contract (provided that the aggregate principal amount of the Notes sold thereby is not in excess of $40,000,000, the true interest cost on the Notes is not in excess of 5.00% per annum and the Underwriter's discount (without regard to any original issue discount) is not in excess of 0.55% of the aggregate principal amount of the Notes), and to execute and deliver the Purchase Contract in said form, together with such additions thereto or changes therein as are recommended or approved by the Authorized Officer executing the Purchase Contract upon consultation with the District's Municipal Advisor and Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Purchase Contract by an Authorized Officer.

The Board finds and determines that the sale of the Notes at negotiated sale, as contemplated by the Purchase Contract, will result in a lower overall cost due to the extensive analysis and review of the CFD by the Underwriter and its participation in the preparation of the Preliminary Official Statement referred to below.

Section 4. The Preliminary Official Statement, in the form on file with the Clerk of the Board, is hereby approved. The Authorized Officers are hereby authorized to make changes to the Preliminary Official Statement prior to its dissemination to prospective investors, and to bring the Preliminary Official Statement into the form of a final official statement (the "Official Statement") including such additions thereto or changes therein as are recommended or approved by any of the Authorized Officers upon consultation with the District's Municipal Advisor and Disclosure Counsel. Each Authorized Officer, acting alone, is hereby authorized to execute and deliver the Official Statement. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in purchasing the Notes, and is directed to deliver copies of the Official Statement to all actual purchasers of the Notes.

Each Authorized Officer, acting alone, is hereby authorized to execute a certificate or certificates to the effect that the Official Statement and the Preliminary Official Statement were deemed "final" as of their respective dates for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, and each of them is authorized to so deem such statements final.

Section 5. The Continuing Disclosure Agreement, in the form included in Appendix E to the Preliminary Official Statement, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized to execute and deliver the Continuing Disclosure Agreement in said form, together with such additions thereto or changes therein as are recommended or approved by the Authorized Officer executing the Continuing Disclosure Agreement upon consultation with the District's Municipal Advisor and Disclosure Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement by an Authorized Officer.

Section 6. The Notes, when executed, shall be delivered to the Fiscal Agent for authentication. The Fiscal Agent is hereby requested and directed to authenticate the Notes by executing the Fiscal Agent's certificate of authentication and registration appearing thereon, and to deliver the Notes, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the District by an Authorized Officer, which instructions each Authorized Officer, acting alone, is hereby authorized to execute and deliver to the Fiscal Agent. Such instructions shall provide for the delivery of the Notes to the Underwriter in accordance with the Purchase Contract, upon payment of the purchase price therefor.

Section 7. The Board hereby authorizes the issuance of the Bonds by the District, for and on behalf of the CFD, in an amount sufficient to repay any principal and interest due on the Notes at their maturity not theretofore repaid with State School Bond Proceeds or other available funds. The Bonds shall be issued pursuant to a fiscal agent agreement or an indenture of trust to be approved by the Board prior to the sale and issuance of the Notes. The Board hereby finds and determines that the CFD has authorized but unissued bonding capacity sufficient to issue the Bonds as necessary to repay the Notes.

Section 8. The firm of Quint & Thimmig LLP is hereby designated as Bond Counsel and Disclosure Counsel to the District with respect to the Notes. Each of the Authorized Officers, acting alone, it is hereby authorized to enter into an agreement with said firm for its services related to the Notes, in the form on file with the Clerk of the Board.

Section 9. All actions heretofore taken by the officers and agents of the District with respect to the sale and issuance of the Notes are hereby approved, confirmed and ratified, and the proper officers of the District (including the Authorized Officers) are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates,

agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 10. This Resolution shall take effect upon its adoption by the Board.

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I, the undersigned hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Board of Trustees of the Western Placer Unified School District at a regular meeting assembled on the 2nd day of June, 2020, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

_____
Clerk of the Board

23006.30:J16906
5/26/20

NOTE PURCHASE AGREEMENT

$_____
WESTERN PLACER UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2
2020 BOND ANTICIPATION NOTES

_____, 2020

Western Placer Unified School District
600 Sixth Street, Suite 400
Lincoln, California 95648

Ladies and Gentlemen:

The undersigned, Hilltop Securities Inc. (the "**Underwriter**") offers to enter into the following agreement (this "**Note Purchase Agreement**") with the Western Placer Unified School District (the "**School District**") acting for and on behalf of the Western Placer Unified School District Community Facilities District No. 2 (the "**Community Facilities District**"), which, upon the acceptance by the School District of this offer, will be binding upon the School District and the Underwriter. This offer is made subject to the School District's written acceptance hereof on or before 11:59 p.m. Pacific time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the School District at any time prior to the acceptance hereof by the School District. Terms not otherwise defined in this Note Purchase Agreement shall have the same meanings set forth in the Fiscal Agent Agreement (as defined herein) or in the Official Statement (as defined herein).

1. Purchase and Sale of the Notes. Subject to the terms and conditions and in reliance upon the representations and agreements set forth herein, the Underwriter hereby agrees to purchase from the School District, and the School District hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Western Placer Unified School District Community Facilities District No. 2 2020 Bond Anticipation Notes (the "**Notes**").

The Notes shall be dated its date of issuance and shall mature on June 1, 2025. The Notes will bear interest at the rate of _____% per annum, [priced to yield _____% to maturity]. The Notes shall be as described in, and shall be issued and secured under and pursuant to the provisions of a Fiscal Agent Agreement, dated as of June 1, 2020 (the "**Fiscal Agent Agreement**"), by and between the School District, for and on behalf of the Community Facilities District and U.S. Bank National Association, as fiscal agent (the "**Fiscal Agent**"). The Notes are being issued pursuant to the Fiscal Agent Agreement and the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, et seq. (the "**Act**").

The Underwriter has agreed to purchase all (but not less than all) of the Notes from the School District at a purchase price of $_____ (being 100% of the aggregate principal amount thereof, plus net original issue premium of $_____ and less an Underwriter's discount of $_____).

The Notes are being issued to (i) finance public improvements authorized to be funded by the Community Facilities District, (ii) fund interest on the Notes to and including June ___, 2022, and (iii) pay costs of issuing the Notes.

2. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Notes at a price not to exceed the public offering price set forth on the inside cover of the Official Statement and as set forth in Exhibit A. The Underwriter may offer and sell Notes to certain dealers (including dealers depositing Notes into investment trusts) and others at prices lower than the public offering price stated on the cover of the Official Statement. The Underwriter shall indemnify and hold harmless the School District and its members, officers, directors, employees, agents and attorneys against any and all claims, damages, liabilities, costs and expenses (including fees and disbursements of counsel) incurred by them or any of them, which arise out of a breach by the Underwriter of the representations and warranties contained in this paragraph.

The Underwriter has been duly authorized to execute this Note Purchase Agreement and to act hereunder. Inasmuch as the purchase and sale of the Notes represents a negotiated transaction, the School District acknowledges and agrees that (i) the transaction contemplated by this Note Purchase Agreement is an arm's length, commercial transaction between the School District and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the School District; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the School District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the School District on other matters); (iii) the Underwriter is acting solely in its capacity as Underwriter for its own account; (iv) the only contractual obligations the Underwriter has to the School District with respect to the transaction contemplated hereby expressly are set forth in this Note Purchase Agreement; (v) the Underwriter has financial and other interests that differ from those of the School District; and (vi) the School District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. Nothing in the foregoing paragraph is intended to limit the Underwriter's obligations of fair dealing under MSRB Rule G-17 of the MSRB.

3. The Official Statement.

(a) The School District hereby ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the preliminary official statement relating to the Notes, dated _____, 2020 (including the cover page and all appendices thereto, the "**Preliminary Official Statement**"). The School District hereby confirms that the School District has deemed final the Preliminary Official Statement for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("**Rule 15c2-12**"). The School District hereby agrees to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Notes (including all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements as have been approved by the School District and the Underwriter, the "**Official Statement**") in such quantity as the Underwriter shall request in order to permit the Underwriter to comply with Rule 15c2-12. The School District hereby approves of the use and distribution by the Underwriter of the Official Statement in connection with the offer and sale of the Notes.

(b) The Underwriter hereby agrees to file the Official Statement with the MSRB.

4. Representations and Agreements of the School District. The School District hereby represents to and agrees with the Underwriter that:

(a) The School District is duly organized and validly existing as a school district under the laws of the State of California and has duly authorized the formation of the Community Facilities District pursuant to the Resolution of Formation (the "**Resolution of Formation**") and the Act and the Board of Directors of the School District (the "**Board of Directors**"), acting as the legislative body of the Community Facilities District, has duly adopted the District Resolutions (defined herein) and has caused to be recorded in the real property records of the County of Placer a Notice of Special Tax Lien for the Community Facilities District (the "**Notice of Special Tax Lien**") (such District Resolution and Notice of Special Tax Lien being collectively referred to herein as the "**Formation Documents**") and each of the Formation Documents remains in full force and effect as of the date hereof and the School District has full power and authority to adopt on June 2, 2020 its Resolution No. 19/20 ___ (the "**Resolution**" and together with the "Resolution of Formation" the "**District Resolutions**") authorizing the issuance of the Notes, and to enter into and to perform its obligations under the Fiscal Agent Agreement, the School District Continuing Disclosure Agreement and this Note Purchase Agreement (collectively, the "**School District Documents**"); and when executed and delivered by the respective parties thereto, the School District Documents will constitute the legal, valid and binding obligations of the School District enforceable against the School District in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against joint powers agencies in the State of California;

(b) By official action of the School District prior to or concurrently with the acceptance hereof, the School District has approved and authorized the distribution of the Preliminary Official Statement and the Official Statement and authorized and approved the execution and delivery of the School District Documents and the consummation by the School District of the transactions contemplated thereby;

(c) To the knowledge of the School District, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body pending against the School District seeking to restrain or enjoin the sale or issuance of the Notes, or in any way contesting or affecting any proceedings of the School District taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Notes, in any way contesting the validity or enforceability of the School District Documents or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the existence or powers of the School District relating to the sale of the Notes;

(d) To the knowledge of the School District, the statements and information relating to the School District and the Community Facilities contained in the Preliminary Official Statement, as of the date thereof, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect;

(e) To the knowledge of the School District, the statements and information relating to the School District and the Community Facilities District contained in the Official Statement are true and correct in all material respects, and the information relating to the School District and the

Community Facilities District contained in the Official Statement does not contain an untrue statement of a material fact or omit any statement or information relating to the School District and the Community Facilities District which is necessary to make such statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(f) The Special Tax has been duly and lawfully authorized and may be levied under the Act, the State Constitution and the applicable laws of the State;

(g) The School District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, at the expense of the Underwriter as the Underwriter may reasonably request in endeavoring (i) to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Notes for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Notes; provided, however, that in no event shall the School District be required to take any action which would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject;

(h) The Fiscal Agent Agreement creates a valid pledge of the Special Tax Revenues and the moneys in the Special Tax Fund and the Note Payment Fund established pursuant to the Fiscal Agent Agreement, including the investments thereof, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein;

(i) To the knowledge of the School District, the execution and delivery by the School District of the School District Documents and compliance with the provisions on the School District's part contained therein will not conflict with or constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the School District is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the School District 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 School District Documents;

(j) If before the earlier of the date 25 days from the "end of the underwriting period" (as defined in Rule 15c2-12) or the date all of the Notes are sold (which the School District may assume is the Closing Date unless otherwise informed in writing by the Underwriter), an event occurs which, in the reasonable opinion of the Underwriter or its counsel, might or would cause the information contained in the Official Statement as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the School District, if requested by the Underwriter, the School District will cooperate in amending or supplementing the Official Statement in a form and in a manner approved by the Underwriter;

(k) During the period described in the preceding paragraph, (i) the School District will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter shall reasonably object in writing and (ii) if any

event relating to or affecting the School District shall occur as a result of which it is necessary, in the opinion of counsel for the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser of the Notes, the School District will cooperate with the Underwriter to prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time the Official Statement is delivered to a purchaser of the Notes, not misleading;

(l) Based on a review of its prior undertakings, and except as otherwise disclosed in the Official Statement, within the last five years, the School District has not failed to comply in all material respects with any reporting obligation that it has undertaken under Rule 15c2-12 for any indebtedness issued by the School District; and

(m) The execution and delivery of this Note Purchase Agreement by the School District shall constitute a representation by the School District to the Underwriter that the representations and agreements contained in this Section are true as of the date hereof; provided, however, that as to all matters of law the School District is relying on the advice of bond counsel to the School District; and provided further, that no member, director, officer, agent or employee of the School District shall be individually liable for the breach of any representation, warranty or agreement contained herein.

5. Closing. At 8:00 a.m., California time, on _____, 2020, (the "**Closing Date**") or at such other time and date as shall have been mutually agreed upon by the School District and the Underwriter (the "**Closing**"), the School District will, subject to the terms and conditions hereof, deliver to the Underwriter the Notes in registered form duly executed and other documents hereinafter mentioned, and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds to the order of the School District. The Notes shall be made available for inspection by the Underwriter at least one business day before the Closing.

6. Closing Conditions. The Underwriter has entered into this Note Purchase Agreement in reliance upon the representations and agreements of the School District contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the School District of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Note Purchase Agreement to purchase, to accept delivery of and to pay for the Notes shall be conditioned upon the performance by the School District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the School District of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The School District shall be in compliance with each of the agreements made by it in this Note Purchase Agreement (unless such agreements are waived by the Underwriter); and there shall not have occurred an adverse change in the financial position, results of operations or financial condition of the School District or the Community Facilities District that materially adversely affects the ability of the School District to levy the Special Taxes, to pay principal and interest on the Notes when due or otherwise perform any of its obligations under the Fiscal Agent Agreement;

(b) The School District Documents shall be in full force and effect, and shall not have been amended, modified or supplemented in any material respect from the forms of such documents which have been provided to the Underwriter as of the date hereof (except as may be agreed to by the Underwriter); and the School District shall perform or shall have performed its obligations required under or specified in this Note Purchase Agreement to be performed at or prior to the Closing;

(c) At the time of the Closing, the Official Statement (as amended and supplemented) shall be true and correct in all material respects, and shall not contain any untrue statement of a material fact or omit any statement or information necessary to make the statements therein, in the light of circumstances under which they were made, not misleading;

(d) Except as disclosed in the Official Statement, no decision, ruling or finding shall have been entered by any court or governmental entity since the date of this Note Purchase Agreement (and not reversed on appeal or otherwise set aside) which in the reasonable opinion of the Underwriter materially adversely affects the market for the Notes;

(e) (i) No default by the School District shall have occurred and be continuing in the payment of the principal of or premium, if any, or interest on any bond, note or other evidence of indebtedness issued by the School District, and (ii) no bankruptcy, insolvency or other similar proceeding in respect of the School District shall be pending nor to the knowledge of the School District, contemplated;

(f) At or prior to the Closing, the Underwriter shall receive the following documents:

(1) Bond Counsel Opinion. The opinion of Quint & Thimmig LLP ("**Bond Counsel**"), dated the Closing Date, in substantially the form included in the Official Statement as Appendix ___, addressed to the School District.

(2) Supplemental Opinion. A supplemental opinion of Bond Counsel, dated the Closing Date, addressed to the Underwriter, to the effect that: (a) The Note Purchase Agreement has been duly authorized, executed and delivered by the School District, and, assuming such agreement constitutes a valid and binding obligation of the Underwriter, constitutes a legally valid and binding agreement of the School District enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditor's rights or remedies and is subject to general principles of equity and to the exercise of judicial discretion in appropriate cases; (b) The Notes are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and (c) The information contained in the Official Statement on the cover and under the captions "INTRODUCTION," "PLAN OF FINANCING," "THE 2020 NOTES" (excluding under the subheading "Scheduled Debt Service"), "SECURITY FOR THE 2020 NOTES," and "TAX MATTERS," and in Appendices __ and __ thereof, is accurate insofar as such information purports to summarize or replicate certain provisions of the Act, the Notes, the Fiscal Agent Agreement, and the opinion of Bond Counsel regarding the exclusion from gross income for federal income tax purposes and exemption from California personal income taxes of interest on the Notes.

(3) Letter of Disclosure Counsel. A letter, dated the Closing Date and addressed to the Underwriter and the School District, of Quint & Thimmig LLP, acting as Disclosure

Counsel, to the effect that no facts have come to the attention of the attorneys in such firm rending legal services in connection with the Notes that cause them to believe that the Official Statement, as of its date or as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statement made therein, in light of the circumstances under which they were made, not misleading.

(4) Opinion of School Counsel. An opinion of counsel to the School District, in form and substance satisfactory to the Underwriter dated the Closing Date, addressed to the Underwriter, substantially to the effect that:

(i) except as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending with respect to which the School District has been served with process is otherwise known to be threatened which would materially adversely affect the ability of the School District to perform its obligations under the Notes, the Formation Documents or the School District Documents, or seeking to restrain or to enjoin the issuance, sale or delivery of the Notes or the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax to pay the principal of and interest on the Notes, or in any way contesting or affecting the validity or enforceability of the Notes, the Formation Documents or the School District Documents or the accuracy of the Official Statement, or any action of the School District contemplated by any of said documents;

(ii) the School District is duly organized and validly existing as a school district under the laws of the State and the Community Facilities District is duly organized and validly existing as a community facilities district under the laws of the State, and the School District has full legal right, power and authority to perform all of its obligations under the Formation Documents and the School District Documents;

(iii) the Board of Directors has duly and validly adopted the District Resolutions at meetings of the Board of Directors which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the District Resolutions are now in full force and effect; and

(iv) the School District has duly authorized the School District Documents and has duly authorized the preparation and delivery of the Official Statement and the School District Documents constitute legal, valid and binding agreements of the School District, enforceable against the School District in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and to the application of equitable principles if equitable remedies are sought and to the limitation on legal remedies against public agencies in the State.

(5) Closing Certificate of School District. A certificate of the School District, dated the date of the Closing, signed on behalf of the School District by a duly authorized

representative of the School District to the effect that, (i) the representations contained in Section 4 of this Note Purchase Agreement are true and correct in all material respects as of the Closing Date; (ii) to the best of his or her knowledge, no event has occurred since the date of the Official Statement or the date hereof affecting such matters contained therein which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make the statements and information contained in the Official Statement not misleading in any material respect; and (iii) the School District has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Formation Documents and the School District Documents at or prior to the Closing.

(6) 15c2-12 Certificate. A certificate, dated the date of the Preliminary Official Statement, from the School District deeming the Preliminary Official Statement final for purposes of the Rule.

(7) Certificate of Fiscal Agent. A certificate, dated the Closing Date, signed by a duly authorized officer of the Fiscal Agent, to the effect that (i) the Fiscal Agent is a national banking association, duly organized and validly existing and in good standing under the laws of the United States, having full power and being qualified to enter, accept and administer the trust created under the Fiscal Agent Agreement and, (ii) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter that would constitute a condition precedent to the performance by the Fiscal Agent of its duties and obligations under the Fiscal Agent Agreement have been obtained and are in full force and effect, and (iii) the acceptance of the duties and obligations of the Fiscal Agent under the Fiscal Agent Agreement and the consummation of the transactions on the part of the Fiscal Agent contemplated therein, and the compliance by the Fiscal Agent with the terms, conditions and provisions thereof do not contravene any provisions of applicable law of regulation or any order or decree, writ or injunction of the Articles of Incorporation or Bylaws of the Fiscal Agent, and, to the best of such officer's knowledge, will not require the consent under, or result in a beach of or default under, any resolution, agreement or other instrument to which the Fiscal Agent is a party or by which it may be bound.

(8) Opinion of Counsel to Fiscal Agent. An opinion of counsel to the Fiscal Agent, dated the Closing Date, addressed to the Underwriter and the School District, to the effect that (i) the Fiscal Agent is duly organized and validly existing under the laws of the United States, having full power and being qualified to enter into, accept and agree to the provisions of the Fiscal Agent Agreement and (ii) the Fiscal Agent Agreement has been duly authorized, executed and delivered by the Fiscal Agent and, assuming due authorization, execution and delivery by the other respective parties thereto, constitute the valid and binding obligations of the Fiscal Agent enforceable in accordance with its respective terms, subject to laws relating to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases.

(9) Resolution. A certified copy of the Resolution.

(10) Legal Documents. A copy of each of the School District Documents and the Official Statement, duly executed and delivered by the respective parties thereto.

(11) Tax Certificate. A Certificate as to Arbitrage and Tax Compliance Procedures of the School District, in form satisfactory to Bond Counsel.

(12) Continuing Disclosure. A continuing disclosure undertaking of the School District substantially in the form attached as an appendix to the Official Statement.

(13) Certificate of Economic & Planning Systems. A certificate dated the Closing Date from Economic & Planning Systems to the effect that (i) the Special Tax, if collected on the property within the Community Facilities District as identified in, and in the maximum amounts permitted pursuant to the Rate and Method of Apportionment of Special Taxes, as of the Closing Date would generate at least 110% of the maximum annual debt service payable with respect to the Notes, based on such assumptions and qualifications as shall be acceptable to the Underwriter, and (ii) all information supplied by it for use in the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and the date of the Closing, is true and correct.

(14) Underwriter's Counsel Opinion. An opinion of Kutak Rock LLP, counsel for the Underwriter ("**Underwriter's Counsel**"), dated the date of the Closing, addressed to the Underwriter in form and substance acceptable to the Underwriter.

(15) CDIAC Statements. Copies of the Notices of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the California Government Code and Section 8855(g) of the California Government Code.

(16) Other Items Requested by Counsel. Such additional certificates, instruments and other documents as the Underwriter or its counsel, or Bond Counsel, may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of the representations of the School District under this Note Purchase Agreement and the due performance or satisfaction by the School District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the School District.

7. Condition to the Obligations of the School District.

(a) The Fiscal Agent Agreement, Continuing Disclosure Agreement and this Note Purchase Agreement shall have been executed and delivered by the other parties thereto.

(b) No order, decree, injunction, ruling or regulation of any court, regulatory agency, public board or body shall have been issued nor shall any legislation have been enacted with the purpose of effect, directly or indirectly, of prohibiting the offering, sale or issuance of the Notes as contemplated hereby or by the Official Statement.

(c) The Underwriter shall provide information to which it has access in its ordinary course of business that is requested by the School District for purposes of its compliance with California Government Code Section 8855.

(d) As of the Closing Date, Bond Counsel shall have delivered the opinions referred to in Section 6(f)(1) and 6(f)(2) hereof and Disclosure Counsel shall have delivered the letter referred to in Section 6(f)(3), all dated as of the Closing Date

8. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Notes if, between the date of this Note Purchase Agreement and the Closing, the market price or marketability of the Notes shall be materially adversely affected, in the reasonable judgment of the Underwriter, by the occurrence of any of the following:

(a) Legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the Legislature of the State or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation or State income taxation upon interest received on obligations of the general character of the Notes or, with respect to state taxation, of the interest on the Notes as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated herein;

(b) Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Notes, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Fiscal Agent Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Notes, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) Any state Blue Sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Notes as described herein, or issued a stop order or similar ruling relating thereto;

(d) A general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) The New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Notes or as to obligations of the general character of the Notes, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter;

(f) Any amendment to the federal or State Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the School District, its property, income, securities (or interest thereon), or the validity or enforceability of the Special Taxes to pay principal of and interest on the Notes;

(g) Any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information 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 necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) There shall have occurred any materially adverse change in the affairs or financial condition of the School District or the Community Facilities District;

(i) There shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis, or escalation thereof, the effect of which on financial markets is such as to make it, in the reasonable judgment of the Underwriter, impractical or inadvisable to proceed with the offering of the Notes as contemplated in the Official Statement;

(j) Any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) A material disruption in securities settlement, payment or clearance services affecting the Notes shall have occurred; or

(l) The purchase of and payment for the Notes by the Underwriter, or the resale of the Notes by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

9. Expenses. The costs and expenses incurred by the parties hereto with respect to the Notes and the proceedings for the sale and issuance thereof shall be paid as follows:

(a) School District. The School District acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Notes. The School District shall pay or cause to be paid (but solely from the proceeds of the Notes and not otherwise) the expenses incident to the performance of the obligations of the School District hereunder, including but not limited to:

(1) the cost of preparation and printing of the Preliminary Official Statement and the final Official Statement in reasonable quantities and all other documents (other than as set forth in subsection (b) below) prepared in connection with the transactions contemplated hereby;

(2) the fees and disbursements of the Fiscal Agent and counsel to the Fiscal Agent in connection with the issuance of the Notes;

(3) the fees and disbursements of Bond Counsel and any other experts or consultants retained by the School District in connection with the transactions contemplated hereby;

(4) the fees and expenses of disclosure counsel in connection with its preparation of the Official Statement and the rendering of its disclosure counsel letter; and

(5) the School District shall also pay for any expenses (solely by means of its being included in the expense component of the Underwriter's discount) incurred by the Underwriters which are incidental to implementing this Note Purchase Agreement and the issuance of the Notes, including, but not limited to meals, transportation and lodging, if any, and any other miscellaneous closing costs.

(b) Underwriter. The Underwriter shall pay:

(1) the cost of preparation and printing of Blue Sky and Legal Investment Memoranda if any, to be used by it;

(2) the fees and disbursements of Underwriter's Counsel;

(3) all advertising expenses in connection with the public offering of the Notes; and

(4) California Debt and Investment Advisory Commission fees.

10. Establishment of Issue Price.

(a) The Underwriter agrees to assist the School District in establishing the issue price of the Notes and shall execute and deliver to the School District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the School District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Notes.

(b) Unless otherwise set forth in Exhibit A hereto, the School District will treat the first price at which 10% of the Notes (the "**10% test**") is sold to the public as the issue price of the Notes. At or promptly after the execution of this Note Purchase Agreement, the Underwriter shall report to the School District the price at which the Underwriter has sold to the public the Notes.

Subsection (c) shall apply only if the Underwriter agrees to apply the hold-the-offering-price rule, as described below.

(c) The Underwriter confirms that it has offered the Notes to the public on or before the date of this Note Purchase Agreement at the offering price (the "**initial offering price**"), or at the corresponding yield, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Note Purchase Agreement, the maturities, if any, of the Notes for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Note Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the School District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the School District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Notes, the

Underwriter will neither offer nor sell unsold Notes of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(A) the close of the fifth (5th) business day after the sale date; or

(B) the date on which the Underwriter has sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the School District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Notes 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 third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The School District acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The School 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 third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes.

(f) The Underwriter acknowledges that sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

a. "public" means any person other than an underwriter or a related party;

b. "underwriter" means (A) any person that agrees pursuant to a written contract with the School District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes 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 Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public);

c. a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 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), (B) 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 (C) 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

d. "sale date" means the date of execution of this Note Purchase Agreement by the School District and Underwriter.

11. Notices. Any notice or other communication to be given under this Note Purchase Agreement to the School District or the Underwriter may be given by delivering the same in writing at the addresses set forth below:

If to the School District:	Western Placer Unified School District 600 Sixth Street, Suite 400 Lincoln, California 95648 Attention: Assistant Superintendent, Business & Operations
If to the Underwriter:	Hilltop Securities Inc. 2533 South Coast Highway 101, Suite 250 Cardiff by the Sea, California 92007 Attention: Todd Smith

12. Entire Agreement. This Note Purchase Agreement, when accepted by the School District, shall constitute the entire agreement between the School District and the Underwriter and is made solely for the benefit of the School District and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder by virtue hereof. All the School District's representations, warranties and agreements in this Note Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriter, (b) delivery of and payment for the Notes hereunder, and (c) any termination of this Note Purchase Agreement.

13. Counterparts. This Note Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. Reliance on Representations. The School District hereby acknowledges that the Underwriter, in executing this Note Purchase Agreement and in paying for the Notes as provided herein, is relying upon the representations of the School District set forth herein.

15. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Note Purchase Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

16. State of California Law Governs. The validity, interpretation and performance of this Note Purchase Agreement shall be governed by the laws of the State of California applicable to contracts made and performed in California.

Very truly yours,

HILLTOP SECURITIES INC.

By: _____
Director, Municipal Underwriter

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

WESTERN PLACER UNIFIED SCHOOL DISTRICT, for and on behalf of WESTERN PLACER UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2

By:_____
Authorized Officer

Time of Execution: _____ p.m. California time

[EXECUTION PAGE OF NOTE PURCHASE AGREEMENT WESTERN PLACER UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2 2020 BOND ANTICIPATION NOTES]

EXHIBIT A

ISSUE PRICE CERTIFICATE OF THE UNDERWRITER

$_____
WESTERN PLACER UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2
2020 BOND ANTICIPATION NOTES

ISSUE PRICE CERTIFICATE OF THE UNDERWRITER

The undersigned, on behalf of Hilltop Securities Inc. ("Hilltop"), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Notes").

1. Sale of the Notes. As of the date of this certificate, the first price at which at least 10% of the Notes was sold to the Public is the price listed in Schedule A.

2. Defined Terms.

(a) "Issuer" means the Western Placer Unified School District.

(b) "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.

(c) "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 Notes 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 Notes 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 Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Hilltop'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, Hilltop 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 Issuer with respect to certain of the representations set forth in the arbitrage certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Quint & Thimmig LLP, in connection with rendering its opinion that the interest on the Notes 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 Issuer from time to time relating to the Notes. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party for any other purpose.

HILLTOP SECURITIES INC., as Underwriter

By: _____

Its: _____

Dated: _____, 2020

SCHEDULE A

SALE PRICES OF THE NOTES

[PRICING TO BE ATTACHED]

FISCAL AGENT AGREEMENT

by and between

WESTERN PLACER UNIFIED SCHOOL DISTRICT

and

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

dated as of June 1, 2020

relating to:
$_____
Western Placer Unified School District
Community Facilities District No. 2
2020 Bond Anticipation Notes

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EXHIBIT A – FORM OF NOTE

FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT (the "Agreement"), dated as of June 1, 2020, is by and between the Western Placer Unified School District, a school district duly organized and existing under the laws of the State of California (the "School District") for and on behalf of the Western Placer Unified School District Community Facilities District No. 2 (the "CFD"), and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, with a corporate trust office located in San Francisco, California, as fiscal agent (the "Fiscal Agent").

RECITALS:

WHEREAS, the Board of Trustees of the School District has formed the CFD under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the California Government Code) (the "Act") and Resolution No. 02/03.35 adopted by the Board of Trustees of the School District on May 6, 2003;

WHEREAS, the Board of Trustees of the School District, as the legislative body with respect to the CFD, is authorized under the Act to incur debt to pay for the costs of facilities eligible to be financed by the CFD, and to levy special taxes on property in the CFD to repay the bonds, all pursuant to the Act;

WHEREAS, the School District expects to receive proceeds of bonds issued and to be issued by the State of California ("State School Bonds Proceeds") in order to pay costs of construction and modernization of school facilities authorized to be funded by the CFD;

WHEREAS, in order to provide funds for such costs pending receipt of State School Bond Proceeds, on June 2, 2020, the Board of Trustees of the School District adopted Resolution No. 19/20-32, which Resolution authorized the issuance of the Western Placer Unified School District Community Facilities District No. 2 2020 Bond Anticipation Notes (the "Notes") pursuant to the Act and authorized the execution of this Agreement;

WHEREAS, it is in the public interest and for the benefit of the School District and the CFD that the School District enter into this Agreement to provide for the issuance of the Notes, the disbursement of proceeds of the Notes and the administration and payment of the Notes; and

WHEREAS, the School District has determined that all things necessary to cause the Notes, when issued by the School District for the CFD, authenticated by the Fiscal Agent, and otherwise issued as in the Act, the Resolution and this Agreement provided, to be legal, valid and binding and limited obligations of the School District for the CFD in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Notes, subject to the terms hereof, have in all respects been duly authorized.

AGREEMENT:

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Agreement. This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. Agreement for Benefit of Noteowners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the School District shall be for the equal benefit, protection and security of the Owners. All of the Notes shall be of equal rank without preference, priority or distinction of any of the Notes over any other thereof, except as expressly provided in or permitted by this Agreement. Any action by any Owner to enforce the provisions of this Agreement shall be for the equal benefit and protection of all Owners of the Notes.

The Fiscal Agent may become an Owner of any of the Notes in its own name or in any other capacity with the same rights it would have if it were not the Fiscal Agent.

Section 1.03. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All references herein to "Articles", "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 et seq. of the California Government Code.

"Additional Bonds" means any bonds issued by the School District to comply with Section 5.08.

"Administrative Expenses" means costs directly related to the administration of the CFD consisting of the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Finance Officer or designee thereof or both) and the costs of collecting the Special Taxes (whether by the County, the School District or otherwise); the costs of remitting the Special Taxes to the Fiscal Agent; fees and costs of the Fiscal Agent (including its legal counsel) in the discharge of the duties required of it under this Agreement; the costs of the School District or any designee of the School District of complying with the disclosure provisions of the Act, the Continuing Disclosure Agreement, and this Agreement, including those related to public inquiries regarding the Special Tax and disclosures to Noteowners and the Original Purchaser; the costs of the School District or any designee of the School District related to an appeal of the Special Tax; any amounts required to be rebated to the federal government in order for the School District to comply with Section 6.02; administrative costs related to any joint community facilities agreement regarding the CFD, an allocable share of the salaries of School District staff directly related to the foregoing and a proportionate amount of School District

general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by the School District for any administrative purpose of the CFD, including costs related to prepayments of Special Taxes, recordings related to such prepayments and satisfaction of Special Taxes, amounts advanced to ensure compliance with Section 6.02, and costs incurred in connection with the collection of delinquent Special Taxes.

"Agreement" means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

"Auditor" means the auditor/tax collector of the County, or such other official at the County who is responsible for preparing property tax bills.

"Authorized Amount" shall mean _____ Million Dollars ($_____), the authorized principal amount of the Notes.

"Authorized Officer" means the President of the Board of Trustees, the Superintendent, the Assistant Superintendent, Business & Operations or any other officer or employee of the School District authorized by the Board of Trustees of the School District or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

"Board of Trustees" means the Board of Trustees of the School District.

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Principal Office is located are authorized or obligated by law or executive order to be closed.

"CDIAC" means the California Debt and Investment Advisory Commission of the office of the State Finance Officer of the State of California or any successor agency or bureau thereto.

"CFD" means the Western Placer Unified School District Community Facilities District No. 2, formed pursuant to the Act and the Resolution of Formation.

"Capitalized Interest Account" means the account by that name established within the Note Payment Fund by Section 4.02(A) hereof.

"Clerk of the Board" means the Clerk of the Board of Trustees of the School District.

"Closing Date" means June __, 2020, being the date upon which there is a physical delivery of the Notes in exchange for the amount representing the purchase price of the Notes.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Notes or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Notes, together with the Regulations.

"Community Facilities Fund" means the Community Facilities District No. 2 Community Facilities Fund, established pursuant to Section 3.06(A) hereof.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, executed by the School District and Capitol Public Finance Group, LLC, as the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means items of expense payable or reimbursable directly or indirectly by the School District and related to the authorization, sale and issuance of the Notes, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Fiscal Agent including its first annual administration fee, fees and expenses of Fiscal Agent's counsel, expenses incurred by the School District in connection with the issuance of the Notes, special tax consultant fees and expenses, underwriter's discount, legal fees and charges, including School District counsel, Note Counsel and disclosure counsel, municipal advisor fees and expenses, municipal advisor fees, charges for execution, transportation and safekeeping of the Notes and other costs, charges and fees in connection with the foregoing.

"Costs of Issuance Fund" means the fund by that name established by Section 3.05(A) hereof.

"County" means the County of Placer, California.

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

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.13.

"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 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 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 Code, or (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.

"Federal Securities" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent, as shall be certified in an Officer's Certificate to the Fiscal Agent: direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the

payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as "stripped" obligations and coupons.

"Finance Officer" means the Assistant Superintendent, Business & Operations of the School District, or such other officer of the School District identified in writing to the Fiscal Agent who acts as chief financial officer of the School District.

"Fiscal Agent" means the Fiscal Agent appointed by the School District and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01.

"Fiscal Year" means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

"Independent Financial Consultant" means any consultant or firm of such consultants appointed by the School District or any Authorized Officer, and who, or each of whom: (i) has experience in matters relating to the issuance and/or administration of bonds under the Act; (ii) is in fact independent and not under the domination of the School District; (iii) does not have any substantial interest, direct or indirect, with or in the School District, or any owner of real property in the CFD, or any real property in the CFD; and (iv) is not connected with the School District as an officer or employee of the School District, but who may be regularly retained to make reports to the School District.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board, (at http://emma.msrb.org); and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such services providing information with respect to called bonds as the School District may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Interest Payment Dates" means June 1 and December 1 of each year, commencing December 1, 2020.

"Moody's" means Moody's Investors Service, Inc., and any successor thereto.

"Note Counsel" means (i) Quint & Thimmig LLP, or (ii) any attorney or other firm of attorneys acceptable to the School District and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Note Payment Fund" means the fund by that name established by Section 4.02(A) hereof.

"Note Register" means the books for the registration and transfer of Notes maintained by the Fiscal Agent under Section 2.08 hereof.

"Note Year" means the one-year period beginning on June 2nd in each year and ending on the following June 1st, except that the first Note Year shall begin on the Closing Date and end on June 1, 2021.

"Notes" means the Western Placer Unified School District Community Facilities District No. 2 2020 Bond Anticipation Notes at any time Outstanding under this Agreement or any Supplemental Agreement.

"Officer's Certificate" means a written certificate of the School District signed by an Authorized Officer.

"Ordinance" means any ordinance of the School District levying the Special Taxes.

"Original Purchaser" means Hilltop Securities Inc., being the first purchaser of the Notes from the School District.

"Outstanding", when used as of any particular time with reference to Notes, means (subject to the provisions of Section 8.04) all Notes except: (i) Notes theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Notes paid or deemed to have been paid within the meaning of Section 9.03; and (iii) Notes in lieu of or in substitution for which other Notes shall have been authorized, executed, issued and delivered by the School District pursuant to this Agreement or any Supplemental Agreement.

"Owner" or "Noteowner" means any person who shall be the registered owner of any Outstanding Note.

"Permitted Investments" means the following, but only to the extent that the same are acquired at Fair Market Value and, if with respect to an investment of amounts held by the School District, are otherwise eligible legal investments of the School District:

(a) Federal Securities, and direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC); obligations of the Resolution Funding Corporation (REFCORP); and senior debt obligations of the Federal Home Loan Bank System;

(b) time certificates of deposit or negotiable certificates of deposit issued by a state or nationally chartered bank or trust company which may include the Fiscal Agent and its affiliates, or a state or federal savings and loan association; provided, that the certificates of deposit shall be one or more of the following: continuously and fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, and/or continuously and fully secured by securities described in paragraph (a) of this definition of Permitted Investments which shall have a market value, as determined on a marked-to-market basis calculated at least weekly, and exclusive of accrued interest, of not less than 102 percent of the principal amount of the certificates on deposit;

(c) investments in a money market fund (including any funds of the Fiscal Agent or its affiliates and including any funds for which the Fiscal Agent or its affiliates provides investment advisory or other management services) rated in the highest rating category (without regard to plus (+) or minus (-) designations) by Moody's or S&P;

(d) the Local Agency Investment Fund of the State Finance Officer of the State of California as administered by the State Finance Officer pursuant to Section 16429.1 of the California Government Code; and

(e) any other lawful investment for School District funds.

"Person" or "person" means an individual, a corporation, a partnership, a limited partnership, a limited liability company, a limited liability partnership, a trust, an unincorporated organization or a government or any agency or political subdivision thereof.

"Principal Office" means the corporate trust office of the Fiscal Agent as identified pursuant to Section 9.06 hereof; provided, however, for the purpose of maintenance of the Registration Books and surrender of Notes for payment, transfer or exchange such term means the office at which the Fiscal Agent conducts its corporate agency business, or such other or additional offices as may be designated by the Fiscal Agent.

"Proceeds" when used with reference to the Notes, means the initial principal amount of the Notes.

"Project" means the School District facilities eligible to be funded by the CFD, as described in the Resolution of Intention, and as may thereafter be modified in accordance with proceedings conducted under the Act.

"Project Fund" means the fund by that name created by and held by the School District pursuant to Section 3.03(A) hereof.

"Rate and Method of Apportionment of Special Taxes" means the rate and method of apportionment of special taxes for the CFD, as approved pursuant to the Resolution of Formation, and as may thereafter be modified in accordance with proceedings conducted under the Act.

"Record Date" means the fifteenth day of the month next preceding the month of the applicable Interest Payment Date, whether or not such fifteenth day is a Business Day.

"Registration Books" means the records maintained by the Fiscal Agent pursuant to Section 2.08 for the registration and transfer of ownership of the Notes.

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Resolution" means Resolution No. 19/20.32, adopted by the Board of Trustees on June 2, 2020, authorizing the issuance of the Notes.

"Resolution of Formation" means Resolution No. 02/03.35, adopted by the Board of Trustees on May 6, 2003.

"Resolution of Intention" means Resolution No. 02/03.32, adopted by the Board of Trustees on April 1, 2003.

"S&P" means Standard & Poor's Ratings Services, a division of McGraw-Hill Financial, Inc., and any successor thereto.

"School District" means the Western Placer Unified School District.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, 1SL, New York, New York 10041-0099, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the School District may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Special Tax Fund" means the fund by that name established by Section 3.04(A) hereof.

"Special Tax Prepayments" means the proceeds of any prepayments of Special Tax received by the School District, as calculated pursuant to the Rate and Method of Apportionment of the Special Taxes, less any administrative fees or penalties collected as part of any such prepayment.

"Special Tax Prepayments Account" means the account by that name within the Note Payment Fund established by Section 4.02(A) hereof.

"Special Tax Revenues" means the proceeds of the Special Taxes received by the School District, including any scheduled payments and any prepayments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon. "Special Tax Revenues" does not include interest and penalties, if any, collected with the Special Taxes that are in excess of the rate of interest payable on the Notes.

"Special Taxes" means the special taxes levied within the CFD pursuant to the Act, the Ordinance and this Agreement.

"Supplemental Agreement" means an agreement the execution of which is authorized by a resolution which has been duly adopted by the Board of Trustees under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

"Tax Consultant" means Economic and Planning Systems, Inc., or any another independent financial or tax consultant retained by the School District for the purpose of computing the Special Taxes.

ARTICLE II

THE NOTES

Section 2.01. Principal Amount; Designation. Notes in the aggregate principal amount of _____ Million Dollars ($_____) are hereby authorized to be issued by the School District for the CFD under and subject to the terms of the Resolution and this Agreement, the Act and other applicable laws of the State of California. The Notes shall be designated the "Western Placer Unified School District Community Facilities District No. 2 2020 Bond Anticipation Notes."

Section 2.02. Terms of Notes.

(A) Form; Denominations. The Notes shall be issued as fully registered Notes without coupons in the denomination of $5,000 or any integral multiple in excess thereof.

(B) Date of Notes. The Notes shall be dated the Closing Date.

(C) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the Notes, but such numbers shall not constitute a part of the contract evidenced by the Notes and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Notes. In addition, failure on the part of the School District or the Fiscal Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the School District's contract with such Owners and shall not impair the effectiveness of any such notice.

(D) Maturities, Interest Rates. The Notes shall mature on June 1, 2025, and shall bear interest at the rate of _____% per annum.

(E) Interest. The Notes shall bear interest at the rate set forth in Section 2.02(D) above payable on the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Note shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Note, interest is in default thereon, such Note shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(F) Method of Payment. Interest on the Notes (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on the Interest Payment Dates by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the Registration Books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer (i) to the

Depository (so long as the Notes are in book-entry form pursuant to Section 2.13), or (ii) to an account within the United States made on such Interest Payment Date upon written instructions of any Owner of all of the Outstanding Notes, or portion thereof in at least $1,000,000 principal amount, which instructions shall continue in effect until revoked in writing, or until such Notes are transferred to a new Owner. The principal of the Notes is payable by check or wire transfer, if applicable, in lawful money of the United States of America upon surrender of the Notes at the Principal Office of the Fiscal Agent. All Notes paid by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Notes and issue a certificate of destruction thereof to the School District upon the School District's request.

Section 2.03. Redemption.

(A) Optional Redemption and Redemption From Special Tax Prepayments. The Notes in principal amounts of $5,000 or any integral multiple thereof are subject to optional redemption from moneys available from any source, and to redemption from prepayments of Special Taxes, in each case prior to their stated maturity, on any date on or after June 1, 2023, as a whole, or in part by lot, at a redemption price equal to the principal amount of the Notes to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

(B) Notice to Fiscal Agent. The School District shall give the Fiscal Agent written notice of its intention to redeem Notes pursuant to subsection (A) above not less than forty-five (45) days prior to the applicable redemption date, or such lesser number of days as the Fiscal Agent shall allow.

(C) Priority of Redemption. Whenever provision is made in this Agreement for the redemption of less than all of the Notes, the Fiscal Agent shall select the Notes to be redeemed, from all Notes or such given portion thereof not previously called for redemption, by lot, in any manner which the Fiscal Agent in its sole discretion shall deem appropriate and fair.

(D) Purchase of Notes in lieu of Redemption. In lieu of redemption under Section 2.03(A) above, moneys in the Note Payment Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Notes, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase prior to the selection of Notes for redemption, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Notes be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

(E) Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services (or by such other means as permitted by such services), and to the registered Owners of any Notes designated for redemption, at their addresses appearing on the Note registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Notes. In any event, notice of any redemption may be waived by the Owners of the Notes to be redeemed.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Notes are to be called for redemption, shall designate the CUSIP numbers of the Notes to be redeemed, and the Note numbers of the Notes to be redeemed by giving the individual CUSIP number and Note number of each Note to be redeemed or shall state that all Notes between two stated Note numbers, both inclusive, are to be redeemed, shall state as to any Note called in part the principal amount thereof to be redeemed, and shall require that such Notes be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Notes will not accrue from and after the redemption date.

Notwithstanding the foregoing, in the case of any optional redemption of the Notes under Section 2.03(A) above, the notice of redemption may state that the redemption is conditioned upon receipt by the Fiscal Agent of sufficient moneys to redeem the Notes on the anticipated redemption date, and that the optional redemption shall not occur if by no later than the scheduled redemption date sufficient moneys to redeem the Notes have not been deposited with the Fiscal Agent. In the event that the Fiscal Agent does not receive sufficient funds by the scheduled optional redemption date to so redeem the Notes to be optionally redeemed, the Fiscal Agent shall send written notice to the owners of the Notes called for redemption, to the Securities Depositories and to one or more Information Services to the effect that the redemption did not occur as anticipated, and the Notes for which notice of optional redemption was given shall remain Outstanding for all purposes of this Agreement.

Upon surrender of Notes redeemed in part only, the School District shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the School District, a new Note or Notes, of the same series, in a principal amount equal to the unredeemed portion of the Note or Notes.

(F) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Notes so called for redemption shall have been deposited in the Note Payment Fund, such Notes so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Notes redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Notes and, upon written request of the School District, issue a certificate of destruction thereof to the School District.

Section 2.04. Form of Notes. The Notes, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution and the Act.

Section 2.05. Execution of Notes. The Notes shall be executed on behalf of the School District by the facsimile signatures of the President of the Board of Trustees and the Clerk of the

Board who are in office on the date of execution of this Agreement or at any time thereafter. If any officer whose signature appears on any Note ceases to be such officer before delivery of the Notes to the owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Notes to the owner. Any Note may be signed and attested on behalf of the School District by such persons as at the actual date of the execution of such Note shall be the proper officers of the School District although at the nominal date of such Note any such person shall not have been such officer of the School District.

Only such Notes as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A executed manually and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of authentication of the Fiscal Agent shall be conclusive evidence that the Notes registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

Section 2.06. Transfer of Notes. Any Note may, in accordance with its terms, be transferred, upon the Registration Books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent.

The cost for any services rendered or any expenses incurred by the Fiscal Agent or the School District in connection with any transfer of Notes shall be an Administrative Expense. The Fiscal Agent also shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Note or Notes shall be surrendered for transfer, the School District shall execute and the Fiscal Agent shall authenticate and deliver a new Note or Notes, for like aggregate principal amount.

No transfers of Notes shall be required to be made (i) fifteen days prior to the date established by the Fiscal Agent for selection of Notes for redemption, or (ii) with respect to a Note after such Note has been selected for redemption.

Section 2.07. Exchange of Notes. Notes may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Notes of authorized denominations (being $5,000 principal amount and any integral multiple in excess thereof), and of the same series and maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the School District and shall be an Administrative Expense. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Notes shall be required to be made (i) fifteen days prior to the date established by the Fiscal Agent for selection of Notes for redemption, or (ii) with respect to a Note after such Note has been selected for redemption.

Section 2.08. Note Register. The Fiscal Agent will keep or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Notes which books shall show the series, number, date, amount, rate of interest and last known owner of each Note and shall at all times be open to inspection by the School District during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Notes as hereinbefore provided.

The School District and the Fiscal Agent will treat the Owner of any Note whose name appears on the Note Register as the absolute Owner of such Note for any and all purposes, and the School District and the Fiscal Agent shall not be affected by any notice to the contrary. The School District and the Fiscal Agent may rely on the address of any Noteowner as it appears in the Note Register for any and all purposes.

Section 2.09. Temporary Notes. The Notes may be initially issued in temporary form exchangeable for definitive Notes when ready for delivery. The temporary Notes may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the School District, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Note shall be executed by the School District upon the same conditions and in substantially the same manner as the definitive Notes. If the School District issues temporary Notes it will execute and furnish definitive Notes without delay and thereupon the temporary Notes shall be surrendered, for cancellation, in exchange for the definitive Notes at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Notes an equal aggregate principal amount of definitive Notes. Until so exchanged, the temporary Notes shall be entitled to the same benefits under to this Agreement as definitive Notes authenticated and delivered hereunder.

Section 2.10. Notes Mutilated, Lost, Destroyed or Stolen. If any Note shall become mutilated, the School District, at the expense of the Owner of said Note, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Note of like tenor and principal amount in exchange and substitution for the Note so mutilated, but only upon surrender to the Fiscal Agent of the Note so mutilated. Every mutilated Note so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent.

If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence is reasonably satisfactory to the Fiscal Agent and indemnity for the School District and the Fiscal Agent reasonably satisfactory to the Fiscal Agent shall be given, the School District, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Note of like tenor and principal amount in lieu of and in substitution for the Note so lost, destroyed or stolen. The School District may require payment of a sum not exceeding the actual cost of preparing each new Note delivered under this Section and of the expenses which may be incurred by the School District and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Note delivered under the provisions of this Section in lieu of any Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the School District whether or not the Note so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be

equally and proportionately entitled to the benefits of this Agreement with all other Notes issued pursuant to this Agreement.

Section 2.11. Limited Obligation. All obligations of the School District under this Agreement and the Notes shall be limited obligations of the School District, payable solely from the Special Tax Revenues, the funds pledged therefor hereunder, and the proceeds of Additional Bonds as described in Section 5.08. The faith and credit of the School District, or the State of California or any political subdivision thereof, are not pledged to the payment of the Notes.

Section 2.12. No Acceleration. The principal of the Notes shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the prepayment or redemption of Notes under Section 2.03 hereof, or the defeasance of the Notes and discharge of this Agreement under Section 9.03 hereof.

Section 2.13. Book-Entry Only System. DTC shall act as the initial Depository for the Notes. One Note for the sole maturity of the Notes shall be initially executed, authenticated, and delivered as set forth herein with a separate fully registered certificate (in print or typewritten form). Upon initial execution, authentication, and delivery, the ownership of the Notes shall be registered in the Registration Books kept by the Fiscal Agent for the Notes in the name of Cede & Co., as nominee of DTC or such nominee as DTC shall appoint in writing.

The representatives of the School District and the Fiscal Agent are hereby authorized to take any and all actions as may be necessary and not inconsistent with this Agreement to qualify the Notes for the Depository's book-entry system, including the execution of the Depository's required representation letter.

With respect to Notes registered in the Registration Books in the name of Cede & Co., as nominee of DTC, neither the School District nor the Fiscal Agent shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds Notes as Depository from time to time (the "DTC Participants") or to any person for which a DTC Participant acquires an interest in the Notes (the "Beneficial Owners"). Without limiting the immediately preceding sentence, neither the School District nor the Fiscal Agent shall have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Notes, (ii) the delivery to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any notice with respect to the Notes, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Notes to be redeemed in the event the School District elects to redeem the Notes in part, (iv) the payment to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any amount with respect to the principal of or interest on the Notes, or (v) any consent given or other action taken by the Depository as Owner of the Notes; except that so long as any Note is registered in the name of Cede & Co., as nominee of DTC, any Beneficial Owner of $1,000,000 or more in aggregate principal amount of any series of Notes who has filed a written request to receive notices, containing such Beneficial Owner's name and address, with the Fiscal Agent shall be provided with all notices relating to such Notes by the Fiscal Agent.

Except as set forth above, the Fiscal Agent may treat as and deem DTC to be the absolute Owner of each Note for which DTC is acting as Depository for the purpose of payment of the principal of and interest on such Notes, for the purpose of giving notices of redemption and other matters with respect to such Notes, for the purpose of registering transfers with respect to such Notes, and for all purposes whatsoever. The Fiscal Agent shall pay all principal of and interest on the Notes only to or upon the order of the Owners as shown on the Registration Books, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to the principal of and interest on the Notes to the extent of the sums or sums so paid.

No person other than an Owner, as shown on the Registration Books, shall receive a physical Note. Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.06 hereof, references to "Cede & Co." in this Section 2.13 shall refer to such new nominee of DTC.

DTC may determine to discontinue providing its services with respect to the Notes at any time by giving written notice to the Fiscal Agent during any time that the Notes are Outstanding, and discharging its responsibilities with respect thereto under applicable law. The School District may terminate the services of DTC with respect to the Notes if it determines that DTC is unable to discharge its responsibilities with respect to the Notes or that continuation of the system of book-entry transfers through DTC is not in the best interest of the Beneficial Owners, and the School District shall mail notice of such termination to the Fiscal Agent.

Upon the termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository willing to undertake the functions hereunder can be found which is willing and able to undertake such functions upon reasonable or customary terms, or if the School District determines that it is in the best interest of the Beneficial Owners of the Notes that they be able to obtain certificated Notes, the Notes shall no longer be restricted to being registered in the Registration Books of the Fiscal Agent in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or name the Owners shall designate at that time, in accordance with Section 2.06.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 2.06 the Notes will be delivered to such Beneficial Owners as soon as practicable.

ARTICLE III

ISSUANCE OF NOTES

Section 3.01. Issuance and Delivery of Notes. At any time after the execution of this Agreement, the School District may issue the Notes for the CFD in an aggregate principal amount up to the Authorized Amount, and deliver the Notes to the Original Purchaser. The Authorized Officers of the School District are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Notes in accordance with the provisions of the Act, the Resolution and this Agreement, to authorize the payment of Costs of Issuance and costs of the Project from the proceeds of the Notes and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Notes to the Original Purchaser.

The validity of the authorization and issuance of the Notes shall not be dependent upon the performance by any person of his obligation with respect to the Project.

Section 3.02. Application of Proceeds of Sale of Notes. The proceeds of the purchase of the Notes by the Original Purchaser (being $_____) shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows (for record keeping purposes, the Fiscal Agent may establish such accounts as may be necessary to reflect such transfer of proceeds):

(A) Deposit $_____ in the Capitalized Interest Account of the Note Payment Fund (being an amount equal to capitalized interest on the Notes to and including June __, 2022).

(B) Deposit $_____ in the Costs of Issuance Fund.

(C) Transfer $_____ to the School District for deposit by the School District in the Project Fund.

Section 3.03. Project Fund.

(A) Establishment of Project Fund. There is hereby established as a separate fund to be held by the School District, the Western Placer Unified School District Community Facilities District No. 2 Project Fund (the "Project Fund"). A deposit shall be made to the Project Fund as required by Section 3.02(C). Moneys in the Project Fund shall be held by the School District for the benefit of the School District, and shall be disbursed for the payment or reimbursement of costs of the Project.

(B) Procedure for Disbursement. Disbursements from the Project Fund shall be made by the School District upon receipt of an Officer's Certificate, which shall: (a) set forth the amount required to be disbursed, the purpose for which the disbursement is to be made, that the disbursement is a proper expenditure from the Project Fund, and the person to which the

disbursement is to be paid; and (b) certify that no portion of the amount then being requested to be disbursed was set forth in any Officer's Certificate previously filed requesting a disbursement.

(C) Investment. Moneys in the Project Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits from the investment and deposit of amounts in the Project Fund shall be retained in the Project Fund to be used for the purposes of the Project Fund.

(D) Closing of Fund. Upon a determination by the School District to the effect that all costs of the Project to be funded from amounts in the Project Fund have been completed or that no further withdrawals will be made from the Project Fund, any amounts remaining on deposit in the Project Fund shall be transferred by the School District to the Community Facilities Fund to be used for the purposes of such fund, prior to the use of any funds already on deposit therein. When no amounts remain on deposit in the Project Fund, the Project Fund shall be closed.

Section 3.04. Special Tax Fund.

(A) Establishment of Special Tax Fund; Deposits of Special Tax Revenues. There is hereby established as a separate fund to be held by the Finance Officer, the Community Facilities District No. 2 Special Tax Fund (the "Special Tax Fund"), to the credit of which the School District shall deposit the Special Tax Revenues.

Notwithstanding the foregoing, (i) any Special Tax Revenues constituting payment of the portion of the Special Tax levy for Administrative Expenses shall be separately identified by the Finance Officer and shall be deposited in the Community Facilities Fund; (ii) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes shall be separately identified by the Finance Officer and shall be disposed of first, for transfer to the Note Payment Fund to pay any past due debt service on the Notes, and second to be held in the Special Tax Fund for use as described in Section 3.04(B) below; (iii) any proceeds of Special Tax Prepayments shall be separately identified by the Finance Officer and shall be remitted to the Fiscal Agent and deposited by the Fiscal Agent directly in the Special Tax Prepayments Account established pursuant to Section 4.02(A); and (iv) any Special Tax Revenues constituting the portion, if any, of the Special Taxes that is to pay directly for the acquisition or construction of any portion of the Project shall be separately identified by the Finance Officer and shall be deposited in the Community Facilities Fund.

Moneys in the Special Tax Fund shall be held by the Finance Officer for the benefit of the School District and the Owners of the Notes, shall be disbursed as provided below and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Notes and the School District.

(B) Disbursements. On the Business Day prior to each Interest Payment Date, the Finance Officer shall withdraw from the Special Tax Fund and transfer (i) to the Fiscal Agent for deposit by the Fiscal Agent in the Note Payment Fund an amount, taking into account any amounts then on deposit in the Note Payment Fund and any expected transfers from the Project Fund, the Capitalized Interest Account and the Special Tax Prepayments Account to the Note Payment Fund pursuant to Sections 4.02(B)(ii) and (iii), such that the amount in the Note Payment Fund

equals the principal, if any, and interest due on the Notes on such Interest Payment Date; provided that no such transfers shall exceed the amount then available to be transferred from the Special Tax Fund, and (ii) following the foregoing transfer, to the Community Facilities Fund all other amounts then on deposit in the Special Tax Fund.

(C) Investment. Moneys in the Special Tax Fund shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from investment of amounts in the Special Tax Fund shall be retained in the Special Tax Fund to be used for the purposes thereof.

Section 3.05. Costs of Issuance Fund.

(A) Establishment of Costs of Issuance Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the Community Facilities District No. 2 2020 Bond Anticipation Notes Costs of Issuance Fund (the "Costs of Issuance Fund"), to the credit of which a deposit shall be made as required by Section 3.02(B). Moneys in the Costs of Issuance Fund shall be held by the Fiscal Agent and shall be disbursed as provided in subsection (B) of this Section for the payment or reimbursement of Costs of Issuance.

(B) Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in a requisition containing respective amounts to be paid to the designated payees, signed by the Finance Officer and delivered to the Fiscal Agent concurrently with the delivery of the Notes. The Fiscal Agent shall pay all Costs of Issuance upon receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such requisition, or upon receipt of an Officer's Certificate requesting payment of a Cost of Issuance not listed on the initial requisition delivered to the Fiscal Agent on the Closing Date. Each such Officer's Certificate shall be sufficient evidence to the Fiscal Agent of the facts stated therein and the Fiscal Agent shall have no duty to confirm the accuracy of such facts. The Fiscal Agent shall maintain the Cost of Issuance Fund for a period of six months from the date of delivery of the Notes and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the School District for deposit by the School District to the Community Facilities. The School District shall use any funds so transferred to the Community Facilities Fund for purposes of such fund prior to the use of any other funds therein.

(C) Investment. Moneys in the Cost of Issuance Fund shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the Cost of Issuance Fund to be used for the purposes of such fund.

Section 3.06. Community Facilities Fund.

(A) Establishment of Community Facilities Fund. There is hereby established as a separate fund to be held by the School District, the Community Facilities District No. 2 Community Facilities Fund, to the credit of which the School District shall deposit funds pursuant to clauses (i) and (iv) of the second paragraph of Section 3.04(A), Section 3.04(B), and Section 3.05. Moneys in the Community Facilities Fund shall be held by the School District for its benefit, and shall be disbursed as provided below.

(B) Disbursement. Amounts in the Community Facilities Fund shall be withdrawn by the School District upon receipt by the School District of an Officer's Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense, to pay for costs of the Project or for any other lawful purpose of the CFD, and the nature of such Administrative Expense, cost or other purpose. Amounts transferred to the Community Facilities Fund pursuant to Section 3.05(B) shall be used for purposes of such fund prior to using other available amounts therein.

(C) Investment. Moneys in the Community Facilities Fund shall be invested by the School District in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the School District in the Community Facilities Fund to be used for the purposes of such fund.

Section 3.07. Validity of Notes. The validity of the authorization and issuance of the Notes shall not be dependent upon the performance by any person of his obligation with respect to the Project.

ARTICLE IV

SPECIAL TAX REVENUES AND NOTE PAYMENT FUND

Section 4.01. Pledge of Special Tax Revenues. The Notes shall be secured by a first pledge of (A) all of the Special Tax Revenues and all moneys deposited in the Note Payment Fund (including the Special Tax Prepayments Account and the Capitalized Interest Account therein), and, until disbursed as provided herein, in the Special Tax Fund; and (B) proceeds of Additional Bonds, if any are issued to comply with Section 5.08. The Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided herein) are hereby pledged to the payment of the principal of, and interest on, the Notes as provided herein and in the Act until all of the Notes have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 9.03.

Amounts in the Community Facilities Fund, the Costs of Issuance Fund and the Project Fund are not pledged to the repayment of the Notes. The facilities financed with the proceeds of the Notes are not in any way pledged to pay the debt service on the Notes. Any proceeds of condemnation or destruction of any facilities financed with the proceeds of the Notes are not pledged to pay the debt service on the Notes and are free and clear of any lien or obligation imposed hereunder.

Section 4.02. Note Payment Fund.

(A) Establishment of Note Payment Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the Community Facilities District No. 2 Note Payment Fund, to the credit of which deposits shall be made as required by Section 3.03(D), and Sections 3.04(A) and (B), and any other amounts required to be deposited therein by this Agreement or the Act, and within said fund a Special Tax Prepayments Account to the credit of which deposits shall be made as required by Section 3.04(A). There is also hereby created in the Note Payment Fund, a separate account held by the Fiscal Agent, the Capitalized Interest Account, to the credit of which a deposit shall be made as required by Section 3.02(A). Moneys in the Note Payment Fund and the accounts therein shall be held by the Fiscal Agent for the benefit of the Owners of the Notes, shall be disbursed for the payment of the principal of, and interest on, the Notes as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Notes.

(B) Disbursements. (i) Note Payment Fund Disbursements. On each Interest Payment Date, and following any transfers required pursuant to Section 4.02(B)(ii) and (iii) in connection with such Interest Payment Date, the Fiscal Agent shall withdraw from the Note Payment Fund and pay to the Owners of the Notes the principal and interest then due and payable on the Notes, including any amounts due on the Notes by reason of a redemption of the Notes required by Section 2.03(A), such payments to be made in the priority listed in the succeeding paragraph. Notwithstanding the foregoing, amounts in the Note Payment Fund as a result of a transfer pursuant to clause (ii) of the second paragraph of Section 3.04(A) shall be immediately disbursed by the Fiscal Agent to pay past due amounts owing on the Notes.

If, after the foregoing transfers, there are insufficient funds in the Note Payment Fund to make the payments provided for in the first sentence of the preceding paragraph, the Fiscal Agent shall apply the available funds first to the payment of interest on the Notes, then to the payment of principal due on the Notes. Any payment of principal on the Notes not made in full as scheduled shall continue to bear interest at the interest rate on the Notes until paid.

(ii) Special Tax Prepayments Account Disbursements. Moneys in the Special Tax Prepayments Account shall be transferred by the Fiscal Agent to the Note Payment Fund on the next date for which notice of redemption of Notes under Section 2.03(A) can timely be given pursuant to Section 2.03(E), and notice to the Fiscal Agent can timely be given under Section 2.03(B), and shall be used to redeem Notes on the redemption date selected in accordance with Section 2.03.

(iii) Capitalized Interest Account Disbursements. Moneys in the Capitalized Interest Account shall be transferred to the Note Payment Fund (a) on the Business Day prior to each Interest Payment Date occurring on and prior to June 1, 2022 in an amount equal to the amount of the interest on the Notes due on the respective Interest Payment Date; and (b) on December 1, 2022 in an amount equal to all remaining funds on deposit in the Capitalized Interest Account. When no amounts remain on deposit in such account, the Capitalized Interest Account shall be closed.

(C) Investment. Moneys in the Note Payment Fund, the Capitalized Interest Account and the Special Tax Prepayments Account shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from investment of amounts in the Note Payment Fund, the Capitalized Interest Account and the Special Tax Prepayments Account shall be retained in the Note Payment Fund, the Capitalized Interest Account and the Special Tax Prepayments Account, respectively, to be used for the purposes of such fund and accounts as applicable.

(D) State Reporting. If at any time the Fiscal Agent fails to pay in full the principal and interest due on any scheduled payment date for the Notes, the Fiscal Agent shall notify the School District and the Finance Officer in writing of such failure, and the Finance Officer shall notify CDIAC of such failure within 10 days of the failure to make such payment.

(E) Closing of Note Fund. If, after payment in full of the Notes, any amounts remain on deposit in the Note Repayment Fund, such amounts shall be transferred by the Fiscal Agent to the School District for deposit into the Community Facilities Fund and the Note Payment Fund shall be closed.

ARTICLE V

OTHER COVENANTS OF THE AUTHORITY

Section 5.01. Punctual Payment. The School District will punctually pay or cause to be paid the principal of and interest on the Notes when and as due in strict conformity with the terms of this Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and all Supplemental Agreements and of the Notes.

Section 5.02. Limited Obligation. The Notes are limited obligations of the School District on behalf of the CFD and are payable solely from and secured solely by the Special Tax Revenues, the amounts in the Note Payment Fund (including the Special Tax Prepayments Account and the Capitalized Interest Account therein) and the Special Tax Fund, and proceeds of Additional Bonds.

Section 5.03. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the School District shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Notes and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the School District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Notes then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Against Encumbrances. The School District will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Notes superior to or on a parity with the pledge and lien herein created for the benefit of the Notes, except as permitted by this Agreement.

Section 5.05. Books and Records. The School District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the School District, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Community Facilities Fund, the Special Tax Fund and the Project Fund, and to the Special Tax Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Fiscal Agent and the Owners of not less than ten percent (10%) of the principal amount of the Notes then Outstanding, or their representatives duly authorized in writing.

Section 5.06. Protection of Security and Rights of Owners. The School District will preserve and protect the security of the Notes and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Notes by the School District, the Notes shall be incontestable by the School District.

Section 5.07. Compliance with Law. The School District will comply with all applicable provisions of the Act in administering the CFD and completing the funding of the Project; provided that the School District shall have no obligation to advance any of its own funds for any purpose whatsoever under this Agreement or otherwise with respect to the Notes.

Section 5.08. Obligation to Issue Refunding Obligations. Not later than July 1, 2024, the School District shall institute proceedings for the issuance and sale of Additional Bonds in a principal amount sufficient to pay the full amount of principal of and interest on the Outstanding Notes coming due and payable on their maturity date. If the Notes have not theretofore been paid in full or otherwise defeased, the School District shall complete such proceedings and issue Additional Bonds on or before the maturity date of the Notes in a principal amount as necessary to repay the Notes in full at their maturity.

Upon the issuance of such Additional Bonds by the School District, the School District shall deposit proceeds thereof in the Note Repayment Fund in an amount sufficient to pay the principal of and interest on the Notes at their maturity taking into account any amounts then on deposit in the Note Repayment Fund.

It is hereby acknowledged that the Resolution authorized the issuance of the Additional Bonds for the aforesaid purpose.

If for any reason the School District is not in a position to issue Additional Bonds in the full amount necessary to comply with the foregoing, it shall repay the Notes from available Special Tax Revenues.

Section 5.09. Collection of Special Tax Revenues. The School District shall comply with the provisions of this Section 5.09, including that the School District comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or about July 1 of each year, the Fiscal Agent shall provide the Finance Officer with a notice stating the amount then on deposit in the Note Payment Fund and in the Special Tax Fund. The receipt of such notice by the Finance Officer shall in no way affect the obligations of the Finance Officer under the following three paragraphs. Upon receipt of such notice, or otherwise in time to include the levy of special taxes on the next County secured tax roll, the Finance Officer shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year. In computing the amount of Special Taxes to be levied, the Finance Officer shall take into account funds available in the Note Payment Fund and the Special Tax Fund to make the payment of debt service on the Notes due on the Interest Payment Dates occurring in the next calendar year.

The Finance Officer shall effect the levy of the Special Taxes from time to time during each Fiscal Year in accordance with the Ordinance and the Rate and Method of Apportionment of Special Taxes. Specifically, the Finance Officer shall compute the amount of Special Taxes to be so levied each Fiscal Year before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the CFD for inclusion on the next secured or unsecured, as applicable, real property tax roll. Upon the completion of the computation of the

amounts of the levy, the Finance Officer shall prepare or cause to be prepared, and shall transmit to the Auditor such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll. The Special Taxes so levied shall be payable and be collected in the same manner and at the same time and in the same installment as the taxes on property levied on the tax roll are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general ad valorem taxes levied on the County tax roll.

In the event that the Finance Officer determines to levy all or a portion of the Special Taxes by means of direct billing of the property owners within the CFD, the Finance Officer shall, not less than forty-five (45) days prior to each Interest Payment Date for which the levy is being made, send bills to the property owners in the CFD for Special Taxes necessary to meet the financial obligations of the CFD due on the Interest Payment Date for which the levy is being made, said bills to specify that the amounts so levied shall be due and payable not less than thirty (30) days prior to the related Interest Payment Date and shall be delinquent if not paid when due.

In any event, the School District shall fix and levy the amount of Special Taxes within the CFD as required under this Section 5.09 and otherwise as required for the timely payment of principal of and interest on any outstanding Notes becoming due and payable, including an amount estimated to be sufficient to pay the Administrative Expenses. The Special Taxes so levied shall not exceed the maximum amounts as provided in the Rate and Method of Apportionment of Special Taxes.

The Finance Officer is hereby authorized to employ consultants to assist in computing the levy of the Special Taxes, and any reconciliation of amounts levied to amounts received. The fees and expenses of such consultants and the costs and expenses of the Finance Officer (including a charge for School District staff time) in conducting its duties hereunder shall be an Administrative Expense hereunder.

Section 5.10. Further Assurances. The School District will adopt, 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 Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.11. No Arbitrage. The School District shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the proceeds of the Notes which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Notes would have caused the Notes to be "arbitrage bonds" within the meaning of section 148 of the Code.

Section 5.12. School District Bid of Foreclosure Sale. The School District will not bid at a foreclosure sale of property in respect of delinquent Special Taxes, unless the School District expressly agrees, in its sole discretion, to take the property subject to the lien for Special Taxes imposed by the CFD.

Section 5.13. Covenant to Enforce Payment of Delinquent Special Taxes. The School District hereby covenants with and for the benefit of the Owner of the Notes that it will order, and cause to be commenced as hereinafter provided, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due as provided in the following paragraph. The School District shall notify the School District's General Counsel of any such delinquency of which it is aware, and the School District's General Counsel shall commence, or cause to be commenced, such proceedings.

The School District hereby covenants for the benefit of the Owners that it shall commence or cause to be commenced judicial foreclosure proceedings by October 31 of each year against all property owned by any single person or any property regardless of ownership with delinquent Special Taxes totaling more than $25,000. The School District shall diligently pursue to completion each foreclosure commenced in accordance with the terms of this Agreement.

The Superintendent and the School District Counsel, as applicable, are hereby authorized to conduct, or employ counsel to conduct, any such foreclosure proceedings. The fees and expenses of any such counsel (including a charge for School District staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

Section 5.14. Yield of the Notes. In determining the yield of the Notes to comply with Section 5.12 and 6.02 hereof, the School District will take into account redemption in advance of maturity based on the reasonable expectations of the School District regarding Special Tax Prepayments, as of the Closing Date, without regard to whether or not Notes are redeemed.

Section 5.15. Reduction of Special Taxes. The School District covenants and agrees to not consent or conduct proceedings under the Act with respect to a reduction in the maximum Special Taxes that may be levied in the CFD below an amount, for any Fiscal Year, equal to 110% of the aggregate of the debt service due on the Notes in such Fiscal Year, plus a reasonable estimate of Administrative Expenses for such Fiscal Year. It is hereby acknowledged that Noteowners are purchasing the Notes in reliance on the foregoing covenant, and that said covenant is necessary to assure the full and timely payment of the Notes.

Section 5.16. State Reporting Requirements. The following requirements shall apply to the Notes, in addition to those requirements under Section 5.17:

(A) Annual Reporting. Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the Notes, and in each calendar year thereafter until the October 30 following the final maturity of the Notes, the Finance Officer shall cause the following information to be supplied to CDIAC: (i) the name of the School District; (ii) the full name of the CFD; (iii) the name, title, and series of the Note issue; (iv) that there is no credit rating for the Notes; (v) the Closing Date of the Note issue and the Authorized Amount of the Notes; (vi) that there is no reserve fund for the Notes; (vii) the principal amount of Notes outstanding; (viii) that there is not reserve fund for the Notes; (ix) the balance in the Capitalized Interest Account, if any; (x) the number of parcels in the CFD that are delinquent with respect to Special Tax payments, the amount that each parcel is delinquent, the total amount of Special Taxes due on the delinquent parcels, the

length of time that each has been delinquent, if and when foreclosure was commenced for each delinquent parcel, the total number of foreclosure parcels for each date specified, and the total amount of tax due on the foreclosure parcels for each date specified; (xi) the balance in the Project Fund, if any; (xii) the assessed value of all parcels subject to the Special Tax to repay the Notes as shown on the most recent equalized roll, the date of assessed value reported, and the source of the information; (xiii) the total amount of Special Taxes due, the total amount of unpaid Special Taxes, and whether or not the Special Taxes are paid under the County's Teeter Plan (Chapter 6.6 (commencing with Section 54773) of the California Government Code); (xiv) the reason and the date, if applicable, that the Notes were retired; and (xv) contact information for the party providing the foregoing information. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(B) Other Reporting. If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Notes, the Fiscal Agent shall notify the Finance Officer of such failure in writing. The Finance Officer shall notify CDIAC and the Original Purchaser of such failure within 10 days of such failure.

(C) Special Tax Reporting. The Finance Officer shall file a report with the School District no later than January 1, 2021, and at least once a year thereafter, which annual report shall contain: (i) the amount of Special Taxes collected and expended with respect to the CFD, (ii) the amount of Note proceeds collected and expended with respect to the CFD, and (iii) the status of the Project. It is acknowledged that the Special Tax Fund and the Special Tax Prepayments Account are the accounts into which Special Taxes collected on the CFD will be deposited for purposes of Section 50075.1(c) of the California Government Code, and the funds and accounts listed in Section 4.01 are the funds and accounts into which Note proceeds will be deposited for purposes of Section 53410(c) of the California Government Code, and the annual report described in the preceding sentence is intended to satisfy the requirements of Sections 50075.1(d), 50075.3(d) and 53411 of the California Government Code.

(D) Amendment. The reporting requirements of this Section 5.19 shall be amended from time to time, without action by the School District or the Fiscal Agent, (i) with respect to subparagraphs (A) and (B) above, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act, and (ii) with respect to subparagraph (C) above, to reflect any amendments to Section 50075.1, 50075.3, 53410 or 53411 of the California Government Code. The Finance Officer shall provide the Fiscal Agent with a copy of any such amendment. The School District shall notify the Fiscal Agent in writing of any such amendments which affect the reporting obligations of the Fiscal Agent under this Agreement.

(E) No Liability. None of the School District and its officers, agents and employees, the Finance Officer or the Fiscal Agent shall be liable for any inadvertent error in reporting the information required by this Section 5.19.

The Finance Officer shall provide copies of any reports prepared pursuant to this Section 5.19 to any Noteowner upon the written request of a Noteowner and payment by the person

requesting the information of the cost of the School District to produce such information and pay any postage or other delivery cost to provide the same, as determined by the Finance Officer.

Section 5.17. Limits on Special Tax Waivers and Note Tenders. The School District covenants not to exercise its rights under the Act to waive delinquency and redemption penalties related to the Special Taxes or to declare Special Tax penalties amnesty program if to do so would materially and adversely affect the interests of the owners of the Notes and further covenants not to permit the tender of Notes in payment of any Special Taxes.

Section 5.18. Private Activity Limitations. The School District shall assure that the proceeds of the Notes are not so used as to cause the Notes to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.19. Federal Guarantee Prohibition. The School 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 Notes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 5.20. Maintenance of Tax-Exemption. The School District shall take all actions necessary to assure the exclusion of interest on the Notes from the gross income of the Owners of the Notes to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Notes.

Section 5.21. Continuing Disclosure. The School District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Agreement, failure of the School District to comply with the Continuing Disclosure Agreement shall not be considered a default on the Notes or a breach of any other provision of this Agreement; however any Noteowner may take such actions as may be necessary and appropriate to compel performance by the School District of its obligations under the Continuing Disclosure Agreement, including seeking mandate or specific performance by court order.

Section 5.22. Limitation on Incurrence of Additional Debt. The School District covenants that so long as the Notes are outstanding it will not incur any debt secured by a pledge or lien on the Special Taxes, except Additional Bonds.

ARTICLE VI

INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE AUTHORITY

Section 6.01. Deposit and Investment of Moneys in Funds. Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. The Officer's Certificate shall contain a certification to the Fiscal Agent that the investments being directed are Permitted Investments as required hereunder. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause (c) of the definition thereof; provided, however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received an Officer's Certificate specifying a specific money market fund into which the funds shall be invested and, if no such Officer's Certificate is so received, the Fiscal Agent shall hold such moneys uninvested.

Moneys in any fund or account created or established by this Agreement and held by the Finance Officer shall be invested by the Finance Officer in any lawful investments that the School District may make or in any Permitted Investment, which in any event by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in this Agreement any moneys are required to be transferred by the School District to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

The Fiscal Agent or the Finance Officer may act as principal or agent in the acquisition or disposition of any investment, and all investments may be made through the Fiscal Agent's investment department or that of its affiliates. The Fiscal Agent or its affiliates may act as sponsor, agent manager or depository with regard to any Permitted Investment. Neither the Fiscal Agent nor the Finance Officer shall incur any liability for losses arising from any investments made pursuant to this Section.

Except as otherwise provided in the next sentence, the School District shall direct or make investments hereunder such that all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Notes (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Code) at Fair Market Value. The School District shall direct or make investments hereunder such that investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code). The Fiscal Agent shall have no duty in connection with the determination of the Fair Market Value of any investment other than to follow: (A) its normal practices in the purchase, sale and

determining the value of Permitted Investments; and (B) the investment directions of the School District.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Finance Officer hereunder, provided that the Fiscal Agent or the Finance Officer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent shall sell in a commercially reasonably manner, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Finance Officer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

The School District acknowledges that regulations of the Comptroller of the Currency grant the School District the right to receive brokerage confirmations of security transactions to be effected by the Fiscal Agent hereunder as they occur. The School District specifically waives the right to receive such notification to the extent permitted by applicable law and agrees that it will instead receive monthly cash transactions statements which include detail for the investment transactions effected by the Fiscal Agent hereunder.

Section 6.02. Rebate of Excess Investment Earnings to the United States. The School District shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Notes.

The Finance Officer shall make any required rebate payments, and pay such amounts to the federal government as required by the Code and the Regulations from any amounts available in the Community Facilities Fund or from any other lawfully available funds of the CFD. Any fees or expenses incurred by the School District under or pursuant to this Section 6.02 shall be Administrative Expenses.

In order to provide for the administration of this Section 6.02, the Finance Officer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Finance Officer may deem appropriate and in addition, and without limitation of the provisions of Sections 7.01 and 7.02, the Finance Officer may rely conclusively upon and be fully protected from all liability in relying upon the opinions, determinations, calculations and advice of such agents, attorneys and consultants employed hereunder.

The Fiscal Agent may rely conclusively upon the School District's determinations, calculations and certifications required by this Section. The Fiscal Agent shall have no

responsibility to independently make any calculation or determination or to review the School District's calculations hereunder.

Section 6.03. Liability of School District. The School District shall not incur any responsibility in respect of the Notes or this Agreement other than in connection with the duties or obligations explicitly herein or in the Notes assigned to or imposed upon it. The School District shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The School District shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Fiscal Agent herein or of any of the documents executed by the Fiscal Agent in connection with the Notes, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the School District, including the Finance Officer, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the School District and conforming to the requirements of this Agreement. The School District, including the Finance Officer, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the School District to expend or risk its own general funds or otherwise incur any financial liability in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The School District and the Finance Officer may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The School District may consult with counsel, who may be the general or special counsel to the School District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The School District shall not be bound to recognize any person as the Owner of a Note unless and until such Note is submitted for inspection, if required, and his title thereto satisfactory established, if disputed.

Whenever in the administration of its duties under this Agreement the School District shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the School District, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent or other appropriate agent or consultant, and such certificate shall be full warrant to the School District for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the School District may, in

lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 6.04. Employment of Agents by School District. In order to perform its duties and obligations hereunder, the School District and/or the Finance Officer may employ such persons or entities as it deems necessary or advisable. The School District shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

ARTICLE VII

THE FISCAL AGENT

Section 7.01. Appointment of Fiscal Agent. U.S. Bank National Association, at its corporate trust office in San Francisco, California is hereby appointed Fiscal Agent and paying agent for the Notes. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company or association into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company or association resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company or association shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The School District may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank, association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars ($50,000,000), and subject to supervision or examination by federal or state authority. If such bank, association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such bank, association 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 Fiscal Agent may at any time resign by giving written notice to the School District and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the School District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective only upon acceptance of appointment by the successor Fiscal Agent. Upon such acceptance, the successor Fiscal Agent shall be vested with all rights and powers of its predecessor hereunder without any further act.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiscal Agent shall have given to the School District written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Noteowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

If, by reason of the judgment of any court, or reasonable agency, the Fiscal Agent is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Fiscal Agent hereunder shall be assumed by and vest in the Finance Officer of the School

District in trust for the benefit of the Owners. The School District covenants for the direct benefit of the Owners that its Finance Officer in such case shall be vested with all of the rights and powers of the Fiscal Agent hereunder, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent hereunder, in trust for the benefit of the Owners of the Notes. In such event, the Finance Officer may designate a successor Fiscal Agent qualified to act as Fiscal Agent hereunder.

Section 7.02. Liability of Fiscal Agent. The recitals of facts, covenants and agreements herein and in the Notes contained shall be taken as statements, covenants and agreements of the School District, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Agreement or of the Notes, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Notes assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Notes.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, requisition, Officer's Certificate, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent 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.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent security or indemnity reasonably satisfactory to it against the fees, expenses and liabilities (including reasonable attorney's fees) which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the owner of the Notes with the same rights it would have if it were not the Fiscal Agent.

The Fiscal Agent shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the School District herein or of any of the documents executed by the School District in connection with the Notes, or as to the existence of a default or any event of default thereunder.

The Fiscal Agent shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, and its liability shall be limited to the proper accounting for such funds as it shall actually receive.

In order to perform its duties and obligations hereunder, the Fiscal Agent may employ such persons or entities as it deems necessary or advisable. The Fiscal Agent shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

The Fiscal Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the Fiscal Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the School District elects to give the Fiscal Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Fiscal Agent in its discretion elects to act upon such instructions, the Fiscal Agent's reasonable understanding of such instructions shall be deemed controlling. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The School District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Fiscal Agent, including without limitation the risk of interception and misuse by third parties.

The Fiscal Agent 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 ("unavoidable 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, 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, 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 Fiscal Agent.

Section 7.03. Information. The Fiscal Agent shall provide to the School District such information relating to the Notes and the funds and accounts maintained by the Fiscal Agent hereunder as the School District shall reasonably request, including but not limited to quarterly statements reporting funds held and transactions by the Fiscal Agent.

The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions relating to the deposit to expenditure of amounts from the Special Tax Fund, the Note Payment Fund (including the Special Tax Prepayments Account and the Capitalized Interest Account therein), and the Costs of Issuance Fund. Such books of record and accounts shall upon reasonable prior notice at all times during business hours be subject to the inspection of the School District and the Owners of not less than ten percent (10%) of the principal amount of the Notes then Outstanding, or their representatives duly authorized in writing.

Section 7.04. Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, requisition, Officer's Certificate, consent, order, certificate, report, warrant, Note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the School District, with regard to legal questions, and the opinion or advice of such counsel shall be full and complete authorization and protection for the Fiscal Agent in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Note unless and until such Note is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the School District, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation, Indemnification. The School District shall pay to the Fiscal Agent from time to time, promptly upon written request, reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The School District further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties

hereunder which are not due to its negligence or willful misconduct. The obligation of the School District under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Notes and discharge of this Agreement, but any monetary obligation of the School District to the Fiscal Agent arising under this Section shall be limited solely to amounts on deposit in the Community Facilities Fund.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THIS AGREEMENT

Section 8.01. Amendments Permitted. This Agreement and the rights and obligations of the School District and of the Owners of the Notes may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Notes then Outstanding, exclusive of Notes disqualified as provided in Section 8.04. No such modification or amendment shall (i) extend the maturity of any Note or reduce the interest rate thereon, or otherwise alter or impair the obligation of the School District to pay the principal of, and the interest and any premium on, any Note, without the express consent of the Owner of such Note, or (ii) permit the creation by the School District of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Notes (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Notes required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the School District and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the School District in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the School District;

(B) to make modifications not adversely affecting any outstanding Notes in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the School District may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Notes; and

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

The Fiscal Agent may in its discretion, but shall not be obligated to, enter into any such Supplemental Agreement authorized by this Section which materially adversely affects the Fiscal Agent's own rights, duties or immunities under this Fiscal Agent Agreement or otherwise with respect to the Notes or any agreements related thereto. The Fiscal Agent may request and shall

be fully protected in relying upon, an opinion of Note Counsel that any proposed Supplemental Agreement complies with the applicable requirements of this Section 8.01.

Section 8.02. Owners' Meetings. The School District may at any time call a meeting of the Owners. In such event the School District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt reasonable rules and regulations for the conduct of said meeting.

Section 8.03. Procedure for Amendment with Written Consent of Owners. The School District and the Fiscal Agent may at any time adopt a Supplemental Agreement amending the provisions of the Notes or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. The School District or the Fiscal Agent may obtain an opinion of Note Counsel that such Supplemental Indenture complies with the provisions of this Article VIII, and the School District and Fiscal Agent may rely conclusively upon such opinion. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Notes Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Notes then Outstanding (exclusive of Notes disqualified as provided in Section 8.04) and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Notes for which such consent is given, which proof shall be such as is permitted by Section 9.04. Any such consent shall be binding upon the Owner of the Notes 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 Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Notes shall have filed their consents to the Supplemental Agreement, the School District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Notes and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 8.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the School District and the Owners of all Notes at the expiration of sixty (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 sixty-day period.

Section 8.04. Disqualified Notes. Notes owned or held for the account of the School District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Notes provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII. Upon written request, the School District shall specify to the Fiscal Agent those Notes disqualified pursuant to this Section 8.04. The Fiscal Agent may conclusively rely upon such request.

Section 8.05. Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to this Article VIII, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the School District and all Owners of Notes Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.06. Endorsement or Replacement of Notes Issued After Amendments. The School District may determine that Notes issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the School District, as to such action. In that case, upon demand of the Owner of any Note Outstanding at such effective date and presentation of his Note for that purpose at the Principal Office of the Fiscal Agent or at such other office as the School District may select and designate for that purpose, a suitable notation shall be made on such Note. The School District may determine that new Notes, so modified as in the opinion of the School District is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Notes then Outstanding, such new Notes shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Notes then Outstanding, upon surrender of such Notes.

Section 8.07. Amendatory Endorsement of Notes. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Notes held by him, provided that due notation thereof is made on such Notes.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Agreement Limited to Parties. Nothing in this Agreement, expressed or implied, is intended to give to any person other than the School District, the Fiscal Agent and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the School District shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Agreement or any Supplemental Agreement either the School District or the Fiscal Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the School District or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Discharge of Agreement. The School District shall have the option to pay and discharge the entire indebtedness on all or any portion of the Notes Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of and interest on such Notes Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, at or before maturity, money which, together with the amounts then on deposit in the Note Payment Fund is fully sufficient to pay such Notes Outstanding, including all principal and interest; or

(C) by irrevocably depositing with the Fiscal Agent, cash and Federal Securities in such amount as the School District shall determine as confirmed by Note Counsel or an independent certified public accountant will, together with the interest to accrue thereon and moneys then on deposit in the Note Payment Fund, be fully sufficient to pay and discharge the indebtedness on such Notes (including all principal and interest) at or before their respective maturity dates.

If the School District shall have taken any of the actions specified in (A), (B) or (C) above, and if such Notes are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the School District, and notwithstanding that any Notes shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in this Agreement and all other obligations of the School District under this Agreement with respect to such Notes Outstanding shall cease and terminate. Notice of such election shall be filed with the Fiscal Agent. Notwithstanding the foregoing, the obligations of the School District to pay or cause to be paid to the Owners of the Notes not so surrendered and paid all sums due thereon, to pay all amounts owing to the Fiscal Agent pursuant to Section 7.05, and otherwise to assure that no action is taken or failed to be

taken if such action or failure adversely affects the exclusion of interest on the Notes from gross income for federal income tax purposes or the exemption of interest on the Notes from California personal income taxation, shall continue in any event.

Upon compliance by the School District with the foregoing with respect to all Notes Outstanding, any funds held by the Fiscal Agent after payment of all fees and expenses of the Fiscal Agent, which are not required for the purposes of the preceding paragraph, shall be paid over to the School District and any Special Taxes thereafter received by the School District shall not be remitted to the Fiscal Agent but shall be retained by the School District to be used for any purpose permitted under the Act.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Notes and the amount, maturity, number and date of holding the same shall be proved by the Note Register.

Any request, declaration or other instrument or writing of the Owner of any Note shall bind all future Owners of such Note in respect of anything done or suffered to be done by the School District or the Fiscal Agent in good faith and in accordance therewith.

Section 9.05. Waiver of Personal Liability. No member of the Board of Trustees, officer, agent or employee of the School District shall be individually or personally liable for the payment of the principal of, or interest on, the Notes; but nothing herein contained shall relieve any such member of the Board of Trustees, officer, agent or employee from the performance of any official duty provided by law.

Section 9.06. Notices to and Demands on School District and Fiscal Agent; Notice to Noteowners. (a) Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the School District may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the School District with the Fiscal Agent) as follows:

Western Placer Unified School District
600 Sixth Street, Suite 400
Lincoln, California 95648
Attention: Assistant Superintendent,
Business & Operations

(b) Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the School District to or on the Fiscal Agent may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the School District) as follows:

U.S. Bank National Association
Global Corporate Trust Services
One California Street, Suite 1000
San Francisco, California 94111
Attention: Corporate Trust Department

Section 9.07. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held by a court of competent jurisdiction to be illegal or unenforceable, such holding shall not affect the validity or enforceability of the remaining portions of this Agreement, unless this Agreement as so construed fails to meet the essential business purposes of the parties as manifested herein. If this Agreement without the illegal or unenforceable part would cause this Agreement to fail to meet the essential business purposes of the parties as manifested herein, the court shall modify the remainder of this Agreement as necessary so that it meets the essential business purposes of the parties as manifested herein.

Section 9.08. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent for the payment and discharge of the principal of, and the interest and any premium on, the Notes which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys were held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the School District, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Note Owners shall look only to the School District for the payment of the principal of, and interest and any premium on, such Notes.

Section 9.09. Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 9.10. Conflict with Act. In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 9.11. Conclusive Evidence of Regularity. Notes issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 9.12. Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Notes or the date fixed for redemption of any Notes or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 9.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the School District has caused this Agreement to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as of June 1, 2020.

WESTERN PLACER UNIFIED SCHOOL DISTRICT, for and on behalf of WESTERN PLACER UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2

By: _____
Scott Leaman,
Superintendent

U.S. BANK NATIONAL ASSOCIATION, as Fiscal Agent

By: _____
Authorized Signatory

23006.30:J16905

EXHIBIT A

FORM OF NOTE

No. _____ $_____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF PLACER

WESTERN PLACER UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2
2020 BOND ANTICIPATION NOTES

INTEREST RATE	MATURITY DATE	NOTE DATE	CUISIP NO.
_____%	June 1, 2025	June __, 2020	_____ ___

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The Western Placer Unified School District (the "School District") for and on behalf of the Western Placer Unified School District Community Facilities District No. 2 (the "CFD"), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in the CFD or amounts in the funds and accounts held under the Agreement (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Note Date set forth above, or from the most recent interest payment date to which interest has been paid or duly provided for, semiannually on June 1 and December 1, commencing December 1, 2020, at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Note is payable to the registered owner hereof in lawful money of the United States of America upon presentation and surrender of this Note at the Principal Office (as defined in the Agreement referred to below) of U.S. Bank National Association (the "Fiscal Agent"). Interest on this Note shall be paid by check of the Fiscal Agent mailed on each interest payment date to the registered owner hereof as of the close of business on the 15th day of the month preceding the month in which the interest payment date occurs (the "Record Date") at such registered owner's address as it appears on the registration books maintained by the Fiscal Agent, (i) if the Notes are in book-entry-only form, or (ii) otherwise upon written request filed with the Fiscal Agent prior to any Record Date by a registered owner of all of the Notes then outstanding or portion thereof at least $1,000,000 in principal amount of Notes, by wire transfer in

immediately available funds to the depository for the Notes or to an account in the United States designated by such registered owner in such written request, respectively.

Interest on this Note shall be payable from the interest payment date next preceding the date of authentication hereof, unless (i) it is authenticated on an interest payment date, in which event it shall bear interest for such Interest Payment Date, or (ii) such date of authentication is after a Record Date but on or prior to an Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or (iii) such date of authentication is prior to the first Record Date, in which event interest will be payable from the Note Date shown above; provided however, that if at the time of authentication of this Note, interest is in default hereon, this Note shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment hereon.

This Note is one of a duly authorized issue of notes approved by the Board of Trustees of the School District on June 2, 2020 pursuant to the California Government Code (the "Act") for the purpose of financing various school facilities, and is one of the series of such notes designated "Western Placer Unified School District Community Facilities District No. 2 2020 Bond Anticipation Notes" in the aggregate principal amount of $_____ (the "Notes"). The terms and conditions of the Notes are provided for the Fiscal Agent Agreement, dated as of June 1, 2020, between the School District and the Fiscal Agent (the "Agreement") and this reference incorporates the Resolution (as defined in the Agreement) and the Agreement herein, and by acceptance hereof the owner of this Note assents to said terms and conditions. The Resolution is adopted under and this Note is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act and the Agreement, the principal of and interest on this Note are payable from the special tax authorized under the Mello-Roos Community Facilities Act of 1982 to be collected within the CFD (the "Special Tax"), from certain funds held under the Agreement and from the proceeds of Additional Bonds, as defined in the Agreement.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the School District, as may be permitted by law. The Notes do not constitute obligations of the School District for which the School District is obligated to levy or pledge, or has levied or pledged, any funds other than described hereinabove.

The Notes are subject to optional redemption upon payment from any source of funds available for that purpose, and to redemption from prepayments of Special Taxes, in each case prior to their stated maturity, on any date on or after June 1, 2023, as a whole, or in part by lot, at a redemption price equal to the principal amount of Notes to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

In the event of a redemption of less than all of the Notes, the Notes shall be redeemed by lot in the manner specified in the Agreement.

Notice of redemption with respect to the Notes to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Agreement. Notices of optional redemption and redemption from special tax prepayments may

be conditioned upon receipt by the Fiscal Agent of sufficient moneys to redeem the Notes on the anticipated redemption date, and if the Fiscal Agent does not receive sufficient funds by the scheduled optional redemption date the redemption shall not occur and the Notes for which notice of optional redemption was given shall remain outstanding for all purposes of the Agreement.

The Notes are issuable as fully registered notes without coupons. Each registration and transfer of registration of this Note shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon. Subject to the limitations and upon payment of the charges, if any, provided in the Agreement, Notes may be exchanged for a like aggregate principal amount and maturity of Notes of other authorized denominations.

No transfer of this Note shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided. The Fiscal Agent shall require the registered owner requesting transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

No transfers or exchanges of Notes shall be required to be made (i) fifteen days prior to the date established by the Fiscal Agent for selection of Notes for redemption or (ii) with respect to a Note after such Note has been selected for redemption.

The Agreement and the rights and obligations of the School District thereunder may be modified or amended as set forth therein. The Agreement contains provisions permitting the School District to make provision for the payment of the interest on, and the principal of the Notes so that such Notes shall no longer be deemed to be outstanding under the terms of the Agreement.

The Notes are not general obligations of the School District, but are limited obligations payable solely from the revenues and funds pledged therefor under the Agreement. Neither the faith and credit of the School District or the State of California or any political subdivision thereof is pledged to the payment of the Notes.

This Note shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and manually signed by the Fiscal Agent.

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Note does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, Western Placer Unified School District has caused this Note to be dated the Note Date shown above, to be signed by the facsimile signature of the President of the Board of Trustees of the School District and countersigned by the facsimile signature of its Clerk of the Board.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

By: _____
President of the
Board of Trustees

Attest: _____
Clerk of the Board

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes described in the Resolution and the Agreement which has been authenticated on _____.

U.S. BANK NATIONAL ASSOCIATION, as Fiscal Agent

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

_____

_____

_____

(Name, address and Tax identification Number of Assignee)

the within-mentioned registered Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

Signatures Guaranteed:

_____

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Fiscal Agent.

_____

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

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.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE __, 2020

NEW ISSUE - BOOK ENTRY ONLY **NOT RATED**

In the opinion of Quint & Thimmig LLP, Larkspur, California, Note Counsel, subject however, to certain qualifications described in this Official Statement, under existing law, interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In the further opinion of Note Counsel, interest on the Notes is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS."

$_____**

WESTERN PLACER UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2
2020 BOND ANTICIPATION NOTES

Dated: Date of Issuance **Interest Rate _____%** **Yield _____%** **Cusip 929215 ____*** **Due: June 1, 2025**

The Western Placer Unified School District (the "School District"), for and on behalf of the Western Placer Unified School District Community Facilities District No. 2 (the "CFD"), is issuing the above-captioned bonds (the "Notes") to (i) finance costs of the construction and modernization of school facilities authorized to be funded by the CFD, (ii) fund interest on the Notes to and including June __, 2022, and (iii) pay costs of issuing the Notes. See "PLAN OF FINANCING." The Notes are being issued pursuant to a Fiscal Agent Agreement, dated as of June 1, 2020 (the "Fiscal Agent Agreement"), by and between the School District, for and on behalf of the CFD, and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent").

The Notes are payable from the proceeds of an annual Special Tax (as defined in the Fiscal Agent Agreement) to be levied on property located within the CFD (see "THE CFD"), and from certain funds pledged under the Fiscal Agent Agreement. It is anticipated that the Notes will be redeemed prior to their maturity from the proceeds of expected future State of California school bond proceeds, or at maturity from the proceeds of special tax bonds issued by the School District for the CFD. There will be no debt service reserve fund established for the Notes. See "SECURITY FOR THE NOTES—Special Taxes."

The Notes will be issued in the principal amount of $5,000 and any integral multiple of $5,000 in excess thereof. Interest on the Notes is payable on June 1 and December 1 of each year, commencing on December 1, 2020. The Notes will be issued in book-entry form only and, when delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry form only. Purchasers of the Notes will not receive physical certificates representing their ownership interests in the Notes purchased. Principal of and interest on the Notes are payable directly to DTC by the Fiscal Agent. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the Notes. See "THE NOTES" and Appendix F—"DTC and the Book-Entry Only System."

The Notes are subject to optional redemption prior to maturity. See "THE NOTES—Redemption."

NONE OF THE FAITH AND CREDIT OF THE SCHOOL DISTRICT OR THE STATE OF CALIFORNIA OR OF ANY OF ITS POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF THE NOTES. EXCEPT FOR THE SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE NOTES. THE NOTES ARE LIMITED OBLIGATIONS OF THE SCHOOL DISTRICT FOR THE CFD, PAYABLE SOLELY FROM CERTAIN AMOUNTS PLEDGED THEREFOR UNDER THE FISCAL AGENT AGREEMENT, AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT.

This cover page contains certain information for quick reference only. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Notes.

The Notes are offered when, as and if issued, subject to approval as to their legality by Quint & Thimmig LLP, Larkspur, California, Note Counsel, and certain other conditions. Certain legal matters with respect to the Notes will be passed upon for the School District by Quint & Thimmig LLP, in its capacity as Disclosure Counsel to the School District for the Notes. It is anticipated that the Notes in definitive form will be available for delivery to DTC on or about June __, 2020.

HilltopSecurities
A Hilltop Holdings Company

The date of this Official Statement is June __, 2020.

* Copyright 2020, American Bankers Association. CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.

** Preliminary, subject to change.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation in connection with the offer or sale of the Notes other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Certificates by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Notes. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

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 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.

The information set forth herein has been obtained from the School District and from other sources and is believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District or the CFD since the date hereof. This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the School District. All summaries of the Notes, the Fiscal Agent Agreement, or other documents, are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the School District for further information. See "INTRODUCTION—Other Information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE NOTES TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the School District's forecasts in any way. Neither the School District nor the CFD is obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur or do not occur.

The execution, sale and delivery of the Notes has not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

The School District maintains a website. The information presented on such website is not incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Notes.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
600 Sixth Street, Suite 400
Lincoln, CA 95648
(916) 645-6350
(916) 645-6356 (Fax)
http://www.wpusd.k12.ca.us/*

BOARD OF TRUSTEES**

Paul Long, President
Brian Haley, Vice President
Paul Carras, Clerk
Damian Armitage, Board Member
Kris Wyatt, Board Member

SCHOOL DISTRICT ADMINISTRATION

Scott Leaman, Superintendent
Audrey Kilpatrick, Assistant Superintendent, Business & Operations
Kerry Callahan, Assistant Superintendent of Educational Services

SPECIAL SERVICES

Municipal Advisor and Dissemination Agent
Capitol Public Finance Group, LLC,
Roseville, California

Note Counsel and Disclosure Counsel
Quint & Thimmig LLP
Larkspur, California

Fiscal Agent
U.S. Bank National Association
San Francisco, California

* Information on such website is not incorporated by reference in this Official Statement
** The Board of Trustees serves as the governing board of the CFD.

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OFFICIAL STATEMENT

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WESTERN PLACER UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2
2020 BOND ANTICIPATION NOTES

INTRODUCTION

This introduction is not a summary of this Official Statement and is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in this entire Official Statement and the documents summarized or described in this Official Statement. A full review should be made of this entire Official Statement by those interested in purchasing the Notes. The sale and delivery of Notes to potential investors is made only by means of this entire Official Statement. Certain capitalized terms used in this Official Statement and not defined herein have the meaning set forth in The Fiscal Agent Agreement, a summary of which is set forth in Appendix C.

General

The purpose of this Official Statement, which includes the cover page, the inside cover page, the table of contents and the attached appendices (the "**Official Statement**"), is to provide certain information concerning the issuance by the Western Placer Unified School District (the "**School District**"), for and on behalf of the Western Placer Unified School District Community Facilities District No. 2 (the "**CFD**"), of the Western Placer Unified School District Community Facilities District No. 2 2020 Bond Anticipation Notes (the "**Notes**"). The Notes are being issued to (i) finance costs of the construction and modernization of school facilities authorized to be funded by the CFD (the "**School Facilities**"), (ii) fund interest on the Notes to and including June __, 2022, and (iii) pay costs of issuing the Notes. See "PLAN OF FINANCING."

The School District

The School District was established in 1966 and covers approximately 170 square miles in the western portion of Placer County, California (the "County"). The School District currently operates seven elementary schools, two middle schools, one high school, one continuation high school, and one independent study program school. See "THE SCHOOL DISTRICT" and APPENDIX A—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY OF LINCOLN AND PLACER COUNTY.

Authority for Issuance

General. The CFD was formed under the authority of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), which was enacted by the California Legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State of California (the "State"). The Act authorizes local

* Preliminary, subject to change.

governmental entities to establish community facilities districts as legally constituted governmental entities within defined boundaries, with the legislative body of the local applicable governmental entity acting on behalf of the district. Subject to approval by at least a two-thirds vote of the votes cast by the qualified electors within a district and compliance with the provisions of the Act, the legislative body may issue notes and bonds for the community facilities district established by it and may levy and collect a special tax within such district to repay such bonds.

Authority for the Notes. The Notes are authorized to be issued pursuant to the Act, Resolution No. 19/20.32 adopted on June 2, 2020 (the "**Authorizing Resolution**") by the Board of Trustees of the School District (the "**Board of Trustees**") acting as the legislative body of the CFD, and the Fiscal Agent Agreement dated as of June 1, 2020 (the "**Fiscal Agent Agreement**"), between the School District, for and on behalf of the CFD, and U.S. Bank National Association, as fiscal agent (the "**Fiscal Agent**"). For more detailed information about the formation of the CFD and the authority for issuance of the Notes, see "THE NOTES—School District for Issuance" and "THE CFD—History of the CFD."

The Notes

General. The Notes will be issued only as fully registered bonds, in denominations of $5,000 or any integral multiple thereof, and will bear interest at the rate per annum and will mature on the date and in the principal amount set forth on the cover page of this Official Statement. The Notes will be dated the date of their issuance and interest on the Notes will be payable on June 1 and December 1 of each year (individually an "**Interest Payment Date**"), commencing December 1, 2020. See "THE NOTES." The Notes will be issued in book-entry form only and, when delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("**DTC**"), which will act as securities depository for the Notes. See "THE NOTES—General Provisions."

Redemption Prior to Maturity. The Notes are subject to optional redemption prior to maturity. It is anticipated that the Notes will be redeemed prior to their maturity from proceeds of expected future State school bond proceeds. See "THE NOTES—Redemption."

Security for the Notes

Pledge Under the Fiscal Agent Agreement. Pursuant to the Fiscal Agent Agreement, the Notes are secured by a pledge of all of the Special Tax Revenues (other than the portion of the Special Tax Revenues representing Special Taxes levied to pay Administrative Expenses or to pay costs of Improvements directly) and all moneys deposited in the Note Payment Fund and, until disbursed in accordance with the Fiscal Agent Agreement, in the Special Tax Fund. "**Special Tax Revenues**," as defined in the Fiscal Agent Agreement, means the proceeds of the Special Taxes received by the School District, including any scheduled payments and any prepayments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon. Special Tax Revenues" does not include interest and penalties, if any, collected with the Special Taxes that are in excess of the rate of interest payable on the Notes.

The Special Tax Revenues (other than the portion of the Special Tax Revenues representing Special Taxes levied to pay Administrative Expenses or to pay costs of Improvements directly) and all moneys deposited into the Note Payment Fund and the Special Tax Fund are dedicated to the payment of the principal of and interest on the Notes in accordance with the Fiscal Agent Agreement until all of the Notes have been paid or defeased. There is no debt service reserve fund for the Notes. See "SECURITY FOR THE NOTES."

Obligation to Issue Refunding Obligations. It is expected that the Notes will be redeemed prior to their maturity from the proceeds of future State school bonds (the "State School Bonds Proceeds") pursuant to the optional redemption provisions of the Fiscal Agent Agreement. However, in the event that the State School Bond Proceeds are not available for that purposes, the Resolution has authorized the issuance of special tax bonds (the "Additional Bonds"), proceeds of which will be used to repay the Notes at their maturity.

To that end, the School District has agreed in the Fiscal Agent Agreement that, not later than July 1, 2024, it will institute proceedings for the issuance and sale of Additional Bonds in a principal amount sufficient to pay the full amount of principal of and interest on the Notes payable on their maturity date. If the Notes have not theretofore been paid in full or otherwise defeased, the School District has agreed that it will complete such proceedings and issue Additional Bonds on or before the maturity date of the Notes in a principal amount as necessary to repay the Notes in full at their maturity. If for any reason the School District is not in a position to issue Additional Bonds in the full amount necessary to comply with the foregoing, it has agreed in the Fiscal Agent Agreement to repay the Notes from available Special Tax Revenues.

Special Tax; Rate and Method. The Special Tax to be used to pay debt service on the Notes will be levied in accordance with the rate and method of apportionment of special taxes for the CFD (the "**Rate and Method**"), which is described under the heading "SECURITY FOR THE NOTES—Summary of Rate and Method". "**Special Taxes**" as defined in the Fiscal Agent Agreement, means the special taxes levied on the taxable property within the CFD pursuant to the Act, the Fiscal Agent Agreement, and the Ordinance adopted by the Board of Trustees of the School District providing for the annual levy of the Special Taxes (the "**Ordinance Levying Special Taxes**").

Limitations. The portion of the Special Tax Revenues representing Special Taxes levied to pay Administrative Expenses or to pay costs of School Facilities directly, as well as amounts in the Administrative Expense Fund, the Project Fund and the Costs of Issuance Fund, each of which is established under the Fiscal Agent Agreement, are not pledged to the repayment of the Notes. The School Facilities are not pledged to pay the debt service on the Notes. The proceeds of condemnation or destruction of any of the School Facilities are not pledged to pay the debt service on the Notes.

No Reserve Fund

The Fiscal Agent Agreement does not provide for any debt service reserve fund for the Notes. In the event that the Special Taxes are not paid when due, the only sources of funds available to repay the Notes are amounts held by the Fiscal Agent in the Note Payment Fund

and the Special Tax Fund established under the Fiscal Agent Agreement, and the proceeds, if any, from foreclosure sales of land and improvements within the CFD in respect of delinquent Special Taxes. See "SECURITY FOR THE NOTES—Limited Obligation."

The CFD

The CFD is located in Placer County (the "**County**"), California in the City of Lincoln, California. The CFD was formed by the Board of Trustees of the School District pursuant to proceedings conducted under the Act on May 6, 2003. The CFD currently includes a total of approximately 1,069 acres of land, including 2,710 County Assessor's parcels improved with single family dwellings subject to the levy of Special Taxes (the "**Taxable Property**"). See "THE CFD—Location and Description of the CFD." The County Assessor's fiscal year 2019–20 assessed value of the Taxable Property is $974,355,299. See "THE CFD—Assessed Property Values."

Limited Obligation

NONE OF THE FAITH AND CREDIT OF THE SCHOOL DISTRICT OR THE STATE OF CALIFORNIA OR OF ANY OF ITS POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF THE NOTES. EXCEPT FOR THE SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE NOTES. THE NOTES ARE NEITHER GENERAL NOR SPECIAL OBLIGATIONS OF THE SCHOOL DISTRICT NOR GENERAL OBLIGATIONS OF THE CFD, BUT ARE LIMITED OBLIGATIONS OF THE SCHOOL DISTRICT FOR THE CFD PAYABLE SOLELY FROM CERTAIN AMOUNTS PLEDGED THEREFOR UNDER THE FISCAL AGENT AGREEMENT, AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT.

No Issuance of Additional Debt

The School District has covenanted in the Fiscal Agent Agreement that so long as the Notes are outstanding it will not incur any debt secured by a pledge or lien on the Special Taxes, except Additional Bonds.

Noteowners' Risks

The repayment of the Notes is subject to various risks, some of which are discussed under the heading "SPECIAL RISK FACTORS."

Continuing Disclosure

The School District has agreed in a Continuing Disclosure Agreement to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") maintained by the Municipal Securities Rulemaking Board certain annual financial and other information. The School District has further agreed to provide notice of certain enumerated events. See "CONTINUING DISCLOSURE" and Appendix E for a description of the specific nature of the annual reports and notices of significant events, as well as the terms of the Continuing Disclosure Agreements pursuant to which such reports and notices are to be made.

Other Information

This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change without notice. Except where otherwise indicated, all information contained in this Official Statement has been provided by the School District on behalf of the CFD.

Copies of the Fiscal Agent Agreement and certain other documents referenced in this Official Statement are available for inspection at the offices of the School District during business hours upon prior written notice. Copies are available upon written request addressed to the Western Placer Unified School District, 600 Sixth Street, Suite 400, Lincoln, California 95648, Attention: Assistant Superintendent, Business & Support Services. The School District may charge for duplication and mailing of any requested documents.

PLAN OF FINANCING

Funding of School Facilities

The School District has undertaken the construction of the Twelve Bridges High School and the Scott M. Leaman Elementary School, and the modernization of the Glen Edwards Middle School (collectively, the "School Facilities"). While the School District has obtained funding for costs related to the School Facilities, it does not have funding available for all such costs. The Notes are being issued in anticipation of their receipt of proceeds of California State school bonds expected to be issued prior to the maturity of the Notes. When and if such funds are received, the Notes will be redeemed prior to their maturity pursuant to the optional redemption provisions of the Fiscal Agent Agreement. See "THE NOTES—Redemption" and "THE CFD—The School Facilities."

The Authorizing Resolution, in addition to authorizing the issuance of the Notes, authorized the issuance of the bonds (the "Additional Bonds"), proceeds of which would be used to repay the Notes at their maturity if proceeds of State school bonds have not theretofore been used to redeem the Bonds. If for any reason the Additional Bonds are not able to be issued, the Notes will be repaid with available capital improvement funds of the School District or Special Tax Revenues. See "INTRODUCTION—The Notes - Security for the Notes - Obligation to Issue Refunding Bonds," and "SECURITY FOR THE NOTES."

Estimated Sources and Uses of Funds

The sources and uses of funds in connection with the Notes are expected to be as follows:

Principal of Notes	$
Less: Underwriter's Discount	
Plus: Original Issue Premium (Discount)	
Total Sources	$
Deposit to Project Fund[1]	$
Deposit to Capitalized Interest Account[2]	
Deposit to Costs of Issuance Fund[3]	
Total Uses	$

(1) To be used to pay costs of the School Facilities. See "PLAN OF FINANCING – Funding of School Facilities" and "THE DISTRICT – The School Facilities."

(2) To be used to pay interest on the Notes to and including June __, 2022.

(3) Costs of issuance include, without limitation, Special Tax Consultant fees and expenses, Fiscal Agent fees and expenses, and fees and expenses of Note Counsel and Disclosure Counsel.

THE NOTES

Authority for Issuance

The Notes are authorized to be issued pursuant to the Act, Resolution No. 19/20.32 adopted on June 2, 2020, by the Board of Trustees, acting as the legislative body of the CFD, and the Fiscal Agent Agreement. The Special Tax to be used to pay debt service on the Notes will be levied in accordance with the Rate and Method.

General Provisions

The Notes will be issued only as fully registered Notes, in denominations of $5,000 or any integral multiple of $5,000 in excess thereof, and will bear interest at the rate per annum and will mature on the date set forth on the cover page of this Official Statement. The Notes will be dated the date of their issuance and interest on the Notes will be payable on each Interest Payment Date, commencing December 1, 2020.

Each Note will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (b) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (c) it is authenticated prior to February 15, 2016, in which event it will bear interest from the date of issuance of the Notes; provided, however, that if, as of the date of authentication of any Note, interest thereon is in default, such Note will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. The term

"**Record Date**" as defined in the Fiscal Agent Agreement means the fifteenth (15th) day of the month next preceding the month of the applicable Interest Payment Date, whether or not such fifteenth (15th) day is a Business Day.

The Notes will be payable both as to principal and interest in lawful money of the United States of America. The principal of the Notes will be payable by check of the Fiscal Agent upon presentation and surrender of the applicable Notes at the Principal Office of the Fiscal Agent. Interest with respect to each Note will be computed using a year of 360 days comprised of twelve 30-day months.

The Notes will be issued in book-entry form only and, when delivered, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry form only. Purchasers of the Notes will not receive physical certificates representing their ownership interests in the Notes purchased. Principal and interest payments represented by the Notes are payable directly to DTC by the Fiscal Agent. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the Notes. See Appendix F—"DTC and the Book-Entry Only System." *So long as the Notes are registered in the name of Cede & Co., as nominee of DTC, references in this Official Statement to the owners shall mean Cede & Co., and shall not mean the purchasers or Beneficial Owners of the Notes.*

Redemption

Optional Redemption. The Notes in principal amounts of $5,000 or any integral multiple thereof are subject to optional redemption prior to their stated maturity from moneys available from any source on any date occurring on or after June 1, 2023, as a whole, or in part by lot, at a redemption price equal to the principal amount of the Notes to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Purchase of Notes In Lieu of Redemption. In lieu of redemption as described above, moneys in the Note Payment Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Notes, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase prior to the selection of Notes for redemption, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Notes be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

Selection of Notes for Redemption. Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the Notes, the Fiscal Agent shall select the Notes to be redeemed, from all Notes or such given portion thereof not previously called for redemption by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate and fair; provided, however that so long as the Notes are registered in the name of Cede & Co., such Notes or portion thereof to be called for redemption will be selected in accordance with the procedures of DTC.

Notice of Redemption. The Fiscal Agent will cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to

the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any Notes designated for redemption at their addresses appearing on the Note registration books in the Principal Office of the Fiscal Agent; but such mailing is not a condition precedent to redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such Notes. The redemption notice will state the redemption date and the redemption price and, if less than all of the then Outstanding Notes are to be called for redemption, will designate the CUSIP numbers and Note numbers of the Notes to be redeemed by giving the individual CUSIP number and Note number of each Note to be redeemed or will state that all Notes between two stated Note numbers, both inclusive, are to be redeemed or that all of the Notes of one or more maturities have been called for redemption, will state as to any Note called in part the principal amount thereof to be redeemed, and will require that such Notes be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and will state that further interest on such Notes will not accrue after the redemption date.

Notwithstanding the foregoing, any notice of redemption in connection with an optional redemption may state that the redemption is conditioned upon receipt by the Fiscal Agent of sufficient moneys to redeem the Notes on the anticipated redemption date, and that the redemption will not occur if by no later than the scheduled redemption date sufficient moneys to redeem the Notes have not been deposited with the Fiscal Agent. In the event that the Fiscal Agent does not receive sufficient funds by the scheduled redemption date to so redeem the Notes to be redeemed, the Fiscal Agent will send written notice to the owners of the Notes, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Notes for which notice of redemption was given will remain Outstanding for all purposes of the Fiscal Agent Agreement.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest on the Notes so called for redemption have been deposited in the Note Payment Fund, such Notes so called will cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Transfer or Exchange of Notes

Any Note may, in accordance with its terms, be transferred, upon the Registration Books required to be kept by the Fiscal Agent pursuant to the provisions of the Fiscal Agent Agreement by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent.

Notes may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Notes of authorized denominations (being $5,000 principal amount and any integral multiple of $5,000 in excess thereof).

The cost for any services rendered or any expenses incurred by the Fiscal Agent or the School District in connection with any transfer or exchange of Notes shall be an Administrative Expense. The Fiscal Agent also shall collect from the Owner requesting such transfer or exchange any tax or other governmental charge required to be paid with respect to such transfer or exchange.

Whenever any Note or Notes are surrendered for transfer or exchange, the School District will execute and the Fiscal Agent will authenticate and deliver a new Note or Notes, for a like aggregate principal amount of Notes of authorized denominations and of the same maturity. The Fiscal Agent will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer or exchange.

No transfers or exchanges of Notes will be required to be made (i) within the 15 days prior to the date designated by the Fiscal Agent as the date for selecting Notes for redemption, or (ii) with respect to any Note after such Note has been selected for redemption.

Discontinuance of DTC Services

DTC may determine to discontinue providing its services with respect to the Notes at any time by giving written notice to the Fiscal Agent during any time that the Notes are Outstanding, and discharging its responsibilities with respect to the Notes under applicable law. The School District may terminate the services of DTC with respect to the Notes if it determines that DTC is unable to discharge its responsibilities with respect to the Notes or that continuation of the system of book-entry transfers through DTC is not in the best interest of the Beneficial Owners. The School District will mail any such notice of termination to the Fiscal Agent.

Upon the termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository willing to undertake the functions can be found which is willing and able to undertake such functions upon reasonable or customary terms, or if the School District determines that it is in the best interest of the Beneficial Owners of the Notes that they obtain certificated Notes, the Notes will no longer be restricted to being registered in the Registration Books of the Fiscal Agent in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or name the Owners designate at that time, in accordance with the Fiscal Agent Agreement.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, the Notes will be delivered to such Beneficial Owners as soon as practicable in accordance with the Fiscal Agent Agreement.

Scheduled Debt Service

The following is the debt service schedule for the Notes, assuming no optional redemption of the Notes prior to their maturity:

Period Ending June 1	Principal	Interest	Total
2021	$	$	$
2022			
2023			
2024			
2025			
Totals	$	$	$

SECURITY FOR THE NOTES

General

Pursuant to the Fiscal Agent Agreement, the Notes are secured by a first pledge of (i) all of the Special Tax Revenues and all moneys deposited in the Note Payment Fund and, until disbursed in accordance with the Fiscal Agent Agreement, the Special Tax Fund; and (ii) proceeds of Additional Bonds, if any are issued pursuant to the Fiscal Agent Agreement. Special Tax Revenues do not include interest and penalties collected in connection with foreclosure of the lien of delinquent Special Taxes that are in excess of the rate of interest payable on the Notes. The Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided in the Fiscal Agent Agreement) are pledged to the payment of the principal of and interest on the Notes in accordance with the Fiscal Agent Agreement until all of the Notes have been paid or defeased.

Amounts in the Administrative Expense Fund, the Project Fund and the Costs of Issuance Fund are not pledged to the repayment of the Notes. The School Facilities are not pledged to pay the Debt Service on the Notes. The proceeds of condemnation or destruction of any of the School Facilities are not pledged to pay the Debt Service on the Notes.

Limited Obligation

The Notes are limited obligations of the School District on behalf of the CFD and are payable solely from and secured solely by the Special Tax Revenues (other than the portion of the Special Tax Revenues representing the Special Tax levied to pay Administrative Expenses or to pay costs of School Facilities directly), and the amounts in the Note Payment Fund and the Special Tax Fund created pursuant to the Fiscal Agent Agreement.

There is no debt service reserve fund for the Notes. In the event that the Special Taxes are not paid when due, the only sources of funds available to repay the Notes are amounts held by the Fiscal Agent under the Fiscal Agent Agreement in the Note Payment Fund and the Special Tax Fund, and the proceeds, if any, from foreclosure sales of parcels with delinquent

Special Tax levies, after satisfaction of any requirements of the Senior Indenture with respect thereto.

Special Tax

In accordance with the provisions of the Act, the Rate and Method was approved on January 7, 1992, by the then owner of the land initially included in, and thereby the then qualified elector of, the CFD, and is set forth in its entirety in Appendix B. The Rate and Method provides for the levy of a "**Special Tax**" in order to fund the "**Annual Costs**," which includes the amounts needed to pay the debt service on the Notes, to pay a proportionate share of the costs of administering the CFD, as well as to pay directly for cost of the Improvements.

Under the Fiscal Agent Agreement, the School District is obligated to fix and levy the amount of Special Taxes within the CFD required for the timely payment of principal of and interest on the outstanding Notes becoming due and payable, including an amount estimated to be sufficient to pay the Administrative Expenses, taking into account any prepayments of Special Taxes previously received by the School District. The Special Tax levied on any parcel of Taxable Property may not exceed the maximum amount as provided in the Rate and Method.

The Special Taxes are payable and are to be collected in the same manner, at the same time and in the same installment as the County ad valorem taxes on property levied on the secured tax roll are payable, and pursuant to the Act have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the taxes levied on the tax roll.

Although the Special Taxes will constitute a lien on taxed parcels within the CFD, they do not constitute a personal indebtedness of the owners of the property within the CFD. Moreover, the Special Taxes constituting the Special Tax Revenues pledged to the repayment of the Notes is co-equal with the lien with respect to certain overlapping indebtedness and other community facilities districts (see "THE CFD—Direct and Overlapping Governmental Obligations"). Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of the Special Tax on a parcel of Taxable Property, the School District may order the institution of a superior court action to foreclose the lien on the parcel of Taxable Property within specified time limits. In such an action, the real property subject to the unpaid amount of the Special Tax lien may be sold at judicial foreclosure sale. See "SECURITY FOR THE NOTES—Summary of Rate and Method," and "—Covenant for Superior Court Foreclosure."

As mentioned above, senior liens and other liens for taxes and assessments already exist on the property located within the CFD and others could come into existence in the future. See "THE CFD—Direct and Overlapping Governmental Obligations." There is no assurance that any owner of a parcel subject to the Special Tax levy will be financially able to pay the annual Special Taxes or that it will pay such taxes even if financially able to do so. See "SPECIAL RISK FACTORS."

Special Tax Fund

Deposit of Special Tax Revenues. The School District is obligated by the Fiscal Agent Agreement to promptly deposit any Special Tax Revenues received each fiscal year in the Special Tax Fund.

Notwithstanding the foregoing, (i) any Special Tax Revenues constituting payment of the portion of the Special Tax levy for Administrative Expenses shall be separately identified by the Finance Officer and shall be deposited in the Community Facilities Fund; (ii) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes shall be separately identified by the Finance Officer and shall be disposed of first, for transfer to the Note Payment Fund to pay any past due debt service on the Notes, and second to be held in the Special Tax Fund for use as described below; (iii) any proceeds of Special Tax Prepayments shall be separately identified by the Finance Officer and shall be remitted to the Fiscal Agent and deposited by the Fiscal Agent directly in the Special Tax Prepayments Account established pursuant to the Fiscal Agent Agreement; and (iv) any Special Tax Revenues constituting the portion, if any, of the Special Taxes that is to pay directly for the acquisition or construction of any portion of the Project shall be separately identified by the Finance Officer and shall be deposited in the Community Facilities Fund.

Moneys in the Special Tax Fund will be held by the School District for the benefit of the School District and the Owners of the Notes, will be disbursed as provided below and, pending and disbursement, will be subject to a lien in favor of the Owners of the Notes and the School District.

Disbursements. On the Business Day before each Interest Payment Date, the School District will withdraw from the Special Tax Fund and transfer (i) to the Fiscal Agent for deposit by the Fiscal Agent in the Note Payment Fund an amount, taking into account any amounts then on deposit in the Note Payment Fund and any expected transfers under the Fiscal Agent Agreement from the Capitalized Interest Account and the Special Tax Prepayments Account to the Note Payment Fund, such that the amount in the Note Payment Fund equals the principal, if any, and interest due on the Notes on such Interest Payment Date; provided that no such transfers shall exceed the amount then available to be transferred from the Special Tax Fund, and (ii) following the foregoing transfer, to the Community Facilities Fund all other amounts then on deposit in the Special Tax Fund.

Summary of Rate and Method

The Rate and Method is used to allocate the amount of the Special Tax that is needed to be collected each fiscal year to fund the Special Tax Requirement among the Taxable Property within the CFD based upon the development status of the Taxable Property and its size, subject to maximum tax rates. The Rate and Method is set forth in full in Appendix B and the following is a summary of the Rate and Method. Capitalized terms used below and not otherwise defined in this Official Statement or in the Fiscal Agent Agreement have the meanings given to them in the Rate and Method.

The amount of Special Taxes that the CFD may levy is limited by the Maximum Annual Special Tax, as set forth in the Rate and Method. Under the Rate and Method, the Maximum Annual Special Tax are subject to an Escalation Factor; once a Taxable Parcel becomes a Developed Parcel the Escalation Factor is 2% per year, compounded annually.

Pursuant to the Rate and Method, a Taxable Parcel is any Parcel or that is not an Exempt Parcel that is exempt from Special Taxes. A parcel is characterized as a Taxable Parcel in the fiscal year in which a parcel can be classified as a Developed Parcel or Final Map Parcel 10 days prior to the commencement of the fiscal year. A Developed Parcel is defined as a lot or parcel for which a building permit for residential use has been issued. A Final Map Parcel means a lot or Parcel shown on a recorded final map that is intended to be developed for any residential use and for which a building permit or use permit has not been issued. Pursuant to the terms of the Rate and Method, Special Taxes will only be levied upon Final Map Parcels in each year if the total amount of Special Taxes to be levied upon Developed Parcels is estimated to be less than the amount necessary to cover the Annual Costs.

Each Taxable Parcel is required to pay an annual tax. The Maximum Annual Special Tax rates are adjusted annually at the beginning of each fiscal year by the applicable Escalation Factor.

The Special Tax is levied for the purposes of funding annual costs defined as, for each fiscal year, the total of (1) Debt Service for the calendar year commencing January 1 of such fiscal year through December 31 of the following fiscal year as well as any Debt Service not previously accounted for in the first six months of the fiscal year; (2) Administrative Expenses for the fiscal year; (3) any amounts needed to replenish bond reserve and sinking funds for bonds issued by the CFD to the level required under documents pursuant to which such bonds were issued; (4) an amount equal to actual or estimated delinquencies in Special Taxes for the first fiscal year in which the tax is levied and thereafter for the amount equal to the amount of delinquencies in payments of Special Taxes levied in the previous fiscal year; and (5) any pay-as-you-go expenses for Facilities for the fiscal year, including reasonable reserve and sinking funds for pay-as-you-go expenses and reimbursements to Landowners for formation costs.

Except for parcels subject solely to the One-Time Special Tax, a Taxable Parcel in the CFD will be subject to the Special Tax levy for a total of 30 years, at which time the parcel will have satisfied its school financing obligation and will be classified as exempt.

Pursuant to Section 53340 of the Act, properties or entities of state, federal or other local governments are exempt from the Special Tax except that, under Section 53317.3 of the Act, property not otherwise exempt which is acquired by a public entity through a negotiated transaction, or by gift or devise, remains subject to the Special Tax. See "SPECIAL RISK FACTORS—Exempt Properties."

The Act prohibits the Board of Trustees from adopting a resolution to initiate proceedings to reduce the rate of the Special Tax or terminate the levy of the Special Tax unless the Board of Trustees determines that the reduction or termination of the Special Tax "would not interfere with the timely retirement" of outstanding bonds secured by the Special Tax."

Although the Special Tax will constitute a lien on property subject to taxation within the CFD, it does not constitute a personal indebtedness of the owners of such property. There is no assurance that the owners will be financially able to pay the annual Special Tax or that they will pay such tax even if financially able to do so. The risk of the property owners not paying the annual Special Tax is more fully described in "SPECIAL RISK FACTORS—Payment of the Special Tax is not a Personal Obligation."

Collection of Special Tax Revenues

The School District shall comply with the provisions of the Fiscal Agent Agreement described in the following paragraphs, including that the School District comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or about July 1 of each year, the Fiscal Agent shall provide the Finance Officer with a notice stating the amount then on deposit in the Note Payment Fund and in the Special Tax Fund. The receipt of such notice by the Finance Officer shall in no way affect the obligations of the Finance Officer under the following three paragraphs. Upon receipt of such notice, or otherwise in time to include the levy of special taxes on the next County secured tax roll, the Finance Officer shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year. In computing the amount of Special Taxes to be levied, the Finance Officer shall take into account funds available in the Note Payment Fund and the Special Tax Fund to make the payment of debt service on the Notes due on the Interest Payment Dates occurring in the next calendar year.

The Finance Officer shall effect the levy of the Special Taxes from time to time during each Fiscal Year in accordance with the Ordinance and the Rate and Method of Apportionment of Special Taxes. Specifically, the Finance Officer shall compute the amount of Special Taxes to be so levied each Fiscal Year before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the CFD for inclusion on the next secured or unsecured, as applicable, real property tax roll. Upon the completion of the computation of the amounts of the levy, the Finance Officer shall prepare or cause to be prepared, and shall transmit to the Auditor such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll. The Special Taxes so levied shall be payable and be collected in the same manner and at the same time and in the same installment as the taxes on property levied on the tax roll are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general ad valorem taxes levied on the County tax roll.

In the event that the Finance Officer determines to levy all or a portion of the Special Taxes by means of direct billing of the property owners within the CFD, the Finance Officer shall, not less than forty-five (45) days prior to each Interest Payment Date for which the levy is being made, send bills to the property owners in the CFD for Special Taxes necessary to meet the financial obligations of the CFD due on the Interest Payment Date for which the levy is being made, said bills to specify that the amounts so levied shall be due and payable not less

than thirty (30) days prior to the related Interest Payment Date and shall be delinquent if not paid when due.

In any event, the School District shall fix and levy the amount of Special Taxes within the CFD as required for the timely payment of principal of and interest on any outstanding Notes becoming due and payable, including an amount estimated to be sufficient to pay the Administrative Expenses. The Special Taxes so levied shall not exceed the maximum amounts as provided in the Rate and Method of Apportionment of Special Taxes.

The Finance Officer is authorized to employ consultants to assist in computing the levy of the Special Taxes, and any reconciliation of amounts levied to amounts received. The fees and expenses of such consultants and the costs and expenses of the Finance Officer (including a charge for School District staff time) in conducting its duties hereunder shall be an Administrative Expense under the Fiscal Agent Agreement.

Covenant for Superior Court Foreclosure

Foreclosure Under the Act. Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of the Special Tax on the taxed parcel, the School District may order the institution of a superior court action to foreclose the lien on the taxed parcel within specified time limits. In such an action, the real property subject to the unpaid amount of the Special Tax lien may be sold at judicial foreclosure sale.

School District Foreclosure Covenant. Judicial foreclosure proceedings in the event of delinquent Special Taxes are not mandatory. However, the School District has covenanted in the Fiscal Agent Agreement for the benefit of the Noteowners that it will order, and cause to be commenced as described below, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due as described in the following paragraph. The School District shall notify the School District's General Counsel of any such delinquency of which it is aware, and the School District's General Counsel shall commence, or cause to be commenced, such proceedings.

The School District has covenanted in the Fiscal Agent Agreement for the benefit of the Owners that it shall commence or cause to be commenced judicial foreclosure proceedings by October 31 of each year against all property owned by any single person or any property regardless of ownership with delinquent Special Taxes totaling more than $25,000. The School District shall diligently pursue to completion each foreclosure commenced in accordance with the terms of this Agreement.

The Superintendent and the School District Counsel, as applicable, are hereby authorized to conduct, or employ counsel to conduct, any such foreclosure proceedings. The fees and expenses of any such counsel (including a charge for School District staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

No assurance can be given as to the time necessary to complete any foreclosure sale or that any foreclosure sale will be successful. The School District is not required to be a bidder at any foreclosure sale.

In a foreclosure proceeding the School District is entitled to recover penalties and interest on the delinquent Special Taxes through the date that an order of sale is entered. However, under the Fiscal Agent Agreement, the Special Taxes pledged to the payment of the Notes does not include any such penalties and interests in excess of the rate of interest on the Notes. Also it should be noted that prompt commencement of foreclosure proceedings may not, in and of itself, result in a timely or complete payment of delinquent Special Taxes.

Sufficiency of Foreclosure Sale Proceeds; Foreclosure Limitations and Delays. No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. Subject to the maximum rates, the Rate and Method is designed to generate from all Taxable Property within the CFD the current year's debt service and administrative expenses. However, if foreclosure proceedings are necessary there could be a delay in payments to owners of the Notes pending prosecution of the foreclosure proceedings and receipt by the School District of the proceeds of the foreclosure sale.

The ability of the School District to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the obligee in the event the property is owned by or in receivership of the Federal Deposit Insurance Corporation. See "SPECIAL RISK FACTORS—FDIC/Federal Government Interests in Properties."

No assurances can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. If a judgment of foreclosure and order of sale is obtained, the judgment creditor (the School District for the CFD) must cause a Notice of Levy to be issued. Under current law, a judgment debtor (property owner) has 120 days from the date of service of the Notice of Levy in which to redeem the property to be sold, which period may be shortened to 20 days for parcels other than those on which a dwelling unit for not more than four persons is located. If a judgment debtor fails to redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such an action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made (Section 701.680 of the California Code of Civil Procedure). The constitutionality of the aforementioned legislation, which repeals the former one-year redemption period, has not been tested; and there can be no assurance that, if tested, such legislation will be upheld.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Notes is obtained. However, under Section 53356.6 of the Act, the School District, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," where the School District could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the School District

becomes the purchaser under a credit bid, the School District must pay the amount of its credit bid into the redemption fund established for the Notes, but this payment may be made up to 24 months after the date of the foreclosure sale. Neither the Act nor the Fiscal Agent Agreement requires the School District to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale, and the School District has no intent to be such a purchaser.

The School District will levy the Special Tax to pay the current year's debt service on the Notes and related administrative expenses, subject to Maximum Annual Special Tax rates. However, if superior court foreclosure proceedings are necessary to collect delinquent Special Taxes, there could be a delay in payments of principal of and interest on the Notes pending prosecution of the foreclosure proceedings and receipt by the School District of the proceeds of the foreclosure sale. See "SPECIAL RISK FACTORS—Bankruptcy Delays" and "—Proceeds of Foreclosure Sales."

Obligation to Issue Additional Bonds

It is expected that the Notes will be redeemed prior to their maturity from the proceeds of future State school bonds (the "State School Bonds Proceeds") pursuant to the optional redemption provisions of the Fiscal Agent Agreement. However, in the event that the State School Bond Proceeds are not available for that purposes, the Resolution has authorized the issuance of special tax bonds (the "Additional Bonds"), proceeds of which will be used to repay the Notes at their maturity.

To that end, the School District has agreed in the Fiscal Agent Agreement that, not later than July 1, 2024, it will institute proceedings for the issuance and sale of Additional Bonds in a principal amount sufficient to pay the full amount of principal of and interest on the Notes payable on their maturity date. If the Notes have not theretofore been paid in full or otherwise defeased, the School District has agreed that it will complete such proceedings and issue Additional Bonds on or before the maturity date of the Notes in a principal amount as necessary to repay the Notes in full at their maturity. If for any reason the School District is not in a position to issue Additional Bonds in the full amount necessary to comply with the foregoing, it has agreed in the Fiscal Agent Agreement to repay the Notes from available Special Tax Revenues.

No Teeter Plan

Collection of the Special Taxes is not subject to the "Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds," as provided for in Section 4701 et seq. of the California Revenue and Taxation Code (known as the "**Teeter Plan**"). Accordingly, collections of Special Taxes will reflect actual delinquencies, if any.

No Reserve Fund

The Fiscal Agent Agreement does not provide for any debt service reserve fund. The only funds that are pledged to the payment of the Notes are amounts in the Special Tax Fund and in the Note Payment Fund held by the Fiscal Agent under the Fiscal Agent Agreement.

Investment of Moneys

Except as otherwise provided in the Fiscal Agent Agreement, all moneys in any of the funds or accounts established pursuant to the Fiscal Agent Agreement will be invested by the Fiscal Agent solely in Permitted Investments, as directed by the School District. See Appendix C—"Summary of the Fiscal Agent Agreement" for a definition of "**Permitted Investments**" and for additional provisions regarding the investment of funds held under the Fiscal Agent Agreement.

No Additional Debt

The Fiscal Agent Agreement provides that so long as the Notes are outstanding it will not incur any debt secured by a pledge or lien on the Special Taxes, except Additional Bonds.

THE CFD

Location and Description of the CFD

The CFD is located in the County, in the City of Lincoln, California. The CFD was formed on May 6, 2003. The qualified electors in the CFD approved the levy of the Special Tax and the issuance of bonded indebtedness in an amount not to exceed $100,000,000. The CFD currently includes 2,710 separate County Assessor's parcels each improved with a single family residence.

The following page contains a map showing the current boundaries of the CFD including the areas annexed to the CFD following its initial formation, and also shows the location of the School Facilities costs of which are being funded in part with the proceeds of the Notes.

WESTERN PLACER
UNIFIED SCHOOL DISTRICT
Community Facilities District No. 2
District Boundary
MAY 2020
LEGEND
WESTERN PLACER UNIFIED SCHOOL DISTRICT BOUNDARY
WPUSD CFD NO. 2
SCHOOL SITES
GLEN EDWARDS MIDDLE SCHOOL
SCOTT M. LEAMAN ELEMENTARY SCHOOL
TWELVE BRIDGES HIGH SCHOOL
MCCOURTNEY ROAD
VALLEY VIEW ROAD
RIOSA ROAD
WISE ROAD
GAMP FAR WEST ROAD
HWY 65
SHERIDAN
LINCOLN BLVD
VENTURE DRIVE
NICOLAUS ROAD
GLADDING ROAD
EAST AVE
MCCOURTNEY ROAD
WISE RD
CROSBY
HEROLD ROAD
GARDEN BAR ROAD
WILSON TOWN ROAD
FRUITVALE RD
VIRGINIATOWN RD
FERRARI RANCH RD
LINCOLN NEWCASTLE HWY
SIERRA COLLEGE BLVD
PARK LAKE CT
MELODY LANE
CHILI HILL RD
COLD HILL RD
FOWLER ROAD
MOORE ROAD
NELSON LANE
3RD ST
1ST ST
HWY 65
INDUSTRIAL AVE
FOOTHILLS BLVD
ATHENS AVE
PARK DR
ENGINEERING & PLANNING

The School Facilities

The CFD is authorized to fund school facilities for the School District. The School District has undertaken the construction of the Twelve Bridges High School and the Scott M. Leaman Elementary School, and the modernization of Glen Edwards Middle School (referred to herein collectively as the School Facilities). To date, the School District has funding from the State of $3,000,000 and has provided its own matching funds of $3,000,000 towards the costs of the Twelve Bridges High School. The Glen Edwards Middle School is in line for funding from a future authorized not yet issued State bond issue from the successful Proposition 51 ballot measure of $9,866,010, and has set aside from its own funds $8,042,493 for the modernization of Glenn Edwards Middle School. The School District expects to receive additional funding for costs of the School Facilities from future State School bond issues ("State School Bond Proceeds"), when and if they are issued, totaling $37,846,624 for the Twelve Bridges High School, $12,935,885 for the Scott M. Leaman M. Elementary School, and $2,769,764 for the Glen Edwards Middle School, to be combined with funds otherwise to be provided by the School District of $37,846,624 for the Twelve Bridges High School, $12,935,885 for the Scott M. Leaman Elementary School and $2,738,058 for the Glen Edwards Middle School.

Proceeds of the Notes, and proceeds of the bond anticipation notes being issued concurrently with the Notes for the School District's Community Facilities District No. 1 are intended to be used for "bridge financing" for the School Facilities, pending the issuance of the Proposition 51 authorized State school bonds and the allocation of a portion of the proceeds thereof to the School District, and the future issue winds of additional State school bonds and the allocation of a portion thereof to the School District.

If State School Bond Proceeds become available prior to the maturity of the Notes, the funds will be used to redeem the Notes prior to their maturity under the optional redemption provisions of the Fiscal Agent Agreement. If the State School Bond Proceeds do not become so available, the School District has covenanted in the fiscal agent agreement to issue Additional Bonds in an amount needed to repay the Notes at their maturity. See "PLAN OF FINANCING—Funding of School Facilities."

Value to Lien Ratios and Top Taxpayers

Set forth below is a Table indicating the current Value to Lien ratios for the Taxable Property in the CFD.

Table 1
Western Placer Unified School District
CFD No. 2 Value-to-Lien for FY 2019-20

VTL Range	No. of Parcels	Percent of Total	Total Assessed Value	Total Maximum Special Tax	Proposed CFD No. 2 Special Tax Bond Lien	Outstanding CFD No. 03-1 Special Tax Bond Lien	Total Bond Liens[1]	Average VTL
Less than 3:1[2]	2	0.1%	$0	$1,842	$27,582	$0	$27,582	n/a
3:1 to 4.99:1	25	0.9	4,718,703	20,589	308,363	621,447	989,552	4.8:1
5:1 to 9.99:1	2,007	74.0	705,732,454	1,778,870	26,641,680	50,944,377	86,485,769	8.2:1
10:1 to 14.99:1	558	20.6	217,298,659	455,314	6,819,127	10,598,733	20,160,947	10.8:1
15:1 to 19.99:1	34	1.3	10,089,753	30,396	455,232	4,856	587,830	17.2:1
20:1 to 29.99:1	85	3.1	36,515,730	77,321	1,158,016	0	1,616,797	22.6:1
30:1 and greater	0	0.0	0	0	0	0	0	n/a
Totals	2,711	100.0%	$974,355,299	$2,364,333	$35,410,000	$62,169,414	$109,868,477	8.9:1

(1) In addition to the proposed CFD No. 2 bond issuance, the City has issued bonds under the City of Lincoln CFD No. 03-1. WPUSD and Sierra College have issued General Obligation Bonds. Outstanding bond liens for these various bond issuances are included in the total bond lien.

(2) These two parcels are owned by the California Affordable Housing Agency and are exempt from ad valorem property taxes.

Source: CalMuni, the County Assessor, the School District, and Economic and Planning Systems.

The following Table provides information regarding the top ten taxpayers in the CFD.

Table 2
Western Placer Unified School District
CFD No. 2 - Top Ten Owners

Owner of Record[1]	No. of Parcels	FY 2019-20 Special Tax Levy	Percent of Total
MEHRIZI PROPERTIES LLC	36	$33,111	1.43%
THR CALIFORNIA LP	10	9,188	0.27
IH4 PROPERTY WEST LP	8	7,099	0.21
2018-3 IH BORROWER LP	8	6,887	0.20
BAINS FAMILY INVESTMENTS LLC	5	4,639	0.14
BETTS MARISSA D	4	3,665	0.11
TRAN TUAN DUY MINH & NGUYEN THANH MAI TR	3	2,916	0.09
CARMICHAEL GRANT H & KARRIE L TR ET AL	3	2,704	0.08
DILLARD THOMAS E TR	3	2,587	0.08
GOMEZ SAMUEL & GOMEZ ANTONIA	2	1,950	0.06
Total Special Tax Levy		$2,316,177	

(1) Owners as of July 2019.

Source: the County Assessor, the School District, and Economic and Planning Systems.

Assessed Property Values

No Appraisal of Property in the CFD. The School District has not commissioned an appraisal of the property in the CFD in connection with the issuance of the Notes. Therefore, the valuation of the taxable property in the CFD has estimated for the purposes of the foregoing Table 1, based on the most recently obtainable County Assessor's values.

Assessed Valuation. The valuation of real property in the School District is established by the County Assessor. Assessed valuations are reported at 100% of the full cash value of the property, as defined in Article XIIIA of the California Constitution. Article XIIIA of the California Constitution defines "full cash value" as the appraised value as of February 1, 1975, plus adjustments not to exceed 2% per year to reflect inflation, and requires assessment of "full cash value" upon change of ownership or new construction. Accordingly, the gross assessed valuation of any particular parcel presented in this Official Statement may not necessarily be representative of the actual market value of that parcel.

The estimated fiscal year 2019-20 total assessed value of the taxable parcels of property in the CFD is $974,355,299. The following Table 3 shows the County assessed values for the taxable property in the CFD for the twelve most recent fiscal years.

Table 3
Western Placer Unified School District
CFD No. 2 Historical Assessed Values
- Fiscal Years 2007-08 through 2019-20

Fiscal Year Ending	Assessed Value	Percent Change
2008	$923,964,144	--
2009	846,265,562	-8.41%
2010	698,971,667	-17.41
2011	638,324,649	-8.68
2012	601,314,115	-5.80
2013	573,148,205	-4.68
2014	637,700,468	11.26
2015	757,867,657	18.84
2016	795,588,871	4.98
2017	833,158,059	4.72
2018	882,811,572	5.96
2019	974,355,299	10.37

Source: Placer County Assessor and Economic and Planning Systems.

Special Tax Levies

The following Table 4 shows the annual Special Tax levies in the CFD since fiscal year 2008, and the delinquencies in payment of the Special Taxes for each such year..

Table 4
Western Placer Unified School District
CFD No. 2 Historical Levy and Delinquencies

Fiscal Year Ending	Special Tax Levy	Special Taxes Paid	Annual Delinquency	Annual Delinquency Rate
2008[1]	$1,754,385	n/a	n/a	
2009[2]	1,844,553	$1,613,839	$230,714	12.51%
2010[3]	1,887,483	1,797,895	89,588	4.75
2011[4]	1,939,686	1,892,355	47,331	2.44
2012[5]	1,979,840	1,941,830	38,010	1.92
2013[6]	2,036,591	2,003,760	32,831	1.61
2014[7]	2,103,404	2,076,779	26,624	1.27
2015[8]	2,145,617	2,119,419	26,198	1.22
2016[9]	2,188,693	2,169,541	19,153	0.88
2017[10]	2,230,744	2,209,583	21,161	0.95
2018[11]	2,272,608	2,252,396	20,212	0.89
2019[12]	2,316,177	2,300,034	16,143	0.70
2020[13]	2,362,500	2,336,207	26,293	1.11

Source: Placer County Auditor-Controller and EPS.
(1) This data was not requested from the County in 2008 for WPUSD.
(2) As of June 8, 2009.
(3) As of June 2, 2010.
(4) As of June 1, 2011.
(5) As of June 1, 2012.
(6) As of May 30, 2013.
(7) As of May 30, 2014.
(8) As of June 2, 2015.
(9) As of June 9, 2016
(10) As of June 8, 2017.
(11) As of June 4, 2018.
(12) As of June 10, 2019.
(13) As of May 19, 2020.

No assurance can be given with respect to delinquencies related to future Special Tax levies on property in the CFD.

Direct and Overlapping Governmental Obligations

General. Property within the CFD is subject to general obligation and general fund overlapping debt. Additional indebtedness could be authorized by other public agencies at any time.

Presently, land within the CFD is subject to approximately $78,825,071 of total outstanding tax and assessment debt, and general obligation and overlapping debt, not including the Notes.

The current direct and overlapping obligations affecting the property in the CFD are shown in the following table. The table is included for general information purposes only. Neither the School District nor the CFD has independently verified the information in the table and they make no representation as to its completeness or accuracy.

Table 5
Western Placer Unified School District
CFD No. 2 Direct and Overlapping Indebtedness

2019-20 Assessed Valuation: $974,355,299 Land and Improvements

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 4/1/20
Sierra Joint Community College District School Facilities Improvement District No. 4	1.384%	$ 1,107,446
Western Placer Unified School District	9.746	11,181,617
Western Placer Unified School District Community Facilities District No. 2	100.	0 (1)
City of Lincoln Community Facilities District No. 2003-1	99.855	62,169,412
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$74,458,475
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Placer County General Fund Obligations	1.204%	$ 270,655
Placer County Office of Education Certificates of Participation	1.204	8,428
Sierra Joint Community College District Certificates of Participation	0.916	29,264
Western Placer Unified School District Certificates of Participation	9.746	13,999,570
City of Lincoln General Fund Obligations	11.394	1,711,916
Placer Mosquito and Vector Control District Certificates of Participation	1.204	32,098
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$16,051,931
COMBINED TOTAL DEBT		$90,510,406 (2)

(1) Excludes issue to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2019-20 Assessed Valuation:

Direct Debt ($0)	0.00%
Total Direct and Overlapping Tax and Assessment Debt	7.64%
Combined Total Debt	9.29%

Source: California Municipal Statistics.

THE SCHOOL DISTRICT

General Information

The School District was established in 1966 and encompasses approximately 175 square miles. The School District is located in the western portion of the County. The School District currently operates seven elementary schools, two middle schools, one high school, one continuation high school, and one charter home school program. Enrollment in the District for grades K-12 in the 2018-19 school year was 7,801 students and is projected to be 7,209 in Fiscal

Year 2019-20. The School District is under the authority of the Placer County Office of Education.

Board of Trustees and Administration

The School District is governed by a five-member School District Board, each member of which is elected to a four-year term. Elections for positions to the School District Board are held every two years, alternating between two and three available positions.

Board Member	Office	Current Term Expires (December)
Paul Long	President	2020
Brian Haley	Vice President	2022
Paul Carras	Clerk	2020
Damian Armitage	Board Member	2022
Kris Wyatt	Board Member	2022

The administrative staff of the School District includes Superintendent Scott Leaman and Assistant Superintendent, Business & Operations Audrey Kilpatrick.

SPECIAL RISK FACTORS

The following is a description of certain risk factors affecting the CFD, the parcels subject to the levy of Special Taxes and the payment of and security for the Notes. The following discussion of risks is not meant to be a complete list of the risks associated with the purchase of the Notes and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the investment quality of the Notes. There can be no assurance that other risk factors will not become material in the future.

No General Obligation of the School District or the CFD

The School District's obligations under the Notes and under the Fiscal Agent Agreement are limited obligations of the School District on behalf of the CFD and are payable solely from and secured solely by the Special Tax Revenues and amounts in the Special Tax Fund and the Note Payment Fund. The Notes are neither general or special obligations of the School District nor general obligations of the CFD, but are limited obligations of the School District for the CFD payable solely from the revenues and funds pledged therefor and under the Fiscal Agent Agreement.

Property Value

The value of land within the CFD is a critical factor in determining the investment quality of the Notes. If a landowner defaults in the payment of the Special Tax, the only legal remedy is the institution of a superior court action to foreclose on the delinquent Taxable Property in an attempt to obtain funds with which to pay the Special Tax. The value of the

Taxable Property in the CFD could be adversely affected by economic factors beyond the School District's control, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the CFD, the supply of or demand for competitive properties in such area, and the market value of residential property in the event of sale or foreclosure; (ii) changes in real estate tax rates and other expenses of owning Taxable Property, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, wildfire, earthquakes, tsunamis and floods), which may result in uninsured losses. See "SPECIAL RISK FACTORS—Natural Disasters and Potential Drought Conditions."

No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay the delinquent Special Tax installment. Although the Act authorizes the School District to cause such an action to be commenced and diligently pursued to completion, the Act does not specify any obligation of the School District with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale in any such action if there is no other purchaser at such sale. The School District is not obligated and does not expect to be a bidder at any such foreclosure sale. See "SECURITY FOR THE BONDS—Covenant for Superior Court Foreclosure" and "SPECIAL RISK FACTORS—Proceeds of Foreclosure Sales."

Payment of the Special Tax is not a Personal Obligation

The owners and users of the parcels in the CFD are not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation that is secured only by a lien against the Taxable Property on which it is levied. If the value of a Taxable Property is not sufficient to secure fully the payment of the Special Tax levied and to be levied on it, the School District has no recourse against the owners of the Taxable Property.

Exempt Properties

The Future Exempt Property is expected to be exempt from the Special Tax in accordance with the Rate and Method. In addition, the Act provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the CFD acquired by a public entity through a negotiated transaction, or by gift or devise, that is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. It is possible that property acquired by a public entity following a tax sale or foreclosure based upon failure to pay taxes could become exempt from the Special Tax. In addition, the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property, for outstanding Notes only, is to be treated as if it were a special assessment. The constitutionality and operation of these provisions of the Act have not been tested.

In particular, insofar as the Act requires payment of the Special Tax by a federal entity acquiring property within the CFD, it may be unconstitutional. See "SPECIAL RISK FACTORS—FDIC/Federal Government Interests in Properties." If for any reason property within the CFD becomes exempt from taxation by reason of ownership by a nontaxable entity

such as the federal government or another public agency, subject to the limitation of the Maximum Annual Special Tax, the Special Tax will be reallocated to the remaining taxable properties within the CFD. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the timely payment of the Special Tax. Moreover, if a substantial portion of land within the CFD becomes exempt from the Special Tax because of public ownership, or otherwise, the maximum rate that could be levied upon the remaining acreage might not be sufficient to pay principal of and interest on the Notes when due and a default would occur with respect to the payment of such principal and interest.

The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

Parity Taxes and Special Assessments

The Special Taxes and any penalties thereon will constitute liens against the taxable parcels in the CFD until they are paid. Such lien is on a parity with all special taxes and special assessments levied by other agencies and is coequal to and independent of the lien for general property taxes regardless of when they are imposed upon the taxable parcel. The Special Taxes have priority over all existing and future private liens imposed on the property. See "THE CFD—Direct and Overlapping Governmental Obligations" for a description of existing overlapping liens on the Taxable Property.

The School District has no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the taxable property within the CFD subject to the levy of Special Taxes. In addition, the taxpayers within the CFD may, without the consent or knowledge of the School District, petition other public agencies to issue public indebtedness secured by special taxes or assessments, and any such special taxes or assessments may have a lien on such property on a parity with the Special Taxes. The imposition of additional indebtedness could reduce the willingness and the ability of the property owners within the CFD to pay the Special Taxes when due.

Insufficiency of Special Taxes

In order to pay debt service on the Notes, it is necessary that the Special Taxes levied against taxable parcels within the CFD be paid in a timely manner. There is no debt service reserve fund for the Notes that would be used to pay debt service on the Notes in the event of a delinquency in payment of the Special Taxes. In addition, the Act imposes certain limitations on increases in Special Taxes on residential parcels as a consequence of delinquencies in payment of the Special Taxes. See "SECURITY FOR THE NOTES—Special Tax." Consequently, if a delinquency occurs, the School District may be unable to raise Special Tax rates sufficient to cover delinquencies in payment of Special Taxes on a parcel or parcels due to the limitation of the Maximum Annual Special Tax rates. If such defaults in payment of Special Taxes were to occur, a default on the Notes would occur.

The School District has made certain covenants regarding the institution of foreclosure proceedings to sell any property with delinquent Special Taxes in order to obtain funds to pay

debt service on the Notes, which limit its obligation to pursue any such foreclosure action. See "SECURITY FOR THE NOTES—Covenant for Superior Court Foreclosure." If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of delinquent Special Taxes to protect its security interest.

As described under the heading "PLAN OF FINANCING—Funding of School Facilities," if State School Bond Proceeds anticipated to be received by the School District to repay the Notes are not received prior to the issuance of the Notes, the School District has covenanted in the Fiscal Agent Agreement to issue the Additional Bonds. The School District anticipates sufficient Special Tax Revenues to be able to issue the Additional Bonds so long as the true interest cost of the Additional Bonds is not greater than _____%. If the School District is unable for any reason to issue the Additional Bonds, or to issue the Additional Bonds in an amount not sufficient to fully repay the Notes at their maturity, the School District has agreed in the Fiscal Agent Agreement to repay any unpaid Notes with Special Taxes, which may not be sufficient to pay the Notes at their scheduled maturity due to the limitation on the Annual Maximum Special Tax.

COVID-19 Pandemic

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "COVID-19 Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the State of California and local governmental agencies within the State, as well as the entire United States. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

The COVID-19 Pandemic has resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools. The United States is restricting certain non-US citizens and permanent residents from entering the country. In addition, stock markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

On March 4, 2020, the Governor of California proclaimed a state of emergency in California as a result of the threat of COVID-19. Under the California Emergency Services Act, during a state of emergency, the Governor has authority over all agencies of the state government and can exercise the State's police powers. His powers also include the power to promulgate, issue, and enforce orders and regulations as he deems necessary.

Since declaring the emergency, the Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. These include his March 19, 2020 Executive Order N-33-20, which orders all individuals living in the State of California to stay home or at their place of residence except as needed to maintain continuity of operations of certain critical infrastructure sectors, as described in that order and later designations. On _____, 2020,

the County declared a local public health emergency and issued a series of orders, which generally align, among other matters, with the Governor's order. These actions are focused on "social distancing," or limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and impacts enterprise operations and the economy. The shelter in place orders from the State and the County are ongoing and are expected to continue to be enforced until the threat to public health from the COVID-19 pandemic can be adequately managed.

The Governor issued Executive Orders N-29-20 and N-35-20 relaxing state and local agency open meeting laws to accommodate social distancing. The School District has held recent meetings of its Board of Trustees remotely, unhindered by the COVID-19 Pandemic. The School District's employees and consultants have continued to work remotely, leveraging available technology to continue School District operations. The School District does not expect its operations to be materially curtailed; however, the School District offers no assurances that Board members or employee absences due to COVID-19 illnesses will not materially and adversely impact its operations.

The continuing construction of the School Facilities considered essential construction activity by the San Joaquin County Public Health Officer, so that physical work on the School Facilities can and has continued, subject to any applicable social distancing requirements.

Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Notes are derived, are expected to be billed to the Taxable Property within the CFD on the regular property tax bills sent to owners of the parcels. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. Special Tax installment payments cannot be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Tax installment payments in the future. See "SECURITY FOR THE NOTES—Covenant for Superior Court Foreclosure" for a discussion of the provisions which apply, and the limited procedures which the School District is to follow under the Fiscal Agent Agreement, in the event of delinquency in the payment of Special Tax installments.

Bankruptcy Delays

The payment of the Special Tax and the ability of the School District to commence a superior court action to foreclose the lien of a delinquent unpaid Special Tax, as discussed in "SECURITY FOR THE NOTES—Covenant for Superior Court Foreclosure," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. Any legal opinion to be delivered concurrently with the delivery of the Notes (including Note Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Notes.

Proceeds of Foreclosure Sales

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax, the School District Board of Trustees, as the legislative body of the CFD, may order that the Special Taxes be collected by a superior court action to foreclose the lien within specified time limits. The School District has covenanted in the Fiscal Agent Agreement that it will, under certain limited circumstances, commence such a foreclosure action. See "SECURITY FOR THE NOTES—Covenant for Superior Court Foreclosure."

No assurances can be given that a taxable parcel in the CFD that would be subject to a judicial foreclosure sale for delinquent Special Taxes will be sold or, if sold, that the proceeds of such sale will be sufficient to pay the delinquent Special Tax installment. Although the Act authorizes the School District to cause such an action to be commenced and diligently pursued to completion, the Act does not specify any obligation of the School District with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale in any such action if there is no other purchaser at such sale and the School District has not in any way agreed nor does it expect to be such a bidder.

In a foreclosure proceeding, a judgment debtor (i.e., the property owner) has 140 days from the date of service of the notice of levy in which to redeem the property to be sold and may have other redemption rights afforded by law. If a judgment debtor fails to so redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale if the purchaser at the sale was the judgment creditor. If a foreclosure sale is thereby set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made.

If foreclosure proceedings were ever instituted, any holder of a mortgage or deed of trust on the affected property could, but would not be required to, advance the amount of tie delinquent Special Tax installment to protect its security interest.

In the event such superior court foreclosure or foreclosures are necessary, there could be a delay in principal and interest payments to the owners of the Notes pending prosecution of the foreclosure proceedings and receipt by the CFD of the proceeds of the foreclosure sale, if any. Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions and other factors beyond the control of the School District, including delay due to crowded local court calendars or legal tactics and, in any event could take several years to complete.

Natural Disasters

The value of the Taxable Property in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the Taxable Property and the continued habitability and enjoyment of such private improvements. Such occurrences include, without limitation, wildfire, earthquakes and floods. Known active faults that could cause significant ground shaking in the CFD.

One or more of such natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the Taxable Property may well depreciate or disappear.

Disclosure to Future Purchasers

The willingness or ability of an owner of a parcel to pay the Special Tax, even if the value of the property is sufficient to justify payment, may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel should the Special Tax be levied at the maximum tax rate and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The School District has caused a Notice of Special Tax Lien to be recorded in the Office of the Recorder for the County against the property in the CFD. Although title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation when purchasing a Taxable Property within the CFD or lending money thereon, as applicable.

California Civil Code Section 1102.6b requires that, in the case of transfers, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

FDIC/Federal Government Interests in Properties

General. The ability of the School District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the "**FDIC**"), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the

federal government interest. The supremacy clause of the United States Constitution reads as follows: "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the School District of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, anything in the Constitution or Laws of any State to the contrary notwithstanding." This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the CFD but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the CFD wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. In Rust v. Johnson (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("**FNMA**") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The School District has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes within the CFD, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Notes are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by real property within the CFD is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the School District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "**Policy Statement**") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those

claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Mello-Roos Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit has issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from Mello-Roos special taxes.

The School District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the CFD in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be extinguished at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a default in payment on the Notes.

No Acceleration Provision

The Notes and the Fiscal Agent Agreement do not contain a provision allowing for the acceleration of the Notes in the event of a payment default or other default under the terms of the Notes or the Fiscal Agent Agreement or in the event interest on the Notes becomes included in gross income for federal income tax purposes.

Taxability Risk

As discussed herein under the caption "TAX MATTERS," interest on the Notes could become includable in gross income for purposes of federal income taxation retroactive to the date the Notes were issued, as a result of future acts or omissions of the School District in violation of its covenants in the Fiscal Agent Agreement. There is no provision in the Notes or the Fiscal Agent Agreement for special redemption or acceleration or for the payment of additional interest should such an event of taxability occur, and the Notes will remain outstanding until maturity or until redeemed under one of the redemption provisions contained in the Fiscal Agent Agreement.

In addition, as discussed under the caption "TAX MATTERS," Congress is or may be considering in the future legislative proposals, including some that carry retroactive effective dates, that, if enacted, would alter or eliminate the exclusion from gross income for federal income tax purposes of interest on municipal bonds, such as the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. The School District can provide no assurance that federal tax law will not change while the Notes are outstanding or that any such changes will not adversely affect the exclusion

of interest on the Notes from gross income for federal income tax purposes. If the exclusion of interest on the Notes from gross income for federal income tax purposes were amended or eliminated, it is likely that the market price for the Notes would be adversely impacted.

Enforceability of Remedies

The remedies available to the Fiscal Agent and the registered owners of the Notes upon a default under the Fiscal Agent Agreement or any other document described in this Official Statement are in many respects dependent upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. Any legal opinions to be delivered concurrently with the issuance of the Notes will be qualified to the extent that the enforceability of the legal documents with respect to the Notes is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Judicial remedies, such as foreclosure and enforcement of covenants, are subject to exercise of judicial discretion. A California court may not strictly apply certain remedies or enforce certain covenants if it concludes that application or enforcement would be unreasonable under the circumstances and it may delay the application of such remedies and enforcement.

No Secondary Market

No representation is made concerning any secondary market for the Notes. There can be no assurance that any secondary market will develop for the Notes. Investors should understand the long-term and economic aspects of an investment in the Notes and should assume that they will have to bear the economic risks of their investment to maturity. An investment in the Notes may be unsuitable for any investor not able to hold the Notes to maturity.

Proposition 218

An initiative measure entitled the "Right to Vote on Taxes Act" (the "**Initiative**") was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Article XIIIC and Article XIIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Provisions of the Initiative have been and will continue to be interpreted by the courts. The Initiative could potentially impact the Special Taxes otherwise available to the CFD to pay the principal of and interest on the Notes as described below.

Among other things, Section 3 of Article XIIIC states, "...the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure, which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred

pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, the Governor of the State signed a bill into law enacting Government Code Section 5854, which states that:

> Section 3 of Article XIIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution.

Accordingly, although the matter is not free from doubt, it is likely that Article XIIIC has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the Notes.

It may be possible, however, for voters or the School District Board of Trustees acting as the legislative body of the CFD to reduce the Special Taxes in a manner that does not interfere with the timely repayment of the Notes, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the Notes. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses (as defined in the Fiscal Agent Agreement). Nevertheless, the School District has covenanted that it will not consent to, or conduct proceedings with respect to, a reduction in the maximum Special Taxes that may be levied in the CFD below an amount, for any fiscal year, equal to 110% of the aggregate of the debt service due on the Notes in such fiscal year, plus a reasonable estimate of Administrative Expenses for such fiscal year. However, no assurance can be given as to the enforceability of the foregoing covenant.

The interpretation and application of Article XIIIC and Article XIIID will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See "—Enforceability of Remedies."

Ballot Initiatives

Articles XIIIC and XIIID of the California Constitution were adopted pursuant to measures qualified for the ballot pursuant to California's constitutional initiative process, and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. On March 6, 1995 in the case of Rossi v. Brown, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to initiatives. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the legislature. The

adoption of any such initiative or legislation might place limitations on the ability of the State, the School District, or local districts to increase revenues or to increase appropriations.

IRS Audit of Tax-Exempt Debt Issues

The Internal Revenue Service has initiated an expanded program for the auditing of tax-exempt debt issues, including both random and targeted audits. It is possible that the Notes will be selected for audit by the Internal Revenue Service. It is also possible that the market value of the Notes might be affected as a result of such an audit of the Notes (or by an audit of similar debt obligations).

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Notes, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The School District has covenanted in the Fiscal Agent Agreement to comply with all requirements that must be satisfied in order for the interest on the Notes to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Notes to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

Subject to the School District's compliance with the above-referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Note Counsel, interest on the Notes (i) is excludable from the gross income of the owners thereof for federal income tax purposes, and (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Notes is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Note Counsel will rely upon certifications of the School District with respect to certain material facts within the School District's knowledge. Note Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "**Code**"), includes provisions for an alternative minimum tax ("**AMT**") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("**AMTI**"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "**Adjusted current earnings**" would include certain tax-exempt interest, including interest on the Notes.

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the Notes should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "**Issue Price**") for each maturity of the Notes is the price at which a substantial amount of such maturity of the Notes is first sold to the public. The Issue Price of a maturity of the Notes may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page of this Official Statement.

If the Issue Price of a maturity of the Notes is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Notes (the "**OID Notes**") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Note in the initial public offering at the Issue Price for such maturity and who holds such OID Note to its stated maturity, subject to the condition that the School District comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Note constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Note at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Notes should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Notes.

Owners of Notes who dispose of Notes prior to the stated maturity (whether by sale, redemption or otherwise), purchase Notes in the initial public offering, but at a price different from the Issue Price or purchase Notes subsequent to the initial public offering should consult their own tax advisors.

If a Note is purchased at any time for a price that is less than the Note's stated redemption price at maturity or, in the case of an OID Note, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the "**Revised Issue Price**"), the purchaser will be treated as having purchased a Note with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Note is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Note for a price that is less than

its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Note. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Notes.

An investor may purchase a Note at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "**bond premium**" and must be amortized by an investor on a constant yield basis over the remaining term of the Note in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Note. Investors who purchase a Note at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Note's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Note.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Note Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "**Service**") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Notes. If an audit is commenced, under current procedures the Service may treat the School District as a taxpayer and the Noteholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Notes until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Notes, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Note owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Note owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Note Counsel, interest on the Notes is exempt from California personal income taxes.

Ownership of the Notes may result in other state and local tax consequences to certain taxpayers. Note Counsel expresses no opinion regarding any such collateral consequences

arising with respect to the Notes. Prospective purchasers of the Notes should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Note Counsel expects to deliver upon issuance of the Notes is set forth in Appendix D.

LEGAL MATTERS

Concurrent with the issuance of the Notes, Quint & Thimmig LLP, Larkspur, California, Note Counsel, will render its opinion substantially in the form set forth in Appendix D to this Official Statement. Quint & Thimmig LLP is also acting as Disclosure Counsel to the School District with respect to the Notes. Certain legal matters will be passed upon for the Underwriter by Kutak Rock LLP, Irvine, California, acting as Underwriter's Counsel. Payment of the fees and expenses of Note and Disclosure Counsel, and of Underwriter's Counsel are contingent on the issuance of the Notes.

NO RATING

The School District has not made, and does not intend to make, any application to any rating agency for the assignment of a rating to the Notes.

LITIGATION

The School District will execute a certificate on the date of issuance of the Notes to the effect that the Officer of the School District executing such certificate is not aware of any pending or threatened litigation challenging the validity of the Notes, the Special Taxes securing the Notes, or any action taken by the School District in connection with the formation of the CFD, the levying of the Special Taxes or the issuance of the Notes.

CONTINUING DISCLOSURE

The School District has agreed for the benefit of the Owners of the Notes, in a Continuing Disclosure Agreement, to provide annually certain financial information and operating data, and to provide notices of the occurrence of certain enumerated events. See Appendix E—"Form of Continuing Disclosure Agreement."

A failure by the School District to comply with its continuing disclosure obligations will not constitute a default under the Fiscal Agent Agreement. However, the Continuing Disclosure Agreement provides that, in the event of a failure of the School District to comply with any provision of the Continuing Disclosure Agreement, any Note owner or any Beneficial Owner may seek specific performance by court order to cause it to comply with its obligations under the Continuing Disclosure Agreement.

The School District has advised that during the past five years, the School District has never failed to comply in all material respects with previous continuing disclosure undertakings pursuant to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

MISCELLANEOUS

Included herein are brief summaries of certain documents and reports, which summaries do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof. 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 School District or the CFD and the purchasers or Owners of any of the Notes.

The execution and delivery of this Official Statement has been duly authorized by the Board of Trustees.

WESTERN PLACER UNIFIED SCHOOL DISTRICT FOR AND ON BEHALF OF THE WESTERN PLACER UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2

By: _____

Its: _____

APPENDIX A

GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY OF LINCOLN AND PLACER COUNTY

The information in this section of the Official Statement is presented as general background data. The Certificates are payable solely from the revenues of the District's General Fund and other sources as described in the Official Statement. The taxing power of the City, the County or the State of California, or any political subdivision thereof is not pledged to the payment of the Certificates.

Although reasonable efforts have been made to include up-to-date information in this Appendix A, some of the information is not current due to delays in reporting of information by various sources. It should not be assumed that the trends indicated by the following data would continue beyond the specific periods reflected herein.

Introduction

The City. The City of Lincoln (the "City") is located on the eastern edge of the Sacramento Valley floor at the base of the Sierra Nevada foothills. It is located on State Route 65 and State Route 193 approximately 25 miles northeast of Sacramento and 10 miles north of Roseville. The City is one of six incorporated cities within Placer County (the "County"), with the other being the Cities of Roseville, Rocklin, Auburn, Loomis, and Colfax. The City consists of approximately 19 square miles.

The County. The County is located in northeastern California and covers approximately 1,500 square miles of diverse geography between Sacramento and the Nevada border. The County is bounded by Sacramento and El Dorado Counties on the south; Nevada and Yuba Counties to the north; Nevada, Yuba, and Sutter Counties on the west; and the State of Nevada to the east.

The western part of the County, which is part of the Sacramento Valley, is generally flat and ranges in elevation from 45 to 1,000 feet. This part of the County, called South Placer, contains the cities of Roseville, Rocklin, Lincoln, and Loomis, as well as the unincorporated communities of Sheridan and Granite Bay. The South Placer area has experienced the County's most significant growth in recent years, in terms of both new housing and commercial and industrial development. Most of the County's major manufacturing facilities are located in this part of the County. The South Placer area also supports the bulk of the County's agricultural activities, including over 86,000 acres of land enrolled in the California Land Conservation Act (Williamson Act) contracts.

The central part of the County consists of the Foothill region, which includes the Cities of Auburn and Colfax, and the unincorporated communities of Foresthill, Penryn, Newcastle, Applegate, Weimar, Gold Run, Meadow Vista, Dutch Flat, Alta, and Baxter. The Foothills area is in the heart of what constituted Gold Rush Country in the 1800s.

The eastern part of the County is the High Sierra region. The High Sierra area includes the resort communities and ski areas around Lake Tahoe. This is an internationally known resort area, with visitors coming to hike, fish, golf, enjoy the outdoors, visit nearby Nevada casinos in the summer, and ski at the many resorts in the winter. Tourism and recreation are the

dominant industries in the region, providing jobs for the residents of the unincorporated communities of Tahoe City, Tahoe Vista, Carnelian Bay, Homewood, Kings Beach, Tahoma, Emigrant Gap, Soda Springs, and Squaw Valley.

Population

The table below summarizes population of the City, the County, and the State of California for the last five years.

CITY OF LINCOLN, PLACER COUNTY, and CALIFORNIA
Population

Year	City of Lincoln	Placer County	State of California
2015	46,159	371,326	38,952,462
2016	46,974	376,443	39,214,803
2017	47,433	383,719	39,504,609
2018	47,808	389,480	39,740,508
2019	48,227	396,691	39,927,315

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2011-19, with 2010 Census Benchmark.

Employment

The following table summarizes historical employment and unemployment for the County, the State of California and the United States:

PLACER COUNTY, CALIFORNIA, and UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate [1]
2014	Placer County	176,600	165,500	11,100	6.3%
	California	18,811,400	17,397,100	1,414,300	7.5
	United States	155,922,000	146,305,000	9,617,000	6.2
2015	Placer County	178,200	169,200	9,000	5.0
	California	18,981,800	17,798,600	1,183,200	6.2
	United States	157,130,000	148,834,000	8,296,000	5.3
2016	Placer County	179,800	171,800	8,000	4.4
	California	19,102,700	18,065,000	1,037,700	5.4
	United States	159,187,000	151,436,000	7,751,000	4.9
2017	Placer County	182,200	175,200	7,000	3.8
	California	19,312,000	18,393,100	918,900	4.8
	United States	160,320,000	153,337,000	6,982,000	4.4
2018[2]	Placer County	185,200	179,400	5,800	3.1
	California	19,398,200	18,582,800	815,400	4.2
	United States	162,075,000	155,761,000	6,314,000	3.9

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-2018, and US Department of Labor.

(1) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.

(2) Latest available full-year data.

Major Employers

The following table lists the top 10 employers within the County as of June 30, 2018.

PLACER COUNTY
Top 10 Employers
as of June 30, 2018

Employer	Employees	% of Total County Employment
Sutter Health	5,634	3.14%
Kaiser Permanente	5,609	3.12
County of Placer	2,898	1.61
Thunder Valley Casino Resort	2,500	1.39
Hewlett-Packard Co.	2,000	1.11
PRIDE Industries	1,646	.92
Safeway Inc.	1,189	.66
Squaw Valley Alpine Meadows	1,161	.65
City of Roseville	1,146	.64
Union Pacific Railroad Co. Inc.	1,091	.61
Total Top 10	24,874	13.85

Source: Placer County 2017-18 CAFR.

Construction Activity

The following table reflects the five-year history of building permit valuation for the City and the County:

CITY OF LINCOLN
Building Permits and Valuation
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Permit Valuation:					
New Single-family	$81,162	$75,407	$131,690	$ 51,371	$ 32,191
New Multi-family	—	—	—	—	—
Res. Alterations/Additions	2,565	4,322	2,577	3,342	5,027
Total Residential	83,727	79,729	134,267	54,714	37,219
Total Nonresidential	9,601	15,000	16,990	13,121	41,991
Total All Building	93,329	94,730	151,257	67,835	79,210
New Dwelling Units:					
Single Family	286	234	217	160	96
Multiple Family	—	—	—	—	—
Total	286	234	217	160	96

PLACER COUNTY
Building Permits and Valuation
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Permit Valuation:					
New Single-family	$523,638	$683,806	$776,410	$ 771,800	$ 696,737
New Multi-family	48,645	21,702	42,395	92,565	2,338
Res. Alterations/Additions	59,428	82,577	79,543	89,429	99,341
Total Residential	631,712	$788,086	898,350	953,794	798,417
Total Nonresidential	184,680	226,906	210,590	290,090	250,932
Total All Building	816,393	1,014,992	1,108,940	1,243,885	1,049,349
New Dwelling Units:					
Single Family	1,620	1,994	2,102	2,500	1,963
Multiple Family	376	240	322	783	19
Total	1,996	2,234	2,424	3,283	1,982

Source: Construction Industry Research Board: "Building Permit Summary."
Note: Totals may not add due to independent rounding.

Median Household Income

The following table summarizes the total effective buying income and the median household effective buying income for Lincoln, the County, the State of California and the nation for the past five years.

LINCOLN, PLACER COUNTY, STATE OF CALIFORNIA AND UNITED STATES
Median Household Effective Buying Income

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2015	Lincoln	$ 1,341,160	$ 63,695
	Placer County	11,729,490	64,480
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016	Lincoln	1,385,849	63,891
	Placer County	12,122,101	65,269
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2017	Lincoln	1,490,785	67,819
	Placer County	12,967,927	69,226
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2018	Lincoln	1,746,056	73,999
	Placer County	14,736,480	74,797
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2019	Lincoln	1,686,909	70,997
	Placer County	14,333,583	72,431
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303

Source: Nielsen, Inc.

APPENDIX B

RATE, METHOD OF APPORTIONMENT, AND MANNER COLLECTION OF SPECIAL TAX

Community Facilities District No. 2
Western Placer Unified School District
Lincoln, California

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (the "Act") applicable to the land in Community Facilities District No. 2 (the "CFD") of the Western Placer Unified School District (the "District") shall be levied and collected according to the tax liability determined by the District through the application of the appropriate amount or rate, as described below.

2. Definitions

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of the CFDs: the costs of computing Special Taxes and preparing the annual Special Tax collection schedules (whether by the District or designee thereof or both); the costs of collecting the Special Taxes (whether by the County, the District, or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture; the costs to the District, CFDs or any designee thereof of complying with arbitrage rebate requirements; the costs to the District, CFDs or any designee thereof of complying with District, CFDs or obliged persons disclosure requirements associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the District, CFDs or designee thereof related to the appeal of the Special Tax; and the costs associated with the release of funds from an escrow account, if any. Administrative Expenses shall also include amounts estimated or advanced by the District or CFDs for any other administrative purposes, including attorney's fees and other costs related to community and pursuing to completion any foreclosure of delinquent Special Taxes.

"Administrator" means the Superintendent or designee.

"Annual Costs" means, for any Fiscal Year, the total of the following:

(i) Debt Service to be paid from Special Taxes collected during such Fiscal Year;
(ii) Administrative Expenses for such Fiscal Year;
(iii) The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture;

(iv) An amount equal to the amount of delinquencies in payments of Special Taxes levied in the previous Fiscal Year and/ or anticipated for the current Fiscal Year;

(v) Pay-As-You-Go Expenditures for Authorized Facilities to be constructed or acquired by the CFD; and

(vi) Less any earnings on the reserve fund and Special Tax fund that are transferred to the bond redemption fund pursuant to the Bond Indenture.

"Assessor's Parcel Number" means the County Assessor's Parcel and County Assessor's Parcel number as recorded by the County Assessor on the equalized tax roll.

"Authorized Facilities" means those facilities to be financed as identified in the resolution forming the CFDs.

"Backup Special Tax" means a Special Tax that may be levied against Final Map Parcels, Large Lot Parcels, and Undeveloped Parcels when the Special Tax revenue from levying the Maximum Annual Special Tax on Developed Parcels and Final Map Parcels is not adequate to cover Annual Costs, less Pay-As-You-Go Expenditures, in a Fiscal Year.

"Base Special Tax" means the Maximum Annual Special Tax Rate in the Base Year. This Maximum Annual Special Tax Rate is increased by the Tax Escalation Factor - Base Special Tax in each Fiscal Year following the Base Year.

"Base Year" means the Fiscal Year beginning on July 1, 2003 and ending on June 30, 2004.

"Board" means the Board of Trustees of the District.

"Bond(s)" means bond(s) issued by the District under the Act for the CFDs.

"Bond Indenture" means the indenture, resolution, fiscal agent agreement, or other financing document pursuant to which the Bonds are issued.

"Building Square Foot" means the total square foot of the living area of a residential dwelling Unit within the exterior walls of the building, but not including garages, carports, common areas, walkways, overhangs, decks, patios, enclosed patios, or similar areas. The Building Square Foot will be determined by reference to City or County approved building permits.

"CFD" means the Western Placer Unified School District CFD No. 2.

"County" means the County of Placer, California.

"County Assessor's Parcel" means a lot or parcel with an assigned Assessor's Parcel Number in the maps used by the County Assessor in the preparation of the tax roll.

"Debt Service" means the total amount of Bond principal, interest, and the scheduled sink fund payments of the Bonds for the CFDs.

"Developed Parcel" means a Parcel in one of the following Parcel categories that has received from the City or County the applicable development approval for that Parcel category as follows:

Parcel Category	Development Approval
Single Family Residential	=> - Building Permit
Condominiums	=> - Building Permit
Duplexes and Halfplexes	=> - Building Permit
Multi-family units	=> - Building Permit
Mobile Homes	=> - Building Permit
Agricultural Residential Parcels	=> - Building Permit
Mixed Use	=> - Building Permit

A Taxable Parcel is subject to the Maximum Annual Special Tax for 40 years upon being classified as a Developed Parcel. The Maximum Annual Special Tax for a Developed Parcel shall increase by the Tax Escalation Factor - Developed Parcels, in each year following the Base Year.

"Discount Rate" means the blended "all in" true interest cost of all Outstanding Bonds, or if no Bonds have been issued, 7%.

"District" means the Western Placer Unified School District.

"Final Map Parcel" means a single family residential lot created by the recordation of a Final Subdivision Map.

"Final Subdivision Map" means a recorded final subdivision map pursuant to the Subdivision Map Act designating individual single family residential Parcels.

"Fiscal Year" means the period starting July 1 and ending the following June 30.

"Large Lot Parcel" means any Parcel delineated on a Large Lot Subdivision Map which is intended for residential uses as defined under Developed Parcel.

"Large Lot Subdivision Map" means a recorded subdivision map delineating Parcels by land use. However, the Large Lot Subdivision Map does not delineate individual single family residential parcels. A Final Subdivision Map will delineate individual single family parcels.

"Maximum Annual CFD Revenue" means the total amount of revenue from all Taxable Parcels in a given Fiscal Year.

"Maximum Annual Special Tax" means the greatest amount of Special Tax that can be levied against a Taxable Parcel in a Fiscal Year. The Maximum Annual Special Tax is calculated using Attachment 1.

"Maximum Annual Special Tax Rate" means an amount in a given Fiscal Year that is multiplied by the Building Square Foot for a Developed Parcel, per Unit for a Final Map Parcel, or per acre for a Large Lot Parcel and Undeveloped Parcel to derive the Maximum Annual Special Tax for a Taxable Parcel. Attachment 1 shows the Base Special Tax. The Maximum Annual Special Tax Rate shall be increased in each Fiscal Year after the Base Year by the Tax Escalation Factor - Developed Parcels for Developed Parcels, and by the Tax Escalation Factor - Base Special Tax for all other Taxable Parcels.

"Maximum Annual Special Tax Revenue" is the greatest amount of revenue from levying the Maximum Annual Special Tax in a Fiscal Year on a group of Parcels, such as Developed Parcels.

"Max Building Square Footage" means the maximum amount of Building Square Feet that may be used to calculate the Maximum Annual Special Tax for a residential
Unit. This amount is 2,200 Building Square Feet.

"Outstanding Bonds" means the total principal amount of Bonds that have been issued and not retired or defeased.

"Parcel" means any County Assessor's Parcel in the CFD based on the equalized tax rolls of the County as of January 1 preceding the Fiscal Year.

"Pay-As-You-Go-Expenditure" means the use of annual Special Tax revenues that are not needed for Annual Costs (excluding Pay-As-You-Go Expenditures) to pay for Authorized Facilities to be constructed or acquired by the CFD.

"Prepayment" means the complete fulfillment of a Parcel's Special Tax obligation, as determined by following the procedures in Section 7.

"Public Parcel" means any Parcel that is or is intended to be publicly owned, as designated in any final map that is normally exempt from the levy of general ad valorem property taxes under California law, including public streets; schools, parks, public drainage ways, public landscaping, wetlands, greenbelts, and public open space.

"Single Family Residential Parcel" means a single family residential lot created by the recordation of a Final Subdivision Map.

"Special Tax(es)" mean(s) the special tax levied under the Act in the CFDs. means the Superintendent of the District.

"Superintendent" means the Superintendent of the District.

"Tax Collection Schedule" means the document prepared by the District for the County Auditor to use in levying and collecting the Special Tax each Fiscal Year.

"Tax Escalation Factor – Base Special Tax" means a factor equal to the increase in the Engineering News Record - Construction Cost Index for the calendar year preceding the current Fiscal Year, or 7%, whichever is the lesser. The factor is used to increase the Maximum Annual Special Tax Rate as of July 1 of each year following the Base Year. If the Tax Escalation Factor - Base Special Tax is less than zero for a given Fiscal Year, then the Maximum Annual Special Tax Rate shall remain the same as the previous Fiscal Year.

"Tax Escalation Factor – Developer Parcels" means a factor of 2% that will be applied annually to the Maximum Annual Special Tax Rate for a Developed Parcel beginning the Fiscal Year following the initial assignment of the Maximum Annual Special Tax Rate to a Developed Parcel as a means of increasing the Maximum Annual Special Tax.

"Taxable Parcel" means any Parcel that is not a Tax-Exempt Parcel.

"Tax-Exempt Parcel" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels are:

(i) Public Parcels,
(ii) Parcels zoned for agriculture with no residential improvements,
(iii) Parcels zoned for commercial or industrial use,
(iv) Parcels used solely for recreation and/ or open spaces uses, including but not limited to, golf courses and common open space Parcels,
(v) Parcels that have been subject to the Special Tax as a Developed Parcel for 40 years, and
(vi) Parcels for which the Special Tax has been fully prepaid under Section 7 hereof.

"Undeveloped Parcel" means a Taxable Parcel that is not a Developed Parcel, a Final Map Parcel, or a Large Lot Parcel.

"Unit(s)" means an individual residential dwelling unit, or a Final Map Parcel. A Parcel may have more than one assigned Unit. Multi tri-plex, and duplex residential uses will have more than one assigned Unit per Taxable Parcel. Single Family Residential Parcels and Final Map Parcels may have more than one assigned Unit. This may occur when a Final Map Parcel is created for which individual Assessor's Parcel Numbers have not yet been assigned to each Final Map Parcel created by a Final Subdivision Map.

3. Determination of Parcels Subject to Special Tax

The District shall prepare a list of the Parcels subject to the Special Tax. The District shall identify the Taxable Parcels from a list of all Parcels within the CFD boundary by excluding all Tax-Exempt Parcels.

4. Termination of the Special Tax

The Special Tax will be levied and collected for as long as needed to pay the principal and interest on debt and other costs incurred in order to construct the Authorized Facilities and to pay the Annual Costs. However, in no event shall the Special Tax be levied on any Parcel in the CFD after Fiscal Year 2052-2053.

Subject to the above provisions, there is no limit on the number of years a Parcel can remain subject to the Special Tax as a Final Map Parcel, Large Lot Parcel, or Undeveloped Parcel, and the number of years a Parcel is subject to the Special Tax as a Final Map Parcel, Large Lot, or Undeveloped Parcel shall not affect the period of time that Parcel may be subject to the Special Tax as a Developed Parcel. However, after a Parcel has paid the Special Tax as a Developed Parcel for 40 years, the Special Tax shall cease to be levied on that Parcel. The District shall then direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished. The Notice of Cessation of Special Tax shall additionally identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

When all Annual Costs incurred by the CFDs have been paid, the Special Tax shall cease to be levied. The District shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished. The Notice of Cessation of Special Tax shall additionally identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

5. Assignment of Maximum Annual Special Tax

In each Fiscal Year following the Base Year the Maximum Annual Special Tax Rate, as shown in Attachment 1, for the CFD shall increase by the Tax Escalation Factor - Base Special Tax. The Maximum Annual Special Tax Rate for Developed Parcels shall increase by the Tax Escalation Factor - Developed Parcels.

A. Classification of Parcels. Each Fiscal Year, using the Definitions in Section 2 above, the Parcel records of the County Assessor's Secured Tax Roll as of January 1, and other City or County development approval records as of June 30, the District shall cause the following:

1. Each Parcel to be classified as a Tax-Exempt Parcel or Taxable Parcel, and
2. Each Taxable Parcel to be classified as a Developed Parcel, Final Map Parcel, Large Lot Parcel, or Undeveloped Parcel.

B. Initial Assignment of Maximum Annual Special Tax to Developed Parcels. A Taxable Parcel is subject to the Maximum Annual Special Tax as a Developed Parcel in the Fiscal Year following the issuance of a building permit. The Maximum Annual Special Tax Rate, adjusted for the Tax Escalation Factor - Base Special Tax, is multiplied by the Building Square Foot, not to exceed the Maximum Building Square Foot for each Unit, to derive the Maximum Annual Special Tax for a Developed Parcel.

1. Single Family Resident Parcels, Half-plexes, and Condominiums.

Maximum Ann Special Tax for a Single Family Residential Parcel, half-plexes, or condominiums is calculated for each Unit assigned to a Taxable Parcel.

2. Duplexes, Multi-family , and Mixed Homes. The Maximum Annual Special Tax for a duplexes, multi-family, mobile homes, and mixed uses is calculated for each Unit assigned to a Taxable Parcel. There may be more than one Unit assigned to a Parcel, however, the Maximum Annual Special Tax shall be calculated for each Unit, then summed to determine the Maximum Annual Special Tax for the Parcel on which the Units are located.

C. Assignment of Maximum Annual Special Tax for Developed Parcels after Initial Assignment. In each Fiscal Year following the initial assignment of the Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate, as adjusted by the Tax Escalation Factor - Developed Parcels, by the Building Square Foot of a Unit, not to exceed the Maximum Building Square Foot. If there is more than one Unit for a Taxable Parcel, the Maximum Annual Special Tax shall be calculated for each Unit, and then summed to determine the Maximum Annual Special Tax for the Parcel on which the Units are located.

D. Assignment of Maximum Annual Special Tax to Final Map Parcels. The Maximum Annual Special Tax is assigned each Fiscal Year to Final Map Parcels using Attachment 1. Attachment 1 shows the Maximum Annual Special Tax Rate for Final Map Parcels for the Base Year of FY 2003-2004. The Maximum Annual Special Tax for Final Map Parcels is calculated by multiplying the Maximum Annual Special Tax Rate, as increased by the Tax Escalation Factor - Base Special Tax for a given Fiscal Year by the approved Units assigned to the Parcel.

E. Assignment of the Backup Special Tax. Final Map Parcels, Large Lot Parcel, and Undeveloped Parcels may be subject to a Back Up Special Tax. If the revenue from levying the Maximum Ann Special Tax on Developed Parcels and Final Map Parcels is not adequate to cover the Annual Costs, less Pay-As-You-Go Expenditures, in any Fiscal Year, a Back Up Special Tax may be levied on Final Map Parcels, Large Lot Parcels, and Undeveloped Parcels. The Back Up Special Tax is calculated using Attachment 1.

F. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is converted to a Taxable Parcel, it shall become subject to the Special Tax. The Maximum Annual Special Tax for each such Parcel shall be determined using the definitions in Section 2 and the steps in Section 5.

G. Taxable Parcel Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a school site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum An CFD Revenue, and the transfer is agreed to by the owners of the Parcels involved in the transfer and the District.

6. Setting the Annual Special Tax Rate for Taxable Parcels

The tax rate shall be established annually by the Board. The annual Special Tax rate shall be established using the following:

A. Compute the Annual Costs, less Pay-As-You-Go Expenditures, using the definition of Annual Costs in Section 2.

B. Calculate the Special Tax levy for each Taxable Parcel by the following steps:

Step 1: Compute 100% of the Maximum Annual Special Tax for all Developed Parcels and Final Map Parcels.

Step 2: Compare the Annual Costs, less Pay-As-You-Go Expenditures,
with the sum of the Maximum Annual Special Tax Revenue for Developed Parcels and Final Map Parcels calculated in the previous step.

Step 3: If the Annual Costs are less than the sum of the Maximum Annual Special Tax Revenue for Developed Parcels and Final Map Parcels, Annual Costs are increased for Pay-As-You-Go Expenditures until Annual Costs are just equal to the sum of the Maximum Annual Special Tax Revenue for Developed Parcels and Final Map Parcels.

Step 4: If the Annual Costs, less Pay-As-You-Go Expenditures, are greater than the Maximum Annual Special Tax Revenue from Developed Parcels and Final Map Parcels, levy a Back Up Special Tax proportionately on each Final Map Parcel to an amount equal to the amount of Annual Costs, less Pay-As-You-Go Expenditures, or until 100% of the Back Up Special Tax is reached for such Final Map Parcels.

Step 5: If the Annual Costs, less Pay-As-You-Go Expenditures, are greater than the Maximum Annual Special Tax Revenue from Developed Parcels and Final Map Parcels, and the levy of the Back Up Special Tax on Final Map Parcels, levy a Back Up Special Tax proportionately on each Large Lot Parcel to an amount equal to the amount of Annual Costs, less Pay-As-You-Go Expenditures, or until 100% of the Back Up Special Tax is reached for such Large Lot Parcels.

Step 6: If the Annual Costs, less Pay-As-You-Go Expenditures, are greater than the Maximum Annual Special Tax Revenue from Developed Parcels and Final Map Parcels, and the levy of the Back Up Special Tax on Final Map Parcels and Large Lot Parcels, levy a Back Up Special Tax proportionately on each Undeveloped Parcel to an amount equal to the amount of Annual Costs, less Pay-As-You-Go Expenditures, or until 100% of the Back Up Special Tax is reached for such Undeveloped Parcels.

C. Levy on each Taxable Parcel the amount calculated above.

D. Prepare the Tax Collection Schedule, unless an alternative method of collection has been selected pursuant to Section 9 to be discussed, and send it to the County Auditor

requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor for such inclusion.

The District shall make every effort to correctly calculate the Special Tax for each Parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the tax and the assignment of the Special Tax to the Parcels.

As development and subdivision of the CFD land uses take place, the District will maintain a file, available for public inspection, of each current County Assessor's Parcel Number within the CFD, its Maximum Annual Special Tax, and the Maximum Annual CFD Revenues for all Parcels with the CFD. This record shall show the calculation of the assigned Maximum Annual Special Tax to each Taxable Parcel.

7. Prepayment of Special Tax Obligation

A property owner may permanently satisfy the Special Tax on a Parcel by prepayment as permitted under Government Code Section 53344. Prepayment is permitted only under the following conditions:

- The Prepayment is based on the Prepayment for a Developed Parcel - even if the prepaying Parcel is a Final Map Parcel, Large Lot Parcel, or Undeveloped Parcel.

- The District determines that the Prepayment of the Special Tax does not jeopardize its ability to make timely payments of Debt Service on Outstanding Bonds.

- The landowner prepaying the Special Tax obligation on a Parcel has paid any delinquent Special Tax and penalties on that Parcel prior to Prepayment.

The Prepayment amount shall be established by following the steps below.

FULL PREPAYMENT

The full Prepayment of the Special Tax obligation is determined by calculating the present value of the revenue stream which is the sum of the Maximum Annual Special Tax revenues for the period that a Developed Parcel is obligated to pay. The Maximum Annual Special Tax is increased by the Tax Escalation Factor in each Fiscal Year after the Base Year.

The calculation of the present value of the Special Tax obligation revenue stream is done using the formula below:

PV = sum of revenue stream/ (1 +i)n

Where:

PV = Present value of Special Tax revenue stream
I = Is the Discount Rate

n = Number of Fiscal Years remaining to pay the Developed Parcel Maximum Annual Special Tax

The Calculation of the Prepayment Amount:

1. Using the Definitions in Section 2, and the steps in Section 5, assign the Maximum Annual Special Tax for the Fiscal Year following the current Fiscal Year to the prepaying Parcel. If the Parcel is not a Developed Parcel, calculate the Maximum Annual Special Tax as if the Parcel is a Developed Parcel.

2. Determine the remaining number of years ("n") that the prepaying Parcel must pay the Maximum Annual Special Tax at the Developed Parcel rate. Subtract the number of years the prepaying Parcel has paid the Maximum Annual Special Tax at the Developed Parcel rate, including the current Fiscal Year if appropriate, from 40 to derive "n". If the Parcel is currently not classified as a Developed Parcel for the current Fiscal Year, then the number of years remaining is 40 ("n" = 40).

3. Using the Maximum Annual Special Tax in Step 1 above, increase the Maximum Annual Special Tax by the Tax Escalation Factor for "n" years, as calculated in Step 2.

4. Sum the revenue stream calculated in Step 3. This is the "sum of revenue stream".

5. Using the Discount Rate ("i"), calculate the present value of the "sum of revenue stream" using the present value formula above.

6. Add to the present value any fees, call premiums, amounts necessary to cover negative arbitrage from the date of the prepayment to first call date on the Bonds, and expenses incurred by the District in connection with the prepayment calculation or the application of the proceeds of the Prepayment. This amount is the Prepayment of the Special Tax obligation.

8. Appeals

The Superintendent or designee has the authority to make necessary administrative adjustments to the Rate and Method of Apportionment in order to remedy any portions of the Special Tax formula that require clarification.

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Administrator appealing the levy of the Special Tax as to that Parcel. The Administrator will then promptly review the appeal, and if necessary, meet with the applicant. If the Administrator verifies that the tax should be modified or changed, a recommendation at that time will be made to the Board and, as appropriate, the levy of the Special Tax as to that Parcel shall be corrected and, if applicable in any case, a refund shall be granted.

Interpretations may be made by Resolution of the Board for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

9. Manner of Collection

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes, provided, however, that the Board or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary to meet its financial obligations.

Attachment 1
Western Placer Unified School
District Community Facilities District No. 2
Calculation of the Maximum Annual Special Tax - Base Year of FY 2003-2004 [1]

Tax Category Maximum Annual Special Tax Rate Base Year [2] Taxable Unit [3]

Developed Parcels [4]
Single Family Residential

$0.3006

x

Building Square Foot

Maximum Annual Special Tax

Per Unit
Duplex/Halfplex Parcels $0.3006x Building Square Foot
= Maximum Annual Special Tax Per Unit
Multi-family Parcels $0.3006x Building Square Foot = Maximum Annual Special Tax Per Unit
Mobile Home Parcels $0.3006x Building Square Foot
= Maximum Annual Special Tax Per Unit
Mixed Use Parcels $0.3006x Building Square Foot Maximum Annual Special Tax Per Unit
Commercial/Industrial [5]
Tax-exempt
Tax-exempt
Final Map Parcels [6]
$300.60
x

Per Unit
Maximum Annual Special Tax
Per Parcel
Back Up Special Tax
Final Map Parcels
$150.30
x
Per Unit
Maximum Annual Special Tax
Per Parcel
Large Lot Parcels $1,200.00 x Per Acre
= Maximum Annual Special Tax Per Parcel
Undeveloped Parcels $0.00 x Per Acre = Maximum Annual Special Tax Per Parcel

"attachment_/"

[l] The Maximum Annual Special Tax Rate will be increased each Fiscal Year after the Base Year by the Tax Escalation Factor- Base Tax Rate.

[2] The Maximum Annual Special Tax Rate is multiplied by the Taxable Unit to derive the Maximum Annual Special Tax for a Unit or a Parcel.

[3] The Maximum Annual Special Tax Rate per square foot is based on the Building Square Foot of the residential structure.

For multi-fa residential Units, common areas would be excluded from the calculation of the Maximum Annual Special Tax for each Unit. The Building Square Foot is limited to the Maximum Building Square Foot for the purposes of calculating the Maximum

Annual Special for any Unit. A Developed Parcel may have multiple Units assigned to it. The Maximum Annual Special Tax

for a Developed Parcel is calculated by summing the Maximum Annual Special Tax of each Unit assigned to the Developed Parcel.

[4] Developed Parcels are initially assigned the Maximum Annual Special Tax Rate at the issuance of a building permit. The Maximum Annual Special Tax is calculated by multiplying the Building Square Foot of the residential Unit by the Maximum Annual Special Tax Rate, as increased by the Tax Escalation Factor - Base Special Tax for the Fiscal Year. The Maximum Annual Special Tax Rate is increased by the Tax Escalation Factor - Developed Parcels in each Fiscal Year aft the Fiscal Year in which the Parcel

is initially assigned the Maximum Annual Special Tax as a Developed Parcel. A Developed Parcel is subject to the Maximum Annual Special Tax for 40 years.

[5] Non-residential uses are not subject to the Special Tax.

[6] Final Map Parcels are assigned a Maximum Annual Special Tax Rate of $300.60 per Unit to the Taxable Parcel.

APPENDIX C

SUMMARY OF THE FISCAL AGENT AGREEMENT

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

June __, 2020

Board of Trustees
Western Placer Unified School District
600 Sixth Street, Suite 400
Lincoln, California 95648

OPINION: $_____ Western Placer Unified School District Community Facilities District No. 2 2020 Bond Anticipation Notes

Members of the Board of Trustees:

We have acted as bond counsel to the Western Placer Unified School District (the "School District") in connection with the issuance by the School District, for and on behalf of the Western Placer Unified School District Community Facilities District No. 2 (the "CFD"), of its $_____ Western Placer Unified School District Community Facilities District No. 2 2020 Bond Anticipation Notes (the "Notes"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Sections 53311 et seq. of the California Government Code (the "Act"), a Fiscal Agent Agreement, dated as of June 1, 2020 (the "Fiscal Agent Agreement"), by and between the School District, for and on behalf of the CFD, and U.S. Bank National Association, as fiscal agent, and Resolution No. 19/20.32 adopted by the Board of Trustees of the School District on June 2, 2020 (the "Resolution").

In connection with this opinion, we have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the School District contained in the Resolution and in the Fiscal Agent Agreement, and in the certified proceedings and 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 School District is a school district duly organized and existing under the laws of the State of California, with the power to adopt the Resolution, enter into the Fiscal Agent Agreement and perform the agreements on its part contained therein, and to issue the Notes.

2. The Fiscal Agent Agreement has been duly entered into by the School District and constitutes a valid and binding obligation of the School District enforceable upon the School District in accordance with its terms.

3. Pursuant to the Act, the Fiscal Agent Agreement creates a valid lien on the funds pledged by the Fiscal Agent Agreement for the security of the Notes.

4. The Notes have been duly authorized, executed and delivered by the School District and are valid and binding limited obligations of the School District for the CFD, payable solely from the sources provided therefor in the Fiscal Agent Agreement.

5. Subject to the School District's compliance with certain covenants, interest on the Notes (i) is excludable from gross income of the owners thereof for federal income tax purposes, and (ii) is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure by the School District to comply with certain of such covenants could cause interest on the Notes to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

6. The interest on the Notes is exempt from personal income taxation imposed by the State of California.

Ownership of the Notes may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Notes.

The rights of the owners of the Notes and the enforceability of the Notes, the Resolution and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering this opinion, we have relied upon certifications of the School District and others with respect to certain material facts. Our opinion represents our legal judgment based upon such review of the law and facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement"), dated as of June 1, 2020, is by and between CAPITOL PUBLIC FINANCE GROUP, LLC, as dissemination agent (the "Dissemination Agent"), and the WESTERN PLACER UNIFIED SCHOOL DISTRICT, a joint powers agency duly organized and existing under the laws of the State of California (the "School District").

RECITALS:

WHEREAS, the School District has issued, for and on behalf of the Western Placer Unified School District Community Facilities District No. 2 (the "CFD"), its Western Placer Unified School District Community Facilities District No. 2 2020 Bond Anticipation Notes (the "Notes"); and

WHEREAS, the Notes have been issued pursuant to a Fiscal Agent Agreement, dated as of June 1, 2020 (the "Fiscal Agent Agreement"), by and between U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), and the School District, for and on behalf of the CFD; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the School District and the Dissemination Agent for the benefit of the owners and beneficial owners of the Notes.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and mutual covenants herein contained, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. In addition to the definitions of capitalized terms set forth in Section 1.03 of the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section or in the Recitals above, the following terms shall have the following meanings when used in this Disclosure Agreement:

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

"*Beneficial Owner*" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Note (including persons holding any Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Note for federal income tax purposes.

"*Disclosure Representative*" means the _____, or the _____'s designee, or such other officer or employee as the School District shall designate as the Disclosure Representative hereunder in writing to the Dissemination Agent from time to time.

"*Dissemination Agent*" means Capitol Public Finance Group, LLC, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the School District and which has filed with the School District a written acceptance of such designation.

"*EMMA*" or "*Electronic Municipal Market Access*" means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

"*Official Statement*" means the Official Statement, dated June __, 2020, relating to the Notes.

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

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

"*Participating Underwriter*" means the original purchaser of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

Section 2. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the School District and the Dissemination Agent for the benefit of the owners and Beneficial Owners of the Notes.

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The School District shall, or shall cause the Dissemination Agent to, not later than the March 31, 2021 (for the first Annual Report for fiscal year 2019-20), and not later than the March 31st occurring after the end of each fiscal year of the School District, commencing with the report for the 2020-21 fiscal year, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that any audited financial statements of the School District may be submitted separately from

the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year.* If the School 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), and subsequent Annual Report filings shall be made no later than six months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in this Section 3 for providing the Annual Report to EMMA), the School District shall provide the Annual Report to the Dissemination Agent (if other than the School District). If by any such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the School District.

(d) *Report of Non-Compliance.* If the School District is the Dissemination Agent and is unable to file an Annual Report by the date required in this Section 3, the School District shall send a notice in a timely manner to EMMA substantially in the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the School District, file a report with the School District certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Agreement, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. The Annual Report for each fiscal year shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the School District for the most recently completed fiscal year, prepared in accordance generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the School District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* The Annual Report for each fiscal year shall also include the following information:

(i) The principal amount of Notes Outstanding as of the May 31 next preceding the date of the Annual Report.

(ii) The balance in the Project Fund as of the May 31 next preceding the date of the Annual Report.

(iii) The total assessed value of all parcels within the CFD on which the Special Taxes are levied, as shown on the assessment roll of the County Assessor last equalized

prior to the May 31 next preceding the date of the Annual Report, and a statement of assessed value-to-lien ratios therefor, either by individual parcel or by categories.

(iv) The Special Tax aggregate delinquency rate for all parcels within the CFD on which the Special Taxes are levied, the aggregate number of parcels within the CFD on which the Special Taxes are levied and which are delinquent in payment or Special Taxes, and the percentage of the most recent annual Special Tax levy that is delinquent, all as of the May 31 next preceding the date of the Annual Report.

(v) The status of foreclosure proceedings for any parcels within the CFD on which the Special Taxes are levied and a summary or the results of any foreclosure sales, or other collection efforts with respect to delinquent Special Taxes, as of the May 31 next preceding the date of the Annual Report.

(vi) The most recent annual information required to be provided to the California Debt and Investment Advisory Commission pursuant to Section 5.16 of the Fiscal Agent Agreement.

(c) *Cross References.* 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 School District or related public entities, which are available to the public on EMMA. The School District shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the School District shall provide 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.

Section 5. Reporting of Listed Events.

(a) *Reportable Events.* The School District shall, or shall cause the Dissemination (if not the School District) to, give notice of the occurrence of any of the following events with respect to the Notes:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) 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;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Authority or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Authority or an obligated person, or the sale of all or substantially all of the assets of the Authority or an obligated person (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;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a financial obligation of the Authority or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority or other obligated person, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority or other obligated person, any of which reflect financial difficulties.

(b) Whenever the Authority obtains knowledge of the occurrence of a Significant Event, the Authority shall, or shall cause the Dissemination Agent (if not the Authority) 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 Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Fiscal Agent Agreement.

(c) The Authority acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a)(xv) of this Section 5 contain the qualifier "if material." The Authority 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 the Authority determines the event's occurrence is material for purposes of U.S. federal securities law. The Authority intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018), or any further guidance or releases provided by Securities and Exchange Commission.

(d) For purposes of this Disclosure Agreement, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority 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 Authority, 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 Authority.

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

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

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent.* The School District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Capitol Public Finance Group, LLC.

If the Dissemination Agent is not the School District, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the School District pursuant to this Disclosure Agreement. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the School District. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Agreement and has no liability to any person, including any Note owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent

or any affiliate thereof may have any fiduciary or banking relationship with the School District shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the School District.

(b) *Compensation of Dissemination Agent.* The Dissemination Agent shall be paid compensation by the School District for its services provided hereunder as agreed to between the Dissemination Agent and the School District from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder, with payment to be made from any lawful funds of the CFD. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the School District, the owners of the Notes, the Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any written direction from the School District or a written opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the School District. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

(c) *Responsibilities of Dissemination Agent.* In addition of the filing obligations of the Dissemination Agent set forth in Sections 3(e) and 5, the Dissemination Agent shall be obligated, and hereby agrees, to provide a request to the School District to compile the information required for its Annual Report at least 30 days prior to the date such information is to be provided to the Dissemination Agent pursuant to subsection (c) of Section 3. The failure to provide or receive any such request shall not affect the obligations of the School District under Section 3.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the School District may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the School District that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Agreement may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances.* If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), 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 Notes, or the type of business conducted.

(b) *Compliance as of Issue Date.* The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Note owners in the same manner as provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of Note

owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Note owners or Beneficial Owners.

If this Disclosure Agreement is amended or any provision of this Disclosure Agreement is waived, the School District shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the School District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement 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 Agreement. If the School 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 Agreement, the School District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or future notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the School District to comply with any provision of this Disclosure Agreement, any Note owner, any Beneficial Owner, the Participating Underwriter or the Fiscal Agent may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School District to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the School District to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the School District, the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and the owners and the Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure 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.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

By: _____

Its: _____

CAPITOL PUBLIC FINANCE GROUP, LLC, as Dissemination Agent

By: _____

Its: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Western Placer Unified School District

Name of Note Issue: $_____ Western Placer Unified School District Community Facilities District No. 2 2020 Bond Anticipation Notes

Date of Issuance: June __, 2020

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Notes as required by Section 5.21 of the Fiscal Agent Agreement, dated as of June 1, 2020, between the Obligor and U.S. Bank National Association, as fiscal agent. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

By: Capitol Public Finance Group, LLC, as Dissemination Agent

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in this Appendix F has been provided by The Depository Trust Company ("DTC"), New York, NY, for use in securities offering documents, and the School District does not take responsibility for the accuracy or completeness thereof. The School District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Notes or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Notes, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants mill act in the manner described in this Official Statement.

The following description of DTC, the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal, interest and other payments on the Notes to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Notes and other related transactions by and 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 issuer of the Notes (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Notes (the "Agent") take any responsibility for the information contained in this Appendix.

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 Notes, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Notes, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Notes, 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 Notes (the "Securities"). The Securities 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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 Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

THE FISCAL AGENT, AS LONG AS A BOOK-ENTRY-ONLY SYSTEM IS USED FOR THE NOTES, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES ONLY TO CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE. ANY FAILURE OF CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE TO ADVISE ANY PARTICIPANT, OR OF ANY PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE NOTES CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities 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 Issuer or 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, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption 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 Issuer or 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 depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security 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 Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

12. THE DISTRICT, THE SCHOOL DISTRICT AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL, INTEREST OR PREMIUM, IF ANY, WITH RESPECT TO THE NOTES PAID TO DTC OR ITS NOMINEE AS THE REGISTERED OWNER, OR WILL DISTRIBUTE ANY REDEMPTION NOTICES OR OTHER NOTICES, TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE DISTRICT, THE SCHOOL DISTRICT AND THE UNDERWRITER ARE NOT RESPONSIBLE OR LIABLE FOR THE FAILURE OF DTC OR ANY PARTICIPANT TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE NOTES OR AN ERROR OR DELAY RELATING THERETO.

AGREEMENT FOR NOTE COUNSEL AND DISCLOSURE COUNSEL SERVICES

BY AND BETWEEN THE
WESTERN PLACER UNIFIED SCHOOL DISTRICT
AND QUINT & THIMMIG LLP, FOR NOTE COUNSEL
AND DISCLOSURE COUNSEL SERVICES IN
CONNECTION WITH COMMUNITY FACILITIES DISTRICT
NOTE PROCEEDINGS – CFD NO. 2

THIS AGREEMENT is entered into this 2nd day of June, 2020, by and between the WESTERN PLACER UNIFIED SCHOOL DISTRICT (the "School District") and QUINT & THIMMIG LLP, Larkspur, California ("Attorneys").

RECITALS:

WHEREAS, the School District is considering the issuance of bond anticipation notes (the "Notes") by the School District for its Community Facilities District No. 2 (the "CFD") under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended; and

WHEREAS, in connection with such financing the School District requires the advice and assistance of Note Counsel and Disclosure Counsel.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

Section 1. Duties of Attorneys. (a) *Note Counsel Services.* Attorneys, in their role as Note Counsel, shall do, carry out and perform all of the following services as are necessary for the issuance of the Notes:

(i) Provide legal advice to the School District with respect to the issuance of the Notes, and, in connection therewith, consult and cooperate with the officials and employees of the School District, and also, at the direction of the School District, cooperate with the underwriter, municipal advisor, special tax consultant and other professional firms engaged by the School District in the formulation of a coordinated financial and legal financing from the proceeds of the Notes.

(ii) Preparation of all legal proceedings deemed necessary or advisable by Attorneys for the authorization, issuance and delivery of the Notes, including preparation of (A) documentation required for the issuance of the Notes by the School District, including a fiscal agent agreement and a resolution authorizing the issuance of the Notes, and all documentation required to be executed by the School District in connection with the delivery of the Notes to the purchaser thereof; (B) necessary California Debt and Investment Advisory Commission filings and other reports and documents required to be filed by the School District in connection with the issuance of the Notes; (C) certificates,

requisitions and other documents required in connection with the delivery of the Notes to the original purchaser thereof; and (E) other proceedings of the School District incidental to or in connection with the issuance, sale and delivery of the Notes.

(iii) Subject to the completion of proceedings to the satisfaction of Attorneys, providing a legal opinion (A) approving the legality of the proceedings of the School District for the authorization, issuance and delivery of the Notes, and (B) stating that interest on the Notes is excludable from gross income of the owners of the Notes for federal income tax purposes and is exempt from State of California personal income taxation.

(iv) Legal consultation requested by the School District concerning the Notes and any resolutions, certificates, agreements and other documents relating to the authorization, issuance and delivery of the Notes at any time following issuance of the Notes.

(v) Attorneys shall perform such other and further services as are customarily performed by Note Counsel on similar financings.

(b) *Disclosure Counsel.* Attorneys, in their role as Disclosure Counsel, shall provide legal services in connection with the preparation of the official statement to be used in connection with the offering and sale of the Notes and a related continuing disclosure agreement. Such services shall include the following:

(i) Prepare the official statement (both preliminary and final) in connection with the offering of the Notes;

(ii) Confer and consult with the officials and employees of the School District as to matters relating to the official statement;

(iii) Attend all meetings of the School District Council of the School District and any administrative meetings at which the official statement is to be discussed, deemed necessary by Attorneys for the proper exercise of their due diligence with respect to the official statement, or when specifically requested by the officers of the School District to attend;

(iv) Prepare a continuing disclosure agreement for the Notes;

(v) Subject to the completion of proceedings to the satisfaction of Attorneys, provide a letter addressed to the School District and to the underwriter of the Notes to the effect that, although Attorneys have not undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the official statement for the Notes, in the course of Attorney's participation in the preparation of the official statement, Attorneys have been in contact with representatives of the School District and others concerning the contents of the official statement and related matters, and based upon the foregoing, nothing has come to Attorneys attention to lead Attorneys to believe that the official statement (except for any

financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion included therein, and information relating to The Depository Trust Company and its book-entry system, as to which Attorneys need express no view) as of the date of the official statement or the date of the closing contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(vi) Such other and further services as are normally performed by disclosure counsel on similar financings.

(c) *Services Not Provided.* Attorneys shall not be responsible for (i) compliance by the School District with arbitrage rebate requirements under federal tax law, other than to render advice as to the legal interpretation of such requirements as set forth in the documents relating to the Notes, (ii) any audit or review of past compliance by the School District with continuing disclosure undertakings related to its debt obligations, or (iii) the representation of the School District in connection with any litigation involving the CFD or the Notes. Without limiting the generality of the foregoing, Attorneys shall not be responsible for preparing any calculations or documentation to establish compliance with such rebate requirements or otherwise for computing the amounts required to be rebated, for preparation or review of any continuing disclosure statements concerning prior debt obligations, or for providing any litigation services related to the Notes or the CFD, in each case without a separate agreement between the School District and Attorneys.

Section 2. Compensation. For the services listed in Section 1(a), Attorneys shall be paid a fee of $60,000.00. For the services listed in Section 1(b), Attorneys shall be paid a fee of $25,000. *Payment of said compensation shall be entirely contingent upon the successful issuance of the Notes, and shall be payable solely from the proceeds of the Notes and from no other funds of the School District.*

Section 3. Responsibilities of the School District. The School District shall cooperate with Attorneys and shall furnish Attorneys with certified copies of all proceedings taken by the School District and deemed necessary by Attorneys to render an opinion on the validity of the Notes. All costs and expenses incurred incidental to the actual issuance and delivery of the Notes, including the cost and expense of preparing certified copies of proceedings required by Attorneys in connection with the issuance of the Notes, the cost of all printing and publication costs, fees and expenses of parties other than Attorneys, costs and expenses of legal advertising and all other expenses incurred in connection with the issuance of the Notes, shall be paid by the School District from the proceeds of the Notes and shall not be the responsibility of Attorneys.

Section 4. Non-Legal Services. In performing their services as Note Counsel and Disclosure Counsel pursuant to this Agreement, it is understood and acknowledged by the School District that Attorneys will not be providing special tax consulting, municipal advisory, placement agent, investment banking or other similar services. It is expected that the School District will engage other consultants to provide any such services with respect to the CFD, the School District or the Notes.

Section 5. Termination of Agreement. This Agreement may be terminated at any time by the School District with or without cause upon written notice to Attorneys. In the event of such termination, all finished and unfinished documents shall at the option of the School District become its property and shall be delivered to the School District by Attorneys.

Section 6. Amendment or Modification. No amendment, modification, or other alteration of this Agreement shall be valid unless in writing and signed by both of the parties hereto.

Section 7. Entire Agreement. This Agreement contains the entire agreement of the parties hereto. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties hereto.

IN WITNESS WHEREOF, the School District and Attorneys have executed this Agreement as of the date first above written.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

By: _____
Its: _____

QUINT & THIMMIG LLP

By: _____
Paul J. Thimmig,
Partner

WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES MEETING FACT SHEET

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.
DISTRICT GLOBAL GOALS
1. **Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students**
2. **Foster a safe, caring environment where individual differences are valued and respected.**
3. **Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.**
4. **Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.**
5. **Promote student health and nutrition in order to enhance readiness for learning.**

SUBJECT:
Consider Approving Resolution No. 19/20.33 Authorizing the Elimination and/or Reduction of Certain Classified Employee Positions Due to Lack of Work/Lack of Funds.

AGENDA ITEM AREA:
Discussion/Action

REQUESTED BY:
Gabe Simon, Ed.D. GS
Assistant Superintendent of Personnel Services

ENCLOSURES:
Resolution No. 19/20.33

DEPARTMENT:
Personnel

FINANCIAL INPUT/SOURCE:
General Fund

MEETING DATE:
June 2, 2020

ROLL CALL REQUIRED:
Yes

BACKGROUND:

Pursuant to Education Code section 45117, the District administration is making a recommendation that would require the Governing Board of the Western Placer Unified School District to eliminate and/or reduce certain classified employee positions due to lack of work/lack of funds by adopting Resolution No. 19/20.33. The position being eliminated is a Behavior Analyst which is a Certificated Management position.

RECOMMENDATION:

Approve Resolution No. 19/20.33, Authorizing the Elimination or reduction of Certain Classified Employee Positions due to Lack of Work/Lack of Funds.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 19/20.33

RESOLUTION FOR A REDUCTION/ELIMINATION IN CLASSIFIED STAFF DUE TO LACK OF WORK/LACK OF FUNDS

WHEREAS, Education Code §45117 and District Policy permit the Governing Board to reduce the number of classified positions for lack of work or lack of funds;

WHEREAS, the Governing Board of the Western Placer Unified School District has determined that it shall be necessary to reduce or eliminate the following positions in the District not later than August 1, 2020 due to lack of work/lack of funds:

Eliminate one (1) 1.0 Full Time Equivalent Behavior Analyst position (Classified Management – District Office)

NOW, THEREFORE BE IT RESOLVED, that as of the close of the business day on August 1, 2020, the above-referenced classified positions shall be reduced or eliminated.

BE IT FURTHER RESOLVED, that the Superintendent, or Superintendent's designee, is authorized and directed to give notice to the affected classified employees pursuant to District rules and regulations and applicable provisions of Education Code not later than sixty (60) days prior to the effective day of layoff as set forth above.

ADOPTED by the Governing Board of Western Placer Unified School District on June 2, 2020 by the following vote:

AYES:

NOES:

ABSENT:

_____

President
Board of Trustees
Western Placer Unified School District

Attested:

I certify that the foregoing resolution was adopted by the Board of Trustees of the Western Placer Unified School District, County of Placer, on the date shown above.

_____

Clerk
Board of Trustees
Western Placer Unified School District