

ACTION

Item 10A.

Bond Refunding

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO:	Humboldt Unified School District Governing Board	Item # 10A
FROM:	Cynthia Windham, Finance Director	Reading
DATE:	September 12, 2017	Discuss
SUBJECT:	Refunding Bonds	Action X

OBJECTIVE: Board Governance

SUPPORTING DATA:

A fiscal agent from Stifel Nicolaus & Company will update the Board on the District's bond funds and projected tax rates for the coming years.

The option for consideration by the Board is the refunding of certain bonds to reduce the secondary tax rate.

Attached are drafts of: 1) Bond Resolution; 2) memorandum regarding the Preliminary Official Statement; 3) Draft Preliminary Official Statement, and; 4) Certificate and Bond Purchase Agreement.

SUMMARY & RECOMMENDATION:

It is the recommendation of administration that the refunding of certain bonds, as presented by Stifel Nicolaus & Company, be approved.

Sample Motion:

I move to adopt the resolution providing for all matters related to the refunding of certain bonds of the District by the sale and issuance of refunding bonds of the District including delegation to the Superintendent and Chief Financial Officer to determine certain matters related thereto.

Approved for transmittal to the Governing Board:



Mr. Daniel Streeter, Superintendent

Questions should be directed to: Cynthia Windham, Finance Director, 759-4000

RESOLUTION (1) PROVIDING FOR THE SALE AND ISSUANCE OF NOT TO EXCEED \$15,500,000 AGGREGATE PRINCIPAL AMOUNT OF HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22 OF YAVAPAI COUNTY, ARIZONA REFUNDING BONDS, SERIES 2017 AND AN APPLICABLE PAYMENT AMOUNT OF SUPPLEMENTAL INTEREST CERTIFICATES WITH RESPECT THERETO AND FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE SERIES 2017 BONDS AND THE CERTIFICATES; (2) PRESCRIBING CERTAIN TERMS AND CONDITIONS OF THE SERIES 2017 BONDS AND SUCH CERTIFICATES INCLUDING THE DELEGATION TO THE SUPER-INTENDENT OR BUSINESS MANAGER OF THE DISTRICT OF THE AUTHORITY TO DESIGNATE THE FINAL PRINCIPAL AND PAYMENT AMOUNTS, MATURITIES AND PAYMENT DATES, INTEREST RATES AND YIELDS AND OTHER MATTERS WITH RESPECT TO THE SERIES 2017 BONDS AND SUCH CERTIFICATES AS WELL AS CERTAIN MATTERS WITH RESPECT TO CERTAIN BONDS BEING REFUNDED WITH THE PROCEEDS OF THE SALE THEREOF; (3) MAKING CERTAIN FINDINGS AND CERTIFICATIONS WITH RESPECT TO THE SERIES 2017 BONDS AND SUCH CERTIFICATES; (4) DELEGATING TO SUCH SUPERINTENDENT OR BUSINESS MANAGER THE AUTHORITY TO APPOINT A BOND REGISTRAR AND PAYING AGENT WITH RESPECT TO THE SERIES 2017 BONDS AND SUCH CERTIFICATES, APPROVING AN AGREEMENT WITH SUCH BOND REGISTRAR AND PAYING AGENT AND AUTHORIZING THE PRESIDENT OR ANY OTHER MEMBER OF THE GOVERNING BOARD TO EXECUTE AND DELIVER SUCH AGREEMENT; (5) DELEGATING TO SUCH SUPER-INTENDENT OR BUSINESS MANAGER THE AUTHORITY TO APPOINT AN ESCROW TRUSTEE, APPROVING AN ESCROW TRUST AGREEMENT FOR THE SAFE KEEPING AND HANDLING OF SECURITIES AND MONEY TO BE USED TO PAY CERTAIN BONDS BEING REFUNDED AND AUTHORIZING THE PRESIDENT OF THE GOVERNING BOARD TO EXECUTE AND DELIVER SUCH AGREEMENT; (6) AUTHORIZING ACCEPTANCE OF A PROPOSAL FOR THE PURCHASE OF THE SERIES 2017 BONDS AND SUCH CERTIFICATES, DELEGATING TO SUCH SUPERINTENDENT OR BUSINESS MANAGER THE AUTHORITY TO ACCEPT A PROPOSAL FOR THE PURCHASE OF THE SERIES 2017 BONDS AND SUCH CERTIFICATES, APPROVING A BOND AND CERTIFICATE

PURCHASE AGREEMENT WITH RESPECT TO SUCH PROPOSAL AND AUTHORIZING THE PRESIDENT OR ANY OTHER MEMBER OF THE GOVERNING BOARD OR SUCH SUPERINTENDENT OR BUSINESS MANAGER TO EXECUTE AND DELIVER SUCH AGREEMENT; (7) RATIFYING ALL ACTIONS TAKEN WITH RESPECT TO THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT INCLUDING THE DELEGATION TO SUCH SUPERINTENDENT OR BUSINESS MANAGER THE AUTHORITY TO APPROVE THE FORM THEREOF AND TO DEEM THE SAME FINAL; (8) DELEGATING TO SUCH SUPERINTENDENT OR BUSINESS MANAGER THE AUTHORITY TO APPROVE A FORM OF OFFICIAL STATEMENT, AUTHORIZING THE PRESIDENT OR ANY OTHER MEMBER OF THE GOVERNING BOARD TO EXECUTE THE OFFICIAL STATEMENT AND AUTHORIZING DISTRIBUTION OF THE OFFICIAL STATEMENT; (9) APPROVING A FORM OF A CONTINUING DISCLOSURE UNDERTAKING PERTAINING TO PROVIDING CERTAIN FUTURE INFORMATION WITH RESPECT TO THE SERIES 2017 BONDS AND SUCH CERTIFICATES AND AUTHORIZING THE PRESIDENT OR ANY OTHER MEMBER OF THE GOVERNING BOARD TO EXECUTE AND DELIVER SUCH UNDERTAKING; (10) ADOPTING POST-ISSUANCE TAX COMPLIANCE AND CONTINUING DISCLOSURE COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE DISTRICT AND (11) RATIFYING ALL ACTIONS TAKEN TO FURTHER THIS RESOLUTION

WHEREAS, the Governing Board of Humboldt Unified School District No. 22 of Yavapai County, Arizona (the "District"), has determined that it is expedient to refund certain school improvement bonds of the District (collectively, the "Bonds Being Refunded") and that the sale and issuance of certain refunding bonds by the District (the "Bonds") and the application of the net proceeds thereof to pay at maturity or earlier redemption the Bonds Being Refunded are necessary and advisable and in the best interests of the District and shall result in a present value debt service savings, net of all costs associated with the Bonds, of at least two and one-half percent (2.5%) of the principal amount of the Bonds Being Refunded; and

WHEREAS, the Governing Board of the District (this "Board") has further determined to sell and issue certain supplemental interest certificates with respect to the Bonds; and

WHEREAS, the total aggregate of taxes levied to pay principal of and interest on the Bonds (including the portion of the interest evidenced by such supplemental interest

certificates relating to the Bonds) in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded; and

WHEREAS, this Board will receive a proposal from Stifel, Nicolaus & Company, Incorporated, serving in the capacity of and designated as the underwriter (the “Underwriter”) and not acting as a municipal advisor as defined in the “Registration of Municipal Advisors” rule promulgated by the United States Securities and Exchange Commission, and has determined that the Bonds and certain supplemental interest certificates with respect thereto should be sold through negotiation to the Underwriter pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-007-1213; and

WHEREAS, pursuant to the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations promulgated thereunder (the “Regulations”), issuers of obligations, the interest on which is intended to be excludable from the gross income of the owners thereof for federal income tax purposes (“Tax-Exempt Obligations”), are required to establish policies and procedures to ensure compliance with the applicable provisions of the Code and the Regulations; and

WHEREAS, it is determined that procedures should be adopted in order to ensure that Tax-Exempt Obligations issued by the District comply with the provisions of the Code and the Regulations (the “Tax Compliance Procedures”); and

WHEREAS, pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”), Participating Underwriters (as defined in the Rule) are required to reasonably determine that issuers have entered into written undertakings to make ongoing disclosure in connection with offerings of obligations to investors subject to the Rule; and

WHEREAS, it is determined that procedures should be adopted in order to document practices and describe various procedures for preparing and disseminating such ongoing disclosure for the benefit of the holders of the District’s obligations and to assist the Participating Underwriters in complying with the Rule and such written undertakings (together with the Tax Compliance Procedures, the “Procedures”);

NOW, THEREFORE, IT IS RESOLVED BY THE GOVERNING BOARD OF HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22 OF YAVAPAI COUNTY, ARIZONA, AS FOLLOWS:

Section 1. Authorization.

(A) The Bonds are hereby authorized to be sold and issued as a series of bonds of the District in the aggregate principal amount of not to exceed \$15,500,000 to be designated “Humboldt Unified School District No. 22 of Yavapai County, Arizona Refunding Bonds, Series 2017” in accordance with this Resolution and applicable law.

(B) There is hereby further authorized to be sold and issued with respect to, and to evidence certain supplemental interest to be borne by, the Bonds, supplemental interest certificates to be designated as "Supplemental Interest Certificates" in the aggregate payment amount determined as provided herein (the "Certificates"), the interest evidenced by the Bonds as issued being designated as "A" interest and the interest evidenced by the Certificates as issued being designated as "B" interest, all in accordance with this Resolution and applicable law.

(C) Unless specified or unless the context otherwise requires, all references herein to "interest on the Bonds" shall be deemed to include interest designated as both "A" and "B" interest on the Bonds, the interest designated as "B" interest being evidenced by the Certificates.

Section 2. Terms.

(A) The Superintendent or the Business Manager of the District is hereby authorized and directed to determine on behalf of the District: (1) the dated date and total principal and payment amounts of the Bonds (but not to exceed the amount indicated hereinabove) and the Certificates (provided, however, that such determinations must result in a present value debt service savings, net of all costs associated with the Bonds and the Certificates, of at least two and one-half percent (2.5%) of the principal amount of the Bonds Being Refunded); (2) the final principal and maturity and payment and payment date schedules of the Bonds and the Certificates (but none of the Bonds to mature more than six years from their date of issuance) and the series designation and principal and maturity schedules for the Bonds Being Refunded; (3) the interest rate on each maturity of the Bonds and the interest accrual period and approximate yield with respect to each payment date for the Certificates and the dates for payment of such interest (the "interest payment dates"); (4) the provisions for redemption in advance of maturity of the Bonds and the determinations of exercise of redemption provisions for the Bonds Being Refunded; (5) the sales price and terms of the Bonds and the Certificates (including for original issue discount) and (7) the provision for credit enhancement, if any, for the Bonds and the Certificates upon the advice of the Underwriter; provided, however, that such determinations must result in a yield for federal income tax purposes of not to exceed three and one-half percent (3.5%) with respect to the Bonds.

(B) (1) The Bonds shall be issued in the denomination of \$5,000 of principal amount or integral multiples thereof and only in fully registered form.

(2) The principal of and premium, if any, on the Bonds shall be payable at maturity or prior redemption upon presentation and surrender thereof at the designated corporate trust office of the "Bond Registrar and Paying Agent" (as such term is hereinafter defined).

(3) The Bonds shall bear interest designated as "A" interest at the respective rates from their date to the maturity or prior redemption of each Bond, payable commencing on the first interest payment date. Interest on the Bonds designated as "A" interest shall be payable by check, dated as of the interest payment date, mailed to the registered owners thereof, as shown on the registration books maintained by the Bond Registrar and Paying Agent

at the address appearing therein at the close of business on the fifteenth (15th) day of the month next preceding that interest payment date (the "regular record date"). Any such interest on a Bond which is not timely paid or duly provided for shall cease to be payable to the registered owner thereof (or of one or more predecessor Bonds) as of the regular record date, and shall be payable to the registered owner thereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to the registered owners of Bonds not less than ten (10) days prior thereto.

(4) The principal of, and premium, if any, and "A" interest on, the Bonds shall be payable in lawful money of the United States of America.

(C) (1) In addition to such interest designated as "A" interest, the Bonds shall bear supplemental interest designated as "B" interest evidenced by the Certificates which shall be owned, transferred, and presented for payment separately from the Bonds and shall evidence that portion of interest designated as "B" interest on the Bonds coming due for the interest accrual periods specified above which the registered owners thereof are entitled to receive.

(2) The Certificates shall be dated as of their date of initial authentication and delivery.

(3) The Certificates shall be issued in the denomination of \$1,000 of interest designated as "B" interest due on a particular "B" interest payment date or integral multiples thereof and only in fully registered form.

(4) The interest designated as "B" interest evidenced by the Certificates shall be payable in lawful money of the United States of America to the registered owner of each Certificate, upon presentation and surrender thereof at the designated corporate trust office of the Bond Registrar and Paying Agent.

Section 3. Prepayment/Prior Redemption; Defeasance.

(A) The Certificates shall not be subject to prepayment prior to their stated payment dates.

(B) (1) Notice of redemption of any Bond shall be mailed by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption to the registered owner of the Bond or Bonds being redeemed at the address shown on the registration books for the Bonds maintained by the Bond Registrar and Paying Agent. Failure to give properly such notice of redemption shall not affect the redemption of any Bond for which notice was given properly.

(2) On the date designated for redemption by notice given as herein provided, the Bonds or portions thereof to be redeemed shall become and be due and payable at the redemption price for such Bonds or such portions thereof on such date, and, if

moneys for payment of the redemption price are held in separate accounts by the Bond Registrar and Paying Agent, interest on such Bonds or such portions thereof shall cease to accrue, such Bonds or such portions thereof shall cease to be entitled to any benefit or security hereunder, the registered owners of such Bonds or such portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest thereon and such Bonds or such portions thereof shall be deemed paid and no longer outstanding.

(3) The District may redeem, and the Bond Registrar and Paying Agent shall select, by lot in such manner as the Bond Registrar and Paying Agent may determine, any amount which is included in a Bond in the denomination in excess of, but divisible by, \$5,000. In that event, the registered owner shall submit the Bond for partial redemption and the Bond Registrar and Paying Agent shall make such partial payment and shall cause to be issued a new Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

(C) Any Bond or portion thereof in authorized denominations shall be deemed paid and defeased and thereafter shall have no claim on ad valorem taxes levied on taxable property in the District (i) if there is deposited with a bank or comparable financial institution, in trust, moneys or obligations issued by or guaranteed by the United States government ("Defeasance Obligations") or both which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay the principal of and interest and any premium on such Bond or portion thereof as the same matures, comes due or becomes payable upon prior redemption and (ii) if such defeased Bond or portion thereof is to be redeemed, notice of such redemption has been given in accordance with provisions hereof or the District has submitted to the Bond Registrar and Paying Agent instructions expressed to be irrevocable as to the date upon which such Bond or portion thereof is to be redeemed and as to the giving of notice of such redemption. Bonds the payment of which has been provided for in accordance with this Section shall no longer be deemed payable or outstanding hereunder and thereafter such Bonds shall be entitled to payment only from the moneys or Defeasance Obligations deposited to provide for the payment of such Bonds.

Section 4. Security.

(A) For the purpose of paying the principal of, interest on (including that evidenced by the Certificates) and costs of administration of the registration and payment of the Bonds and the Certificates, there shall be levied on all the taxable property in the District a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs of and on the Bonds and the Certificates as the same become due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected; provided, however, that the total aggregate of taxes levied to pay principal and interest on the Bonds (including the portion of interest relating to the Bonds evidenced by the Certificates) in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. Subject to such limitation, taxes in an amount sufficient to pay the interest on all of the Bonds (including that evidenced by the

Certificates) then outstanding, the installments of the principal of the Bonds becoming due and payable in the ensuing year, and the annual portion of such sinking fund as may be set up for retirement of the Bonds, shall be levied, assessed and collected as other taxes of the District. The proceeds of such taxes shall be kept in a special fund designated the "Debt Service Fund" of the District and shall be used only for the payment of principal, interest, premium, if any, or costs as above-stated.

(B) As provided in Section 5(A) hereof, the net proceeds of the sale of the Bonds shall be invested in obligations issued by or guaranteed by the United States government ("Government Obligations"), so long as such Government Obligations shall mature with interest so as to provide funds to pay at maturity or upon earlier redemption the Bonds Being Refunded together with interest thereon and redemption premiums, if any, and such proceeds or Government Obligations shall, and other funds legally available for such purposes may, be deposited in respective principal and interest redemption funds and shall be held in trust (the "Trust") for the payment of the Bonds Being Refunded with interest and redemption premiums, if any, at maturity or upon redemption. The owners of the Bonds and, to the extent of interest related to the Bonds evidenced by the Certificates, of the Certificates shall rely upon the sufficiency of the funds or Government Obligations held in the Trust for the payment of the Bonds Being Refunded. The issuance of the Bonds and, to the extent of interest related to the Bonds evidenced by the Certificates, of the Certificates shall in no way infringe upon the rights of the owners of the Bonds Being Refunded to rely upon a tax levy for the payment of principal and interest on the Bonds Being Refunded if the investments in such redemption funds prove insufficient.

(C) (1) The Treasurer of Yavapai County, Arizona (the "County Treasurer"), is hereby requested to enter into a standard form of agreement (the "Escrow Trust Agreement") with a national banking association authorized to do trust business in the State of Arizona appointed by the Superintendent or Business Manager of the District, with respect to the safekeeping and handling of moneys and Government Obligations to be held in the Trust for the payment of the Bonds Being Refunded, with such additions, deletions and modifications as shall be approved by the County Treasurer, and such execution and delivery shall constitute conclusive evidence of the approval of such officer of any departures from such form.

(2) This Board hereby orders that the Bonds Being Refunded be redeemed on the respective redemption dates determined as provided in Section 2(A) hereof. All actions to refund the Bonds Being Refunded whether taken before or after adoption of this Resolution are ratified and confirmed and approved, respectively.

Section 5. Use of Proceeds.

(A) The net proceeds of the sale of the Bonds and the Certificates (and any other premium) related thereto shall be applied, along with the moneys to be transferred from the interest and redemption funds for the Bonds Being Refunded over and above amounts needed to make payments on such bonds on or before the first day of the fiscal year next preceding, to create the Trust pursuant to the Escrow Trust Agreement which shall be an irrevocable trust for the benefit of the owners of the Bonds and the Certificates related thereto. As provided in Section 4(B) hereof, amounts credited to the Trust, other than any beginning cash

balance, shall be invested immediately in Government Obligations, the maturing principal of and interest on which, together with any beginning cash balance, are to be sufficient to pay the principal of and premium, if any, and interest on the Bonds Being Refunded as the same become due.

(B) Any balance of the net proceeds of the Bonds remaining after creation of the Trust shall be transferred to the Debt Service Fund for the Bonds.

Section 6. Form of Bonds and Certificates.

(A) Pursuant to Section 35-491, Arizona Revised Statutes, a fully registered bond form and certificate form, respectively, is adopted as an alternative to the form of bond provided in Section 15-1023, Arizona Revised Statutes. The Bonds (including the form of certificate of authentication and form of assignment therefor) shall be in substantially the form set forth in Exhibit A attached hereto. The Certificates (including the form of certificate of authentication and form of assignment therefor) shall be in substantially the form set forth in Exhibit B attached hereto. Such forms comply with Section 35-491, Arizona Revised Statutes. There may be such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the Bonds and the Certificates in such form. Execution thereof by such officers shall constitute conclusive evidence of such approval.

(B) The Bonds and the Certificates may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond and each Certificate shall show both the date of the issue and the date of authentication and registration of each Bond and each Certificate.

(C) The Bonds and the Certificates are prohibited from being converted to coupon or bearer bonds or certificates, respectively, without the consent of this Board and approval of Bond Counsel to the District.

Section 7. Execution of Bonds and Certificates and Other Documents.

(A) (1) The Bonds and the Certificates shall be executed for and on behalf of the District by the President of this Board, countersigned by the County Treasurer and attested by the Clerk of this Board. (The acting clerk or, if none, the vice president of this Board is hereby appointed as such clerk for such purpose.) Such signatures may be by mechanical reproduction; however, such officers shall manually sign certificates adopting as and for such signatures on the Bonds and the Certificates the respective mechanically reproduced signatures affixed to the Bonds and the Certificates.

(2) If an officer whose signature is on a Bond or a Certificate no longer holds that office at the time such Bond or such Certificate is authenticated and registered, the Bond or the Certificate, as the case may be, shall nevertheless be valid and binding so long as such Bond or such Certificate would otherwise be valid and binding.

(3) A Bond or a Certificate shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Bond Registrar and Paying Agent. The signature of the authorized representative of the Bond Registrar and Paying Agent shall be conclusive evidence that the Bond or the Certificate, as the case may be, has been authenticated and issued pursuant to this Resolution.

(B) The President or any other member of this Board is hereby authorized to approve, execute and deliver or, in the case of those documents to which the District is not a party, to approve the execution and delivery by the parties thereto of the documents and agreements referred to herein calling for such execution and delivery, including particularly the Escrow Trust Agreement and the hereinafter defined Bond Registrar and Paying Agent Agreement.

Section 8. Mutilated, Lost or Destroyed Bonds or Certificates. In case any Bond or any Certificate becomes mutilated or destroyed or lost, the District shall cause to be executed and delivered a new Bond or new Certificate, as the case may be, of like type, date, maturity or payment date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or mutilated Certificate, as the case may be, or in lieu of and in substitution for such Bond or such Certificate, as the case may be, destroyed or lost, upon the registered owner paying the reasonable expenses and charges of the District in connection therewith and, in the case of a Bond or a Certificate, as the case may be, destroyed or lost, filing with the Bond Registrar and Paying Agent by the registered owner evidence satisfactory to the Bond Registrar and Paying Agent that such Bond or such Certificate, as the case may be, was destroyed or lost, and furnishing the Bond Registrar and Paying Agent with a sufficient indemnity bond pursuant to Section 47-8405, Arizona Revised Statutes.

Section 9. Acceptance of Proposal.

(A) The Superintendent or Business Manager of the District is hereby authorized to accept a proposal of the Underwriter for the purchase of the Bonds and the Certificates, and the Bonds and the Certificates are hereby ordered sold to the Underwriter in accordance with the terms of the Bond and Certificate Purchase Agreement presented to this Board at the meeting at which this Resolution was adopted (the "Bond Purchase Agreement") and in accordance with the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-007-1213. The President or any other member of this Board or the Superintendent or Business Manager of the District is hereby authorized to execute and deliver the Bond Purchase Agreement, for and on behalf of the District, in substantially the form submitted to this Board at the meeting at which this Resolution was adopted and in a final form satisfactory to the President, such member of this Board, the Superintendent or Business Manager of the District, and such execution and delivery by the President, such member of this Board, the Superintendent or Business Manager of the District shall indicate the approval thereof on behalf of the District by the Superintendent or Business Manager of the District.

(B) The County Treasurer is hereby requested to cause the Bonds and the Certificates to be delivered to the Underwriter upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the sale provided in the Bond Purchase Agreement.

Section 10. Official Statement and Continuing Disclosure.

(A) (1) The preparation, distribution and use of the Preliminary Official Statement relating to the Bonds and the Certificates in substantially the form presented to this Board before the meeting at which this Resolution was adopted is in all respects hereby ratified, approved and confirmed, and the Superintendent or Business Manager of the District is hereby authorized to deem the same “final” for purposes of applicable securities laws when finalized.

(2) The Underwriter is authorized to prepare or cause to be prepared, and the Superintendent or Business Manager of the District is authorized and directed to approve, on behalf of this Board, and the President or any other member of this Board is authorized to execute, a final Official Statement in substantially the form of the Preliminary Official Statement, modified to reflect matters related to the sale of the Bonds and the Certificates, for distribution and use in connection with the offering and sale of the Bonds and the Certificates. The execution of such final Official Statement by the President or any other member of this Board shall be deemed to evidence conclusively the approval of the status, form and contents thereof by this Board.

(B) Subject to annual appropriation to cover the costs of preparing and mailing as necessary therefor, the District will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking, to be dated the date of issuance of the Bonds and the Certificates (the “Continuing Disclosure Agreement”). The President or any other member of this Board is hereby authorized, for and on behalf of the Board, to execute and deliver the Continuing Disclosure Agreement in substantially the form submitted to this Board at the meeting at which this Resolution was adopted, with such additions, deletions and modifications as shall be approved by the President or any other member of this Board, and such execution and delivery shall constitute evidence of the approval of such officer of any departures from the form submitted to this Board at the time of adoption of this Resolution. Notwithstanding any other provision of this Resolution, failure of the District (if obligated pursuant to the Continuing Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered an event of default; however, any Beneficial Owner (as such term is hereinafter defined) may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations under this Section. For purposes of this Section, “Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds or Certificates (including persons holding Bonds or Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds or Certificates for federal income tax purposes.

Section 11. Bond Registrar and Paying Agent.

(A) The Superintendent or Business Manager of the District are hereby authorized to appoint the initial Bond Registrar and Paying Agent with respect to the Bonds and the Certificates, and the County Treasurer is hereby requested to enter into a standard form of agreement therewith for such purposes (the “Bond Registrar and Paying Agent Agreement”) covering such services, with such additions, deletions and modifications as shall be approved by

the County Treasurer, and such execution and delivery shall constitute conclusive evidence of the approval of such officer of any departures from such form. The Bond Registrar and Paying Agent shall maintain the registration books of the District for the registration of ownership of each Bond and each Certificate.

(B) A Bond or a Certificate may be transferred on the registration books upon delivery and surrender of the Bond or the Certificate, as the case may be, to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of the Bond or the Certificate, as the case may be, to be transferred or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond or the Certificate, as the case may be. No transfer of any Bond or any Certificate shall be effective until entered on the registration books.

(C) In the event of the transfer of a Bond, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denominations (except that no Bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Resolution.

(D) In the event of the transfer of a Certificate, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of the authorized denominations and of the same payment date for the aggregate amount of "B" interest which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Resolution.

(E) All costs and expenses of initial registration and payment of the Bonds and the Certificates shall be borne by the District, but the District and the Bond Registrar and Paying Agent shall charge the registered owner of such Bond or such Certificate, as the case may be, for every subsequent transfer of a Bond or a Certificate, as the case may be, an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer and may require that such transfer fee, tax or other charge be paid before any such Bond or such Certificate, as the case may be, shall be delivered.

(F) The District and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bond during a period beginning with the opening of business on any regular record date and ending with the close of business on the corresponding interest payment date.

(G) The Bonds and the Certificates shall be subject to a Book-Entry System (as such term is hereinafter defined) of ownership and transfer, except as provided in subsection (3) of this subsection. The general provisions for effecting the Book-Entry System are as follows:

(1) The District hereby designates The Depository Trust Company, New York, New York, as the initial Depository (as such term is hereinafter defined) hereunder.

(2) Notwithstanding the provisions of this Section or of the Bonds or the Certificates to the contrary and so long as the Bonds and the Certificates are subject to a Book-Entry System, the Bonds and the Certificates shall initially be evidenced by one typewritten certificate for each maturity or payment date, respectively, in an amount equal to the aggregate principal or payment amount thereof, respectively. The Bonds and the Certificates so initially delivered shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company. The Bonds and the Certificates may not thereafter be transferred or exchanged on the registration books of the District maintained by the Bond Registrar and Paying Agent except:

(a) to any successor Depository designated pursuant to subsection (3) of this subsection;

(b) to any successor nominee designated by a Depository or

(c) if the District shall elect to discontinue the Book-Entry System pursuant to subsection (3) of this subsection, the District shall cause the Bond Registrar and Paying Agent to authenticate and deliver replacement Bonds or Certificates in fully registered form in authorized denominations in the names of the Beneficial Owners or their nominees, as certified by the Depository, at the expense of the District; thereafter the other applicable provisions of this Resolution regarding registration, transfer and exchange of the Bonds and the Certificates shall apply.

(3) The Bond Registrar and Paying Agent, pursuant to a request from the District for the removal or replacement of the Depository, and upon thirty (30) days' notice to the Depository, may remove or replace the Depository. The Bond Registrar and Paying Agent shall remove or replace the Depository at any time pursuant to the request of the District. The Depository may determine not to continue to act as Depository for the Bonds and the Certificates upon thirty (30) days' written notice to the District and the Bond Registrar and Paying Agent. If the use of the Book Entry System is discontinued, then after the Bond Registrar and Paying Agent has made provision for notification of the Beneficial Owners of their book entry interests in the Bonds and the Certificates by appropriate notice to the then Depository, the District and the Bond Registrar and Paying Agent shall permit withdrawal of the Bonds and the Certificates from the Depository and authenticate and deliver the Bond certificates and the Certificate certificates in fully registered form and in denominations authorized by this Section to the assignees of the Depository or its nominee. Such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing, and delivering, such replacement Bond certificates and Certificate certificates) of the District.

(4) So long as the Book-Entry System is used for the Bonds and the Certificates, the District and the Bond Registrar and Paying Agent shall give any notice of redemption or any other notices required to be given to registered owners of Bonds or Certificates only to the Depository or its nominee registered as the owner thereof. Any failure of the Depository to advise any of its participants, or of any participant to notify the Beneficial Owner, of any such notice and its content or effect shall not affect the validity of the redemption of the Bonds or the Certificates to be redeemed or of any other action premised on such notice. Neither the District nor the Bond Registrar and Paying Agent shall be responsible or liable for the failure of the Depository or any participant thereof to make any payment or give any notice to a Beneficial Owner in respect of the Bonds or the Certificates or any error or delay relating thereto.

(5) Notwithstanding any other provision of this Section or Section 3(B) hereof or of the Bonds to the contrary, so long as the Bonds are subject to a Book-Entry System, it shall not be necessary for the registered owner to present the applicable Bond for payment of mandatory redemption installments, if any. The mandatory redemption installments may be noted on books kept by the Bond Registrar and Paying Agent and the Depository for such purpose, and the Bonds shall be tendered to the Bond Registrar and Paying Agent at their maturity.

(6) For purposes of this Section, “Beneficial Owners” shall mean actual purchasers of the Bonds and the Certificates whose ownership interest is evidenced only in the Book-Entry System maintained by the Depository, “Book-Entry System” shall mean a system for clearing and settlement of securities transactions among participants of a Depository (and other parties having custodial relationships with such participants) through electronic or manual book-entry changes in accounts of such participants maintained by the Depository hereunder for recording ownership of the Bonds and the Certificates by Beneficial Owners and transfers of ownership interests in the Bonds, and “Depository” shall mean The Depository Trust Company, New York, New York or any successor depository designated pursuant to this Section.

Section 12. General Federal Tax Law Procedures.

(A) As provided in further detail in the Certificate Relating To Federal Tax Matters to be delivered by the District on the date of issuance of the Bonds and the Certificates (the “Tax Certificate”), the District will not make or direct the making of any investment or other use of the proceeds of any Bonds or Certificates which would cause such Bonds or Certificates to be “arbitrage bonds” as that term is defined in Section 148 (or any successor provision thereto) of the Code (as such term is hereinafter defined), or “private activity bonds” as that term is defined in Section 141 (or any successor provision thereto) of the Code, and the District will comply with the requirements of the Code sections and related regulations throughout the term of the Bonds and the Certificates. Particularly, the District shall be the owner of the facilities refinanced with the proceeds of the sale of the Bonds and the Certificates (the “Facilities”) for federal income tax purposes. Except as otherwise advised in a Bond Counsel’s Opinion (as such term is hereinafter defined), the District shall not enter into (i) any

management or service contract with any entity other than a governmental entity for the operation of any portion of the Facilities unless the management or service contract complies with the requirements of such authority as may control at the time or (ii) any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Facilities. Also, the payment of principal of and interest on (including interest evidenced by the Certificates) the Bonds shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Bonds or the Certificates, or amounts treated as proceeds of the Bonds or the Certificates, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds (i) may be so invested for an initial temporary period until needed for the purpose for which the Bonds and the Certificates are being issued, (ii) may be so used in making investments of a bona fide debt service fund or (iii) may be invested in obligations issued by the United States Treasury. The District shall comply with the procedures contained in any arbitrage rebate provision or separate agreement executed in connection with the issuance of the Bonds and the Certificates for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds (including that evidenced by the Certificates). In consideration of the purchase and acceptance of the Bonds and the Certificates by such holders from time to time and of retaining such exclusion as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, the District shall, and the appropriate officials of the District are hereby directed, to take all action required or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

(B) (1) The District shall take all necessary and desirable steps, as determined by the District, to comply with the requirements hereunder in order to ensure that interest on the Bonds (including that evidenced by the Certificates) is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event the District receives a Bond Counsel's Opinion that either (i) compliance with such requirement is not required to maintain the exclusion from gross income of interest on the Bonds (including that evidenced by the Certificates), or (ii) compliance with some other requirement will meet the requirements of the Code. In the event the District receives such a Bond Counsel's Opinion, this Resolution shall be amended to conform to the requirements set forth in such opinion.

(2) If for any reason any requirement hereunder is not complied with, the District shall take all necessary and desirable steps, as determined by the District, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and the District shall pay any required interest or penalty under Regulations section 1.148-3(h) relating to the Code.

Section 13. Arbitrage Rebate Procedures.

(A) Terms not otherwise defined in Subsection (B) hereof shall have the meanings given to them in the Tax Certificate.

(B) The following terms shall have the following meanings:

Bond Counsel's Opinion shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the District.

Bond Year shall mean each one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the date of issuance of the Bonds and shall end on the date selected by the District, provided that the first Bond Year shall not exceed one calendar year. The last Bond Year shall end on the date of retirement of the last Bond.

Bond Yield is as indicated in the Tax Certificate. Bond Yield shall be recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3). Bond Yield shall mean the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Bonds as determined under Regulations section 1.148-4(b). The present value of all such payments shall be computed as of the date of issue of the Bonds and using semiannual compounding on the basis of a 360-day year.

Code shall mean the Internal Revenue Code of 1986, as amended, and any successor provisions thereto.

Gross Proceeds shall mean:

(i) any amounts actually or constructively received by the District from the sale of the Bonds and the Certificates but excluding amounts used to pay accrued interest on the Bonds and the Certificates within one year of the date of issuance of the Bonds and the Certificates;

(ii) transferred proceeds of the Bonds under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii); and

(iv) replacement proceeds of the Bonds within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Bonds and the Certificates, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Bonds and the Certificates in the event the District encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account.

Investment Property shall mean any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

Issue Price is as indicated in the Tax Certificate and shall be determined as provided in Regulations section 1.148-1(b).

Nonpurpose Investment shall mean any Investment Property acquired with Gross Proceeds, and which is not acquired to carry out the governmental purposes of the Bonds.

Payment shall mean any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

Rebate Requirement shall mean at any time the excess of the future value of all Receipts over the future value of all Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

Receipt shall mean any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

Regulations shall mean the sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

(C) Within 60 days after the end of each Bond Year, the District shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(1) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous rebate payments with respect to the Bonds (determined as of such Computation Date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous rebate payments with respect to the Bonds (determined as of the last day of such Bond Year); and

(2) not later than 60 days after the retirement of the last Bond, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the last Bond).

Each payment required to be made under this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date such payment is due, and shall be accompanied by IRS Form 8038-T.

(D) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(E) For purposes of Subsection (D), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(1) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(2) Except as provided in Subsection (F) or (G), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(3) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(F) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(1) the yield on reasonably comparable direct obligations of the United States; and

(2) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(G) A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(1) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the District or any other person for purposes of satisfying the requirements in the Regulations that the District receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Bonds.

(2) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(3) At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Bonds (e.g., a lead underwriter within 15 days of the issue date of the Bonds or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If the District uses an agent to conduct the bidding, the agent may not bid.

(4) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(5) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(6) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(7) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(8) The District retains until three years after the last outstanding Bond is retired, (i) a copy of the guaranteed investment contract, (ii) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by the District and a copy of the provider's certification described in (7) above, (iii) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (iv) the bid solicitation form and, if the terms of the guaranteed investment contract deviates from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(H) This Board further authorizes the employment of such experts and consultants to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of such Code.

Section 14. Post-Issuance Tax Compliance and Continuing Disclosure Compliance Procedures. The Procedures are hereby adopted to establish policies and procedures related to the purposes set forth in the Recitals hereto. The right to use discretion as necessary

and appropriate to make exceptions or request additional provisions with respect to the Procedures as may be determined is hereby reserved. The right to change the Procedures from time to time, without notice, is also reserved.

Section 15. Resolution a Contract; Severability; Ratification of Actions.

(A) This Resolution shall constitute a contract between the District and the registered owners of the Bonds and the Certificates and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds and the Certificates then outstanding.

(B) If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution. This Board hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds and the Certificates pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

(C) All actions of the officers and agents of the District including this Board which conform to the purposes and intent of this Resolution and which further the issuance and sale of the Bonds and the Certificates as contemplated by this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved. The proper officers and agents of the District and Maricopa County, Arizona are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District and such County as may be necessary to carry out the terms and intent of this Resolution.

[Remainder of page left blank intentionally.]

PASSED, ADOPTED AND APPROVED by the Governing Board of Humboldt Unified School District No. 22 of Yavapai County, Arizona, on September 12, 2017.

.....
President of the Governing Board of Humboldt
Unified School District No. 22 of Yavapai County,
Arizona

EXHIBIT A

FORM OF BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.*

REGISTERED
NO.

REGISTERED
\$.....

UNITED STATES OF AMERICA
STATE OF ARIZONA

HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22
OF YAVAPAI COUNTY, ARIZONA
REFUNDING BOND, SERIES 2017

"A" Interest Rate:	Maturity Date:	Dated:	CUSIP:
.....	July 1,, 2017

REGISTERED OWNER: CEDE & CO.*

PRINCIPAL AMOUNT: DOLLARS

Humboldt Unified School District No. 22 of Yavapai County, Arizona, a unified school district duly created under Title 15, Chapter 4, Article 3, Arizona Revised Statutes, as amended (the "District"), for value received, hereby promises to pay to the aforesaid registered owner, or registered assigns, the aforesaid principal amount on the aforesaid maturity date unless earlier redeemed, and to pay interest designated as "A" interest on the principal amount from the date as of which this Bond is dated as indicated hereinabove at the aforesaid interest rate on 1,, and on each 1 and 1 thereafter (each an "interest payment date") to the maturity or redemption prior to maturity of this Bond. The principal of and premium, if any, on

* Insert so long as DTC is the Securities Depository.

this Bond are payable upon presentation and surrender hereof at the designated corporate trust office of, as the initial "Bond Registrar and Paying Agent." Interest on the bonds of the issue of which this Bond is one, evidenced by this Bond designated as "A" interest is payable by check, dated as of the interest payment date, mailed to the registered owner hereof, as shown on the registration books maintained by the Bond Registrar and Paying Agent at the address appearing therein at the close of business on the 15th day of the calendar month next preceding that interest payment date (the "regular record date"). Any such interest on this Bond which is not timely paid or duly provided for shall cease to be payable to the registered owner hereof (or of one or more predecessor Bonds) as of the regular record date and shall be payable to the registered owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of that overdue interest, and notice of the special record date shall be given to registered owners of the Bonds not less than ten days prior thereto.

The principal of, and interest designated as "A" interest and premium, if any, on, this Bond are payable in lawful money of the United States of America, on the respective dates when principal and interest become due.

This Bond is one of a series of bonds indicated above (the "Bonds") in the aggregate principal amount of \$.....,000 of like tenor except as to amount, maturity date, redemption feature, rate of interest, number and other matters described herein, issued by the District to refund certain previously issued and outstanding school improvement and bonds of the District, pursuant to a resolution of the Governing Board of the District, duly adopted prior to the issuance hereof, all of the terms of which are hereby incorporated herein (the "Resolution"), and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of refunding bonds of school districts, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

For the purpose of paying the principal of, interest on and costs of administration of the registration and payment of this Bond, there shall be levied on all the taxable property in the District a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs of and on this Bond as the same become due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected; provided, however, that the issuance of the Bonds and the hereinafter described Supplemental Interest Certificates shall in no way infringe upon the rights of the owners of the school improvement and/or refunding bonds being refunded described above to rely upon a tax levy for payment of the principal and interest on such refunded bonds if the obligations issued by or guaranteed by the United States government in which net proceeds of the Bonds are invested and which mature with interest so as to provide funds to pay when due, or called for redemption, such refunded bonds together with interest thereon and redemption premiums, if any, and with other funds legally available for such purpose deposited in the respective principal and interest redemption funds and held in trust for the payment of such refunded bonds with interest and redemption premiums, if any, on maturity or upon an available redemption date prove insufficient and further that the total aggregate of taxes levied to pay principal and interest on the Bonds (including the portion of interest related to the Bonds

evidenced by the Supplemental Interest Certificates) in the aggregate shall not exceed the total aggregate principal and interest to become due on such refunded bonds from the date of issuance of the Bonds to the final date of maturity of such refunded bonds. The owners of the Bonds and the Supplemental Interest Certificates must rely on the sufficiency of the funds and securities held irrevocably in trust for payment of such refunded bonds.

(In addition to the interest designated as “A” interest at the rate indicated above, the Bonds shall bear supplemental interest designated as “B” interest during the interest accrual period set forth below, payable on the date and in the amount as follows:

<u>Interest Accrual Period</u>	<u>“B” Interest Payment Date</u>	<u>Amount of “B” Interest Payable on “B” Interest Payment Date</u>
..... 1, ..., through and including, 1, ...	\$...,000

Such interest is evidenced by fully registered Supplemental Interest Certificates which shall be owned, transferred and presented for payment separately from this Bond.)

The Bonds maturing before and on July 1, ..., are not subject to redemption prior to maturity. The Bonds maturing on or after July 1, ..., are subject to optional redemption prior to maturity, in whole or in part, on July 1, ..., or any date thereafter, by the payment of a redemption price equal to the principal amount of each such Bond redeemed plus interest accrued to the date fixed for redemption plus a premium (calculated as a percentage of the principal amount of such Bonds to be redeemed) to be computed as follows:

<u>Redemption Dates</u>	<u>Premium</u>
July 1, ..., and January 1,%
July 1, ..., and thereafter	0.0

The Bonds maturing on July 1, ..., shall be redeemed prior to maturity on July 1, in the years and amounts set forth below, by payment of the principal amount of each Bond to be redeemed plus interest accrued to the date fixed for redemption, but without a premium:

<u>Year</u>	<u>Amount</u>
	\$

A remaining principal amount of \$.....,000 of Bonds maturing on July 1,, shall mature on July 1,

Not more than seventy-five (75) nor less than sixty (60) days prior to the mandatory redemption date for the Bonds maturing on July 1,, the Bond Registrar and Paying Agent shall proceed to select for redemption (by lot in such manner as the Bond Registrar and Paying Agent may determine) from all the Bonds maturing on July 1,, outstanding a principal amount of the Bonds maturing on July 1,, equal to the aggregate principal amount of the Bonds maturing on July 1,, to be redeemed and shall redeem such Bonds maturing on July 1,, on the next July 1 and give notice of such redemption.

Notice of redemption of any such Bond will be mailed not more than 60 nor less than 30 days prior to the date set for redemption to the registered owner of such Bond or Bonds being redeemed at the address shown on the registration books for the Bonds maintained by the Bond Registrar and Paying Agent. Failure to give properly such notice of redemption shall not affect the redemption of any such Bond for which notice was properly given.

The Bond Registrar and Paying Agent shall maintain the registration books of the District for the registration of ownership of each Bond as provided in the Resolution. (The Bond Registrar and Paying Agent may be changed without notice or consent.)

This Bond may be transferred on the registration books upon delivery and surrender hereof to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of this Bond or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer. No transfer of this Bond shall be effective until entered on the registration books.

In all cases upon the transfer of this Bond, the Bond Registrar and Paying Agent shall transfer the ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denominations (except that no Bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Resolution. The District and the Bond Registrar and Paying Agent shall charge the owner of such Bond, for every transfer of a Bond, an amount sufficient to reimburse them for any transfer fee, tax or other charge required to be paid with respect to such transfer, and may require that such transfer fee, tax or other charge be paid before any such new Bond shall be delivered.

The District and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the opening of business on a regular record date and ending with the close of business on the corresponding interest payment date.

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

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the issuance of this Bond and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law; (ii) that the obligation evidenced by the series of Bonds of which this is one, together with all other existing indebtedness of the District, does not exceed any applicable constitutional or statutory limitation and (iii) that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon taxable property within the District, over and above all other taxes authorized or limited by law except as otherwise described herein, sufficient to pay the principal hereof and the interest hereon as each becomes due.

IN WITNESS WHEREOF, HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22 OF YAVAPAI COUNTY, ARIZONA, has caused this Bond to be executed in the name of the District by the facsimile signature of the President of the Governing Board of the District and such signature of the President of the Governing Board of the District to be attested by the facsimile signature of the Clerk of the Governing Board of the District and to be countersigned by the facsimile signature of the County Treasurer of Yavapai County, Arizona.

HUMBOLDT UNIFIED SCHOOL DISTRICT NO.
22 OF YAVAPAI COUNTY, ARIZONA

By (Facsimile)
.....
President, Governing Board

ATTEST:

(Facsimile)
.....
Clerk, Governing Board

COUNTERSIGNED:

By (Facsimile)
.....
County Treasurer of Yavapai County, Arizona

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution and is one of the Humboldt Unified School District No. 22 of Yavapai County, Arizona Refunding Bonds, Series 2017.

Date of Authentication:

.....,
as Bond Registrar and Paying Agent

By.....
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

.....
(Name and Address of Transferee)
the within Bond and irrevocably constitutes and appoints
attorney to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

Dated:
Signature

Signature Guaranteed:
.....
Signature

[Insert proper legend]

Note: The signature(s) on this assignment must
correspond with the name(s) as it appears
upon the face of the within Bond in every
particular, without alteration or any
change whatsoever.

The following abbreviations, when used in the inscription on the face of the
within Bond, shall be construed as though they were written out in full according to applicable
laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - Custodian
(Cust) (Minor)

under Uniform Gifts to Minors Act
(State)

Additional abbreviations may also be used though not included in the above list.

ALL FEES AND COSTS OF TRANSFER
SHALL BE PAID BY THE TRANSFEROR

EXHIBIT B

FORM OF SUPPLEMENTAL INTEREST CERTIFICATE

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.*

REGISTERED
NO.

REGISTERED
\$.....

UNITED STATES OF AMERICA
STATE OF ARIZONA

HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22
OF YAVAPAI COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2017
SUPPLEMENTAL INTEREST CERTIFICATE

Payment Date:
.....

Dated:
....., 2017

CUSIP:
.....

REGISTERED OWNER: CEDE & CO.*

"B" INTEREST AMOUNT: DOLLARS

Humboldt Unified School District No. 22 of Yavapai County, Arizona, a unified school district duly created under Title 15, Chapter 4, Article 3, Arizona Revised Statutes, as amended (the "District"), for value received, hereby promises to pay to the aforesaid registered owner, or registered assigns, on the payment date specified above, the amount specified above, which evidences a portion of the interest designated as "B" interest (computed on the basis of a 360-day year of twelve 30-day months) which shall become due and payable on such payment date on the outstanding principal amount of the District's Refunding Bonds, Series 2017, dated, 2017, issued in the principal amount of \$.....,000 (the "Bonds"), for the period

* Insert so long as DTC is the Securities Depository.

beginning from the 1 or 1, as applicable, immediately preceding such payment date through the day immediately prior to such payment date.

The interest designated as “B” interest on the Bonds evidenced by this Certificate shall be payable to the registered owner hereof upon presentation and surrender of this Certificate at the designated corporate trust office of, or its successor, as the initial “Bond Registrar and Paying Agent.” If the date for making such payment shall be a legal holiday or a day on which the principal office of the Bond Registrar and Paying Agent is authorized or required by law to remain closed, such payment may be made on the next succeeding day which is not a legal holiday or a day on which such principal office is authorized or required by law to remain closed.

The Bonds and the interest designated as “B” interest thereon evidenced by the Supplemental Interest Certificates of which this is one (the “Certificates”) have been authorized by, and issued pursuant to, a resolution passed and adopted by the Governing Board of the District prior to the issuance of the Bonds all of the terms of which are hereby incorporated herein (the “Resolution”), and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of improvement bonds and refunding bonds of school districts, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling. The Certificates are issued as fully registered Certificates, and are payable and evidence interest borne by the Bonds designated as “B” interest with respect to the Bonds, all as specifically set forth in the Resolution.

The Certificates are not subject to prepayment prior to their payment date.

For the purpose of paying the principal of, interest on (including this interest) and costs of administration of the registration and payment of the Bonds and the Certificates, there shall be levied on all the taxable property in the District a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs of and on the Bonds and the Certificates as the same become due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected; provided, however, that the issuance of the Bonds and, to the extent of the interest related to the Bonds evidenced by the Certificates, of the Certificates shall in no way infringe upon the rights of the owners of such school improvement and/or refunding bonds being refunded to rely upon a tax levy for payment of the principal and interest on such refunded bonds if the obligations issued by or guaranteed by the United States government in which net proceeds of the Bonds are invested and which mature with interest so as to provide funds to pay when due, or called for redemption, such refunded bonds together with interest thereon and redemption premiums, if any, and with other funds legally available for such purpose deposited in the respective principal and interest redemption funds and held in trust for the payment of such refunded bonds with interest and redemption premiums, if any, on maturity or upon an available redemption date prove insufficient and further that the total aggregate of taxes levied to pay principal and interest on the Bonds (including the portion of interest evidenced by the Certificates related to the Bonds) in the aggregate shall not exceed the total aggregate principal and interest to become due on such refunded bonds from the date of issuance of the Bonds to the final date of maturity of such refunded bonds. The owners of the Bonds and, to the extent of interest related to the Bonds

evidenced by the Certificates, of the Certificates must rely on the sufficiency of the funds and securities held irrevocably in trust for payment of such refunded bonds.

The Bond Registrar and Paying Agent shall maintain the registration books of the District for the registration of ownership of each Certificate as provided in the Resolution. (The Bond Registrar and Paying Agent may be changed without notice or consent.)

This Certificate may be transferred upon the registration books upon delivery and surrender hereof to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of this Certificate to be transferred or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer. No transfer of any Certificate shall be effective until entered on the registration books.

In the event of the transfer of a Certificate, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees one or more new fully registered Certificates of authorized denominations and of the same payment date for the aggregate amount of "B" interest which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Resolution. The District and the Bond Registrar and Paying Agent shall charge the owner of such Certificate, for every transfer of a Certificate, an amount sufficient to reimburse them for any transfer fee, tax or other charge required to be paid with respect to such transfer, and may require that such transfer fee, tax or other charge be paid before any such new Certificate shall be delivered.

This Certificate shall not be entitled to any security or benefit under the Resolution or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar and Paying Agent.

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the issuance of this Certificate and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law; (ii) that the obligation evidenced by the series of Certificates of which this is one, together with all other existing indebtedness of the District, does not exceed any applicable constitutional or statutory limitation and (iii) that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon taxable property within the District, over and above all other taxes authorized or limited by law except as otherwise described herein, sufficient to pay this Certificate as it becomes due.

IN WITNESS WHEREOF, HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22 OF YAVAPAI COUNTY, ARIZONA, has caused this Certificate to be executed in the name of the District by the facsimile signature of the President of the Governing Board of the District and such signature of the President of the Governing Board of the District to be attested by the facsimile signature of the Clerk of the Governing Board of the District and to be countersigned by the facsimile signature of the County Treasurer of Yavapai County, Arizona.

HUMBOLDT UNIFIED SCHOOL DISTRICT
NO. 22 OF YAVAPAI COUNTY, ARIZONA

By (Facsimile)
.....
President, Governing Board

ATTEST:

(Facsimile)
.....
Clerk, Governing Board

COUNTERSIGNED:

By (Facsimile)
.....
County Treasurer of Yavapai County, Arizona

CERTIFICATE OF AUTHENTICATION

This Supplemental Interest Certificate is one of the Certificates evidencing the
“B” interest described in the within-mentioned Resolution.

Date of Authentication:

.....,
as Bond Registrar and Paying Agent

By.....
Authorized Representative

ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

.....
(Name and Address of Transferee)
the within Certificate and irrevocably constitutes and appoints
attorney to transfer the within Certificate on the books kept for registration thereof, with full
power of substitution in the premises.

Dated: Signature

Signature Guaranteed:

.....
[Insert proper legend] Signature

Note: The signature(s) on this assignment must
correspond with the name(s) as it appears
upon the face of the within Certificate in
every particular, without alteration or any
change whatsoever.

The following abbreviations, when used in the inscription on the face of the
within Certificate, shall be construed as though they were written out in full according to
applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - Custodian
(Cust) (Minor)

under Uniform Gifts to Minors Act
(State)

Additional abbreviations may also be used though not included in the above list.

ALL FEES AND COSTS OF TRANSFER
SHALL BE PAID BY THE TRANSFEROR

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER __, 2017

NEW ISSUE – BOOK-ENTRY-ONLY

RATING: See “RATING” herein.

INSURANCE: See “BOND INSURANCE AND RELATED RISK FACTORS” herein.

In the opinion of Bond Counsel, assuming compliance with certain tax covenants, interest on the Bonds (i) will be excludable from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions and (ii) will be exempt from income taxation under the laws of the State of Arizona. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however such interest will be taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. See “TAX MATTERS” herein for a description of certain federal tax consequences of ownership of the Bonds.

\$14,085,000*

**HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22
OF YAVAPAI COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2017**

DRAFT II
9-5-17

Dated: Date of Initial Authentication and Delivery

Due: July 1, as shown on the inside front cover page

The Refunding Bonds, Series 2017 (the “Bonds”) of Humboldt Unified School District No. 22 of Yavapai County, Arizona (the “District”), will be issued in the form of fully-registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Ownership interests in the Bonds may be purchased in amounts of \$5,000 of principal due on a specific maturity date or integral multiples thereof. The Bonds will mature on the dates and in the principal amounts and will bear interest, from their date to their maturity or prior redemption as set forth on the inside front cover page. Interest on the Bonds will accrue from the date of delivery and will be payable semiannually on January 1 and July 1 of each year commencing on January 1, 2018*.

SEE MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE

The District will initially utilize DTC’s “book-entry-only system,” although the District and DTC each reserve the right to discontinue the book-entry-only system at any time. Utilization of the book-entry-only system will affect the method and timing of payment of principal of and interest on the Bonds and the method of transfer of the Bonds. So long as the book-entry-only system is in effect, a single fully-registered Bond, for each maturity of the Bonds, will be registered in the name of Cede & Co., as nominee of DTC, on the registration books maintained by _____, the initial bond registrar and paying agent for the Bonds. DTC will be responsible for distributing the principal, premium, if any, and interest payments to its direct and indirect participants who will, in turn, be responsible for distribution to the beneficial owners of the Bonds (the “Beneficial Owners”). So long as the book-entry-only system is in effect and Cede & Co. is the registered owner of the Bonds, all references herein (except under the heading “TAX MATTERS”) to owners of the Bonds will refer to Cede & Co. and not the Beneficial Owners. See APPENDIX H - “BOOK-ENTRY-ONLY SYSTEM” herein.

The Bonds will not be subject to redemption prior to their stated maturity dates.

Principal of and interest on the Bonds will be payable from a continuing, direct, annual, ad valorem tax levied against all taxable property located within the boundaries of the District, unlimited as to rate, but limited in amount so that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate will not exceed the total aggregate of principal of and interest due on the herein-defined Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The application of such taxes to the payment of the Bonds will be subject to the rights vested in the owners of the Bonds Being Refunded to the payment of the Bonds Being Refunded from the same source in the event of a deficiency in the securities to be purchased with the proceeds of the Bonds and held in trust to pay principal of and premium, if any, and interest on the Bonds Being Refunded. The owners of the Bonds must rely on the sufficiency of the monies and securities held in such trust for payment of the Bonds Being Refunded. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” and “PLAN OF REFUNDING” herein.

The Bonds will be offered when, as and if issued by the District and received by the underwriter identified below (the “Underwriter”), subject to the legal opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. In addition, certain legal matters will be passed upon for the Underwriter by its counsel, Gust Rosenfeld P.L.C., Phoenix, Arizona. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about October __, 2017*.

This cover page and inside front cover page contain certain information with respect to the Bonds for convenience of reference only. It is not a summary of the issue of which the Bonds are a part. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds.

* Subject to change.

\$14,085,000*
HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22
OF YAVAPAI COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2017

MATURITY SCHEDULE*
Base CUSIP® No. 985258 ⁽¹⁾

<u>Maturity Date (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP®⁽¹⁾ No. 985258</u>
2018	\$ 395,000	%	%	
2019	2,360,000			
2020	2,660,000			
2021	2,935,000			
2022	3,230,000			
2023	2,505,000			

* *Subject to change.*

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2017 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, Bond Counsel, the Underwriter or their agents or counsel assumes responsibility for the accuracy of such numbers.

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by Humboldt Unified School District No. 22 of Yavapai County, Arizona (the “District”) or Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the District’s Refunding Bonds, Series 2017 (the “Bonds”) by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been obtained from the District, the Arizona Department of Revenue, the Assessor and Treasurer of Yavapai County, Arizona, and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information has not been independently confirmed or verified by the District or the Underwriter, is not guaranteed as to accuracy or completeness, and is not to be construed as the promise or guarantee of the District or the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.”

None of the District, the Underwriter, counsel to the Underwriter or Bond Counsel (as defined herein) are actuaries. None of them have performed any actuarial or other analysis of the District’s share of the unfunded liabilities of the Arizona State Retirement System.

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are “forward looking statements” that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information nor links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The District will undertake to provide continuing disclosure as described in this Official Statement under the heading “CONTINUING DISCLOSURE” and in APPENDIX G – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Information, including financial information, concerning the District is available from publications and websites of the District and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement, except as expressly noted herein.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY STATEMENT	1
THE BONDS	1
Authorization and Purpose	1
Terms of the Bonds – Generally	1
Bond Registrar and Paying Agent	2
No Prior Redemption	2
Registration and Transfer When Book-Entry-Only System Has Been Discontinued	2
PLAN OF REFUNDING	2
Schedule of Bonds Being Refunded	3
VERIFICATION OF MATHEMATICAL COMPUTATIONS	3
SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS	4
General	4
Defeasance	4
Investment of Debt Service Funds	4
SOURCES AND USES OF FUNDS	5
ESTIMATED DEBT SERVICE REQUIREMENTS	6
LITIGATION	6
RATING	7
BOND INSURANCE AND RELATED RISK FACTORS	7
LEGAL MATTERS	7
TAX MATTERS	8
General	8
Original Issue Discount and Original Issue Premium	9
Information Reporting and Backup Withholding	10
UNDERWRITING	10
RELATIONSHIP AMONG PARTIES	10
CONTINUING DISCLOSURE	10
GENERAL PURPOSE FINANCIAL STATEMENTS	11
CONCLUDING STATEMENT	11
APPENDIX A: THE DISTRICT – DISTRICT INFORMATION	
APPENDIX B: THE DISTRICT – FINANCIAL INFORMATION	
APPENDIX C: THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS	
FOR THE FISCAL YEAR ENDED JUNE 30, 2016	
APPENDIX D: TOWNS OF PRESCOTT VALLEY AND DEWEY-HUMBOLDT, ARIZONA	
APPENDIX E: YAVAPAI COUNTY, ARIZONA	
APPENDIX F: FORM OF APPROVING LEGAL OPINION	
APPENDIX G: FORM OF CONTINUING DISCLOSURE UNDERTAKING	
APPENDIX H: BOOK-ENTRY-ONLY SYSTEM	

OFFICIAL STATEMENT

\$14,085,000*
HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22
OF YAVAPAI COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2017

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been prepared at the direction of Humboldt Unified School District No. 22 of Yavapai County, Arizona (the "District"), in connection with the issuance of \$14,085,000* principal amount of bonds designated Refunding Bonds, Series 2017 (the "Bonds"). Certain information concerning the authorization, purpose, terms, conditions of sale and sources of payment of and security for the Bonds is stated in this Official Statement.

Reference to provisions of State of Arizona (the "State" or "Arizona") law, whether codified in the Arizona Revised Statutes, or uncoded, or of the Arizona Constitution, are references to those current provisions. Those provisions may be amended, repealed or supplemented.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be considered as, or as part of, a contract with the original purchasers or subsequent owners or beneficial owners of the Bonds. SEE APPENDIX A – "THE DISTRICT – DISTRICT INFORMATION" and APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION" for certain information about the District.

THE BONDS

Authorization and Purpose

The Bonds will be issued, executed and delivered pursuant to the Constitution and the laws of the State, including particularly Title 35, Chapter 3, Article 4, Arizona Revised Statutes (the "Act"), and a resolution adopted by the Governing Board of the District on September 12, 2017 (the "Bond Resolution"). Proceeds from the sale of the Bonds and any amounts contributed by the District will be used to establish an irrevocable depository trust (the "Trust") containing monies and certain obligations that will, together with certain reinvestment income thereon, be sufficient to pay when due principal of and interest on \$15,070,000* aggregate principal amount of the District's outstanding bonds as described herein under "PLAN OF REFUNDING" (the "Bonds Being Refunded") and to pay all legal, financial, and other necessary costs incurred in connection with the issuance of the Bonds.

Terms of the Bonds – Generally

The Bonds will be dated the date of delivery and will be registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), under the book-entry-only system described herein (the "Book-Entry-Only System"). See APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM." The Bonds will mature on the dates and in the principal amounts and will bear interest from their dated date at the rates set forth on the inside front cover page of this Official Statement. Beneficial ownership interests in the Bonds may be purchased in amounts of \$5,000 of principal due on a specific maturity date or integral multiples thereof. Interest on the Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2018* (each an "Interest Payment Date"), until maturity.

See "TAX MATTERS" herein for a discussion of the treatment of interest income on the Bonds for federal or State income tax purposes.

* *Subject to change.*

Bond Registrar and Paying Agent

_____ will serve as the initial bond registrar, transfer agent and paying agent (the “Bond Registrar and Paying Agent”) for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

No Prior Redemption

The Bonds will not be subject to redemption prior to their stated maturity dates.

Registration and Transfer When Book-Entry-Only System Has Been Discontinued

If the Book-Entry-Only System is discontinued, the Bonds will be transferred only upon the bond register maintained by the Bond Registrar and Paying Agent and one or more new Bonds, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Bond or Bonds will be authenticated, upon surrender to the Bond Registrar and Paying Agent of the Bond or Bonds to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Bond Registrar and Paying Agent’s requirements for transfer are met. The District has chosen the fifteenth day of the month preceding an Interest Payment Date as the “Record Date” for the Bonds. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds during the period from the Record Date to and including the respective Interest Payment Date. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds which have been selected for prior redemption. The transferor will be responsible for all transfer fees, taxes, fees and any other costs relating to the transfer of ownership of individual Bonds.

PLAN OF REFUNDING

The proceeds of the sale of the Bonds remaining after payment of certain costs of issuance will be placed in the Trust with (the “Treasurer”), the escrow trustee (the “Escrow Trustee”), pursuant to an escrow trust agreement among the District, the Treasurer of Yavapai County, Arizona (the “County”) and the Escrow Trustee (the “Escrow Trust Agreement”), to be applied to the payment of the Bonds Being Refunded as identified below. Such funds will be used to acquire securities issued by or guaranteed by the United States of America (the “Government Obligations”), the maturing principal of and interest income with respect to which are calculated to be sufficient, along with certain cash held pursuant to the Escrow Trust Agreement or contributed by the District, to pay debt service on the Bonds Being Refunded until their maturity or prior redemption dates specified in the following table, and to redeem the Bonds Being Refunded on such maturity or prior redemption, without premium. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein.

Schedule of Bonds Being Refunded*

Issue Series	Maturity Date (July 1)	Coupon	Principal Amount Outstanding	Bonds Being Refunded	Redemption Date	Redemption Premium (as a Percentage of Principal)	CUSIP® ⁽¹⁾ No. 985258
2007A	2018	4.000%	\$ 345,000	\$ 345,000	1/1/2018	0.00 %	KQ4
	2019	4.000	560,000	560,000	1/1/2018	0.00	KR2
	2020	4.000	645,000	645,000	1/1/2018	0.00	KS0
	2021	4.250	725,000	725,000	1/1/2018	0.00	KT8
	2022	4.375	730,000	730,000	1/1/2018	0.00	KU5
2008B	2019	4.000%	\$ 2,025,000	\$ 2,025,000	7/1/2018	0.00 %	JT0
	2020	5.000	2,225,000	2,225,000	7/1/2018	0.00	JU7
	2021	4.125	2,425,000	2,425,000	7/1/2018	0.00	JV5
	2022	4.250	2,700,000	2,700,000	7/1/2018	0.00	JW3
	2023	4.250	2,690,000	2,690,000	7/1/2018	0.00	KW1
			<u>\$ 15,070,000</u>	<u>\$ 15,070,000</u>			

* Subject to change.

⁽¹⁾ See footnote (1) on the inside front cover page.

The ad valorem property tax to be levied for the payment of the Bonds will be unlimited as to rate, but limited in amount so that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate will not exceed the total aggregate of principal and interest due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The Act provides that the issuance of the Bonds will in no way infringe upon the rights of holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if the monies and the Government Obligations held in the Trust prove insufficient. The Act further provides that owners of the Bonds must rely upon the sufficiency of such monies and the Government Obligations held in the Trust for the payment of the Bonds Being Refunded. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Grant Thornton LLP, a firm of independent certified public accountants, will deliver to the District, on or before the settlement date of the Bonds, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants (the "AICPA"), the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Government Obligations, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Bonds Being Refunded and (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes.

Grant Thornton LLP relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the District. In addition, Grant Thornton LLP has relied on any information provided to it by the District's retained advisors, consultants or legal counsel. Grant Thornton LLP was not engaged to perform audit or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

General

For the purpose of paying the principal of and interest on the Bonds and costs of administration of the Bonds, the District will be required by law to cause to be levied on all the taxable property in the District a continuing, direct, annual, *ad valorem* property tax sufficient to pay all such principal, premium, interest, and costs of administration for the Bonds as the same become due, unlimited as to rate but limited in amount so that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate will not exceed the total of principal and interest that would become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. (The District has other bonds payable from such source outstanding and may issue additional bonds payable from such source in the future with or without such limit. See APPENDIX B – “THE DISTRICT – FINANCIAL INFORMATION – DIRECT AND OVERLAPPING BONDED INDEBTEDNESS.”) Subject to such limitation, such taxes will be levied, assessed and collected at the same time and in the same manner as other similar taxes are levied, assessed and collected. The proceeds of the taxes will be kept in a separate fund of the District (the “Debt Service Fund”) held by the Treasurer and will be used only for the payment of principal, premium, interest, and administration costs as above-stated. For the *ad valorem* property tax levy and collection procedures, see APPENDIX B – “THE DISTRICT – FINANCIAL INFORMATION – PROPERTY TAXES.”

As described above under “PLAN OF REFUNDING,” the net proceeds of the sale of the Bonds will be invested in the Government Obligations and held in the Trust for the payment of the Bonds Being Refunded and interest to come due thereon to and including their redemption prior to their stated maturity dates. The owners of the Bonds must rely upon the sufficiency of the monies and the Government Obligations held in the Trust for the payment of the Bonds Being Refunded. The issuance of the Bonds will in no way infringe upon the rights of the holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if the monies and the Government Obligations in the Trust prove insufficient.

Defeasance

Pursuant to the Bond Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of monies or obligations issued or guaranteed by the United States of America (“Defeasance Obligations”) or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal and interest on such Bonds. Any Bonds so provided for will no longer be outstanding under the Bond Resolution or payable from *ad valorem* taxes on taxable property in the District, and the owners of such Bonds shall thereafter be entitled to payment only from the monies and Defeasance Obligations deposited in trust.

Investment of Debt Service Funds

Following collection and deposit of the proceeds of the taxes into the Debt Service Fund, the District will instruct the Treasurer, as ex officio Treasurer of the District, to invest the monies credited to the Debt Service Fund in accordance with Title 15, Chapter 9, Article 7 of the Arizona Revised Statutes. The District is statutorily permitted to invest monies in the Debt Service Fund only in the investments set forth in Arizona Revised Statutes Section 15-1025, which include, with certain restrictions, bonds issued or guaranteed by the United States of America (the “United States”) or any of its agencies or instrumentalities when such obligations are guaranteed as to principal and interest by the United States or by any agency or instrumentality thereof, bonds of the State or any Arizona county, city, town, or school district, certain bonds of any Arizona county, municipality or municipal district utility, certain bonds of any Arizona municipal improvement district, federally insured savings accounts or certificates of deposit, and bonds issued by federal land banks, federal intermediate credit banks, or banks for cooperative. All earnings derived from such investments are credited to the Debt Service Fund. The statutes governing investment of monies in the Debt Service Fund are subject to change. The District does not monitor the manner in which the Treasurer invests monies in the Debt Service Fund.

Except to the extent any bond proceeds are deposited to the Debt Service Fund and except as otherwise described above, neither the proceeds of the sale of the Bonds nor any school property of the District are security for, or a source of payment of, principal of or interest, on the Bonds.

SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount	\$14,085,000.00*
[Net] Original Issue Premium (a)	<u> </u>
Total Sources of Funds	<u> </u>

Uses of Funds

Deposit to the Trust	
Payment of Costs of Issuance (b)	
Deposit to Debt Service Fund	<u> </u>
Total Uses of Funds	<u> </u>

* *Subject to change.*

(a) *Net original issue premium consists of original issue premium on the Bonds, less original issue discount on the Bonds.*

(b) *Includes bond insurance premium, if any, and compensation and costs of the Underwriter (as defined herein), with respect to the Bonds.*

ESTIMATED DEBT SERVICE REQUIREMENTS*

The following table illustrates the (i) estimated annual debt service on the outstanding bonds of the District, net of debt service on the Bonds Being Refunded, (ii) estimated annual debt service on the Bonds and (iii) total estimated annual debt service on all bonds of the District outstanding after the issuance of the Bonds.

TABLE 1

Schedule of Estimated Annual Debt Service Requirements (a)
Humboldt Unified School District No. 22

Fiscal Year	Bonds Outstanding (b)		The Bonds		Total Estimated Annual Debt Service Requirements*
	Principal	Interest	Principal*	Estimated Interest (c)	
2017/18	\$ 1,900,000	\$ 859,700	\$ 395,000	\$ 475,839 (d)	\$ 3,630,539
2018/19		764,700	2,360,000	684,500	3,809,200
2019/20		764,700	2,660,000	566,500	3,991,200
2020/21		764,700	2,935,000	433,500	4,133,200
2021/22		764,700	3,230,000	286,750	4,281,450
2022/23	1,000,000	764,700	2,505,000	125,250	4,394,950
2023/24	4,265,000	714,700			4,979,700
2024/25	4,465,000	516,850			4,981,850
2025/26	4,520,000	325,600			4,845,600
2026/27	4,500,000	190,000			4,690,000
	<u>\$ 20,650,000</u>		<u>\$ 14,085,000</u>		

* Subject to change.

(a) Prepared by the Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

(b) Net of Bonds Being Refunded.

(c) Interest on the Bonds is estimated at 5.00%.

(d) The first interest payment on the Bonds will be due on January 1, 2018*. Thereafter, interest payments will be made semiannually on each July 1 and January 1 until maturity.

LITIGATION

No litigation or administrative action or proceeding is pending (a) to restrain or enjoin, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, or the levy and collection of taxes to pay the debt service on the Bonds, to contest or question the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds. Representatives of the District will deliver a certificate to the same effect at the time of the initial delivery of the Bonds.

RATING

Moody's Investors Service, Inc. ("Moody's") has assigned an underlying rating of "___" to the Bonds. Such rating reflects only the view of Moody's. An explanation of the significance of a rating assigned by Moody's may be obtained at One Front Street, Suite 1900, San Francisco, California 94111. Such rating may be revised downward or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. The District has covenanted in its continuing disclosure undertaking that it will file notice of any formal change in any rating relating to the Bonds. See "CONTINUING DISCLOSURE" and APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

BOND INSURANCE AND RELATED RISK FACTORS

The District intends to apply, or has applied, to bond insurance companies (each a "Bond Insurer") for a municipal bond insurance policy (a "Policy") for the Bonds to guarantee the scheduled payments of principal of and interest on the Bonds. A commitment to provide a Policy has not been issued, and representatives of the District have yet to determine whether, if such commitment is issued, a Policy will be purchased. If a Policy is purchased, the following are risk factors relating to bond insurance generally.

If the District ultimately determines to obtain a Policy for the Bonds, in the event of default of the payment of principal or interest with respect to any of the Bonds when all or some become due, any owner of the Bonds on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under a Policy, the Bonds will remain payable solely from ad valorem property taxes as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Bond Insurer and of the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The obligations of the Bond Insurer will be general obligations of the Bond Insurer, and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the District, the Underwriter, or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

LEGAL MATTERS

The Bonds are sold with the understanding that the District will furnish the Underwriter with the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona ("Bond Counsel"). A draft of such approving opinion is included as APPENDIX F – "FORM OF APPROVING LEGAL OPINION" hereto; provided, however, the opinion delivered may vary from the text if necessary to reflect facts and laws on the date of delivery. Bond Counsel is to render its opinion, which will speak only as of its date, upon the validity and enforceability of the Bonds under State law and on its exclusion of the interest income on the Bonds for federal income tax purposes from gross income for purposes of calculating federal income taxes and of the exemption of the interest income on the Bonds from State income

taxes. (See “TAX MATTERS” herein.) The fees of Bond Counsel and counsel to the Underwriter are expected to be paid from proceeds of the sale of the Bonds and are contingent upon the delivery of the Bonds.

Bond Counsel will opine to the Underwriter upon the information in the tax caption paragraph on the cover page, in APPENDIX F – “FORM OF APPROVING LEGAL OPINION” and APPENDIX G – “FORM OF CONTINUING DISCLOSURE UNDERTAKING” and under the headings “THE BONDS,” “PLAN OF REFUNDING,” “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS,” “TAX MATTERS,” “RELATIONSHIP AMONG PARTIES” (as it relates to Bond Counsel only) and “CONTINUING DISCLOSURE” (except with respect to the District’s compliance with its prior continuing disclosure undertakings) but otherwise has not participated in the preparation of this Official Statement and will not opine upon its accuracy, completeness or sufficiency. Bond Counsel has not been engaged to confirm, examine or verify the accuracy, completeness or fairness of any information in this Official Statement, including the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

Certain legal matters will be passed upon for the Underwriter by Gust Rosenfeld P.L.C., Phoenix, Arizona (“Underwriter’s Counsel”), counsel to the Underwriter.

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) that, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and nonfinancial, impacting the operations of school districts that could have a material impact on the District and could adversely affect the secondary market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the “Code”) includes requirements which the District must continue to meet with respect to the Bonds after the issuance thereof in order that interest on the Bonds not be included in gross income for federal income tax purposes. The District’s failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted in the Bond Resolution to take the actions required by the Code in order to maintain the excludability from federal gross income of interest on the Bonds.

In the opinion of Bond Counsel, rendered with respect to the Bonds on the date of issuance of the Bonds, assuming continuing compliance by the District with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion upon the date of issuance of the Bonds that the interest thereon is exempt from income taxation under the laws of the State.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of an owner’s interest expense allocable to interest on a Bond; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by

fifteen percent (15%) of certain items, including the interest on the Bonds; (iii) the inclusion of interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on the Bonds in passive investment income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion in gross income of interest of the Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these other tax consequences.

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the Bonds. If enacted into law, such legislative proposals could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their tax advisers as to the impact of any proposed or pending legislation.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Original Issue Premium

Certain of the Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2017B Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount Bonds and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount Bonds or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Information Reporting and Backup Withholding

Interest paid on bonds such as the Bonds is subject to information reporting to the Internal Revenue Service. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisers with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

UNDERWRITING

The Bonds will be purchased by the Underwriter at an aggregate purchase price of \$_____, pursuant to a bond purchase agreement (the “Purchase Contract”) entered into by and between the District and the Underwriter. If the Bonds are sold to produce the prices or yields shown on the inside front cover page hereof, the Underwriter’s compensation will be \$_____. The Purchase Contract provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields stated on the inside front cover page hereof. The initial offering prices or yields set forth on the inside front cover page may be changed, from time to time, by the Underwriter without amendment of the Official Statement.

RELATIONSHIP AMONG PARTIES

The relationships among the various parties to this transaction and the professionals rendering services to those parties including Bond Counsel and Underwriter’s Counsel have been reviewed in order to determine whether any of these professionals previously rendered services to any of the parties to this transaction in different capacities in other transactions involving the District. It was determined that Bond Counsel has not previously served as underwriter’s counsel to the Underwriter in connection with another transaction involving the District and Underwriter’s Counsel has previously served as bond counsel for the District in connection with another transaction.

CONTINUING DISCLOSURE

The District will covenant for the benefit of certain owners of the Bonds to provide certain financial information and operating data relating to the District by not later than February 1 in each year commencing February 1, 2018 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the District as such will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access System, each as described in APPENDIX G – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events also set forth in APPENDIX G – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission’s Rule 15c2-12(b)(5) (the “Rule”). A failure by the District to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their

market price. *Pursuant to Arizona Law, the ability of the District to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the District not comply with such covenants due to a failure to appropriate for such purpose, the District has covenanted to provide notice of such fact to the MSRB. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds, and specifically their market price and transferability.

The District previously entered into continuing disclosure undertakings (the “Prior Undertakings”) with respect to certain previously issued school improvement and refunding bonds which require the filing on or before February 1 of each year of audited financial statements, financial information and certain operating data of the District (the “Prior Annual Reports”).

The District has implemented procedures to facilitate compliance with all future undertakings and prior undertakings in all material respects. *[To be confirmed/updated upon receipt of the Lumesis report]*

GENERAL PURPOSE FINANCIAL STATEMENTS

The comprehensive annual financial report of the District for the fiscal year ended June 30, 2016, a copy of which is included in APPENDIX C – “THE DISTRICT– AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016” of this Official Statement, includes the District’s financial statements for the fiscal year ended June 30, 2016 that were audited by Heinfeld, Meech & Co, P.C., a certified public accounting firm, to the extent indicated in its report thereon. **The District has not requested the consent of Heinfeld, Meech & Co, P.C. to include its report and Heinfeld, Meech & Co, P.C. has performed no procedures subsequent to rendering its report on the financial statements.**

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All financial and other information in this Official Statement has been derived by the District from official records and other sources and is believed by the District to be accurate and reliable. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22
OF YAVAPAI COUNTY, ARIZONA

By: _____
President of the Governing Board

THE DISTRICT – DISTRICT INFORMATION

General Information

The District was established in 1975 through the unification of Humboldt High School District and Humboldt Elementary School District. The District serves an estimated population of approximately 53,815 and encompasses 318 square miles in the east-central portion of Yavapai County (the “County”).

The principal communities within the District are the Town of Prescott Valley, Arizona (“Prescott Valley”), and the Town of Dewey-Humboldt, Arizona (“Dewey-Humboldt”). The District is also approximately seven miles east of the City of Prescott, Arizona, the County seat, and approximately 75 miles north of the City of Phoenix, Arizona. See APPENDICES D and E for certain information specific to Prescott Valley and Dewey-Humboldt and the County, respectively.

Enrollment

The following chart illustrates the current and historical average daily membership of the District’s student population.

TABLE 2
AVERAGE DAILY MEMBERSHIP
Humboldt Unified School District No. 22

Fiscal Year	A.D.M.
2016/17	5,411
2015/16	5,532
2014/15 (b)	5,549
2013/14 (b)	5,552
2012/13	5,550

(a) *A.D.M. means average daily membership and is computed by taking the average number of students enrolled over the first 100 days of the school year.*

(b) *Includes district sponsored charter school students.*

Source: The Arizona Department of Education and the District.

Facilities

The District operates the following school facilities:

TABLE 3
SCHOOL FACILITIES
Humboldt Unified School District No. 22

Facilities	Grade Range
Bright Futures Preschool	PreK (a)
Coyote Springs Elementary School	K – 6
Granville Elementary School	K – 6
Humboldt Elementary School	K – 6
Lake Valley Elementary School	K – 6
Liberty Traditional School	K – 8
Mountain View Elementary School	K – 6
Bradshaw Mountain Middle School	7 – 8
Glassford Hill Middle School	7 – 8
Bradshaw Mountain High School	9 – 12

(a) *PreK = Pre-kindergarten.*

Source: The District.

Administration and Governance

The District has 20 principals and administrators, 324 certified personnel and 344 classified personnel. This provides the District with a student to teacher ratio of approximately 24:1 for elementary schools, 28:1 for middle schools and 27:1 for high schools.

The District is governed by a five-member Governing Board and administered by one Superintendent. The members of the Governing Board are elected at-large. The present members of the Governing Board are:

TABLE 4
GOVERNING BOARD
Humboldt Unified School District No. 22

Mr. Richard Adler, *President*
Ms. Suzie Roth, *Vice President*
Ms. Dina Battaglia, *Member*
Mr. Ryan Gray, *Member*
Mr. Paul Ruwald, *Member*

APPENDIX B

THE DISTRICT – FINANCIAL INFORMATION

PROPERTY TAXES

As described under the heading “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS,” for the purpose of paying the principal of and interest on the Bonds and costs of administration of the Bonds, the District will be required by law to cause to be levied on all the taxable property in the District a continuing, direct, annual, ad valorem property tax sufficient to pay all principal, interest, and costs of administration for the Bonds as the same become due, limited as described under such heading.

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are “primary taxes.” Taxes levied for payment of bonds like the Bonds, voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire, road improvement and joint technological education districts are “secondary taxes.” See “Primary Taxes” and “Secondary Taxes” below. The State’s ad valorem property tax levy and collection procedures are summarized under this heading “PROPERTY TAXES.”

Taxable Property

Real property and improvements and personal property are either valued by the Assessor of the County or the Arizona Department of Revenue (the “Department of Revenue”). Property valued by the Assessor of the County is referred to as “locally assessed” property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as “centrally valued” property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

Full Cash Value

In the context of a specific property parcel, full cash value (“Full Cash Value”) is statutorily defined to mean “that value determined as prescribed by statute” or if no statutory method is prescribed it is “synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques,” which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value

In the context of a specific property parcel, limited property value (“Limited Property Value”) is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. For locally assessed property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use, including that for mobile homes, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. Prior to 2015, Limited Property Value for a specific property parcel in existence in the prior year that did not undergo modification through construction, destruction, split or change in use, including that for mobile homes,

increased by the greater of either 10% of the prior year's Limited Property Value or 25% of the difference between the prior year's Limited Property Value and the current year's Full Cash Value. A separate Limited Property Value was not and is not provided for centrally valued property.

Full Cash Value and Limited Property Value for Taxing Jurisdictions

The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction. Full Cash Value of the jurisdiction is the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona, including the District.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the "Limited Assessed Property Value" and the "Full Cash Assessed Value," respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 5

Property Tax Assessment Ratios (Tax Year)

Property Classification (a)	2013	2014	2015	2016	2017
Mining, utilities, commercial and industrial	19.5%	19%	18.5%	18%	18%
Agricultural and vacant land	16	16	16	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property (b)	15	16	15	14	15

(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Primary Taxes

Primary taxes are levied against Net Limited Assessed Property Value (as defined herein). "Net Limited Assessed Property Value" is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on residential primary tax levies is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid.

Secondary Taxes

Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. (Prior to tax year 2015, secondary taxes were levied against "Net Full Cash Assessed Value" which is determined by excluding the value of property exempt from taxation from Full Cash Assessed Value of both locally assessed and centrally valued property and combining the resulting two amounts.) There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments. **As Net Full Cash Assessed Value was used as the basis for levying taxes for payment of bonds like the Bonds in fiscal years prior to fiscal year 2015/16, this Official Statement compares Net Limited Assessed Property Value with Net Full Cash Assessed Value in applicable years under the heading "ASSESSED VALUATIONS AND TAX RATES" herein.**

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years. Set forth below is a record of property taxes levied and collected in the District for a portion of the current fiscal year and all of the previous five fiscal years.

TABLE 6

Real and Secured Property Taxes Levied and Collected (a)
Humboldt Unified School District No. 22

Fiscal Year	Combined Primary and Secondary Tax Rate	District Tax Levy	Collected to June 30th of Initial Fiscal Year		Cumulative Collections to July 26, 2017	
			Amount	% of Levy	Amount	% of Levy
2017/18	\$5.1631	\$16,581,550	(b)	(b)		
2016/17	5.2754	15,065,002	\$14,743,200	97.86 %	\$14,790,965	98.18 %
2015/16	5.5510	15,513,754	15,458,773	99.65	15,458,815	99.65
2014/15	5.5265	14,811,535	14,758,954	99.64	14,759,014	99.65
2013/14	5.5029	14,034,446	13,979,712	99.61	13,979,712	99.61
2012/13	5.1380	14,354,597	14,323,048	99.78	14,323,117	99.78

(a) *Taxes are collected by the Treasurer. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County's General Fund. Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.*

(b) *2017/18 taxes in course of collection:
 First installment due 10-01-17, delinquent 11-01-17;
 Second installment due 03-01-18, delinquent 05-01-18.*

Source: Office of the Treasurer of the County.

SRP In Lieu Contribution

The assessed value of property owned by the Salt River Project Agricultural Improvement and Power District ("SRP") is not included in the assessed value of the District or in any other valuation information set forth in this Official Statement. Because of SRP's quasi-governmental nature, property owned by SRP is exempt from property taxation.

However, SRP may elect each year to make voluntary contributions in lieu of property taxes with respect to certain of its electrical facilities (the "SRP Electric Plant"). If SRP elects to make the in lieu contribution for the year, the Full Cash Value of the portion of the SRP Electric Plant located within the District and the in lieu contribution amount is determined in the same manner as the Full Cash Value and property taxes owed is determined for similar non-governmental public utility property, with certain special deductions. SRP in-lieu contributions are taken into account when setting tax rate.

If SRP elected not to make such contributions, the District would be required to contribute funds from other sources or levy an increased tax rate on all other taxable property to provide sufficient amounts to pay debt service on the Bonds. If after electing to make the in lieu contribution, SRP then failed to make the in lieu contribution when due, the Treasurer of the County and the District have no recourse against the property of SRP and there may be a delay in the payment of that portion of the debt service on the Bonds that would have been paid by SRP's in lieu contribution.

Since 1964, when the in lieu contribution was originally authorized by the Arizona Revised Statutes, SRP has always elected to make the in lieu contribution. The fiscal year 2017/18 Net Limited Assessed Property Value

equivalent of SRP within the District is \$96,905 which represents approximately 0.02% of the combined fiscal year 2017/18 Net Limited Assessed Property Value in the District.

Delinquent Tax Procedures

The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

ASSESSED VALUATIONS AND TAX RATES

TABLE 7

Direct and Overlapping Net Limited Assessed Property Values and Tax Rates (a)
Per \$100 Assessed Valuation

[Tax rates to be updated upon receipt on 8/21/2017]

	2017/18 Net Limited Assessed Property Value	2017/18 Combined Primary and Secondary Tax Rates Per \$100 Net Limited Assessed Property Value
Overlapping Jurisdiction		
State of Arizona	\$59,404,007,785	None
Yavapai County	2,463,150,036	\$ 1.8395 (a)
Yavapai County Community College District	2,463,150,036	1.9828
Yavapai County Fire District Assistance Tax	2,463,150,036	0.1000
Yavapai County Library District	2,463,150,036	0.1815
Yavapai County Flood Control District (b)	2,170,808,188	0.2346
Central Yavapai Fire District	597,046,426	2.7786
Central Yavapai Hospital District	1,437,258,392	0.0000
Coyote Springs Road Improvement District II	8,575,651	0.0000
Poquito Valley Road Improvement District	3,975,689	0.0000
Tapadero Domestic Water Improvement District (c)	197,923	0.0000
Town of Chino Valley	71,703,530	0.0000
Town of Dewey-Humboldt	24,920,294	0.0000
Town of Prescott Valley	306,047,574	0.0000
Eastridge Community Facilities District	1,602,040	0.0000
Northside Community Facilities District No. 1	175,798	0.0000
Parkway Community Facilities District No. 1	1,462,963	13.9400
Pronghorn Ranch Community Facilities District	16,902,958	2.8100
Quailwood Meadows Community Facilities District	12,368,298	3.1300
Raven Ridge Community Facilities District	2,571,801	0.0000
Southside Community Facilities District No. 1	550,729	0.0000
Stoneridge Community Facilities District	23,763,488	2.5900
Mountain Institute Joint Technological Education	1,585,948,509	0.0500
Humboldt Unified School District No. 22	393,767,515	5.1631

(a) Includes the "State Equalization Assistance Property Tax" which is levied by the County and has been set at \$0.4875 per \$100 Net Limited Assessed Property Value for fiscal year 2017/18. Such amount is adjusted annually pursuant to Section 41-1276, Arizona Revised Statutes.

(b) The assessed value of the Yavapai County Flood Control District does not include the personal property assessed valuation of the County.

(c) *The Tapadero Domestic Water Improvement District dissolved 5/22/2017.*

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and Treasurer of the County.

Total Tax Rates Per \$100 Net Limited Assessed Property Value

The total overlapping property tax rate for property owners within the District ranges from \$9.5515 to \$26.2701 per \$100 Net Limited Assessed Property Value, depending upon the specific jurisdictions which overlap the property.

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association, the Arizona Department of Revenue and Treasurer of the County.

TABLE 8A

Net Limited Assessed Property Value by Property Classification (a)
Humboldt Unified School District No. 22

Class	2017/18	2016/17	2015/16
Commercial, industrial, utilities & mines	\$ 91,862,392	\$ 87,914,923	\$ 88,058,021
Agricultural and vacant	23,168,755	22,026,467	23,692,617
Residential (owner occupied)	217,248,991	201,549,809	186,485,860
Residential (rental)	61,073,859	55,902,619	52,217,790
Historical property	406,624	372,955	437,434
Certain Government property improvements	6,894	6,567	9,373
Totals (b)	<u>\$ 393,767,515</u>	<u>\$ 367,773,340</u>	<u>\$ 350,901,095</u>

(a) *Determined by Net Limited Assessed Property Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Limited Assessed Property Value for fiscal years 2015/16 and thereafter.*

(b) *Totals may not add up due to rounding.*

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

TABLE 8B

Net Full Cash Assessed Value by Property Classification (a)
Humboldt Unified School District No. 22

Class	2014/15	2013/14
Commercial, industrial, utilities & mines	\$ 89,270,193	\$ 89,585,398
Agricultural and vacant	24,365,788	25,249,226
Residential (owner occupied)	181,548,536	162,730,424
Residential (rental)	49,147,792	41,022,502
Historical property	906,233	2,508,482
Certain Government property improvements	3,708	3,318
Totals (b)	<u>\$ 345,242,250</u>	<u>\$ 321,099,350</u>

(a) *Determined by Net Full Cash Assessed Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Full Cash Assessed Value for fiscal years prior to 2015/16.*

(b) *Totals may not add up due to rounding.*

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

TABLE 9

**Net Limited Assessed Property Value of Major Taxpayers
Humboldt Unified School District No. 22**

<u>Major Taxpayer (a)</u>	<u>2017/18 Net Limited Assessed Property Values</u>	<u>As % of 2017/18 Net Limited Assessed Property Values</u>
Arizona Public Service Co.	\$12,126,503	3.08%
Ace Hardware Corp.	4,577,379	1.16
Four Seasons Investment Company LLC	3,763,176	0.96
Unisource Energy Corp	3,354,139	0.85
Transwestern Pipeline Company LLC	2,219,801	0.56
Harkins Phoenix Cinemas LLC	1,486,234	0.38
Monterey Manor Mobile Home Estates LP	1,424,300	0.36
Wal-Mart	1,416,222	0.36
Print Pack Inc.	1,164,586	0.30
MI Home Products Inc.	1,101,594	0.28
	<u>\$32,633,934</u>	<u>8.29%</u>

- (a) *Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR data base at <http://www.sec.gov>. No representative of the District, the Underwriter, Bond Counsel or counsel to the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor does any such representative assume responsibility for the same.*

Source: The Assessor of the County.

TABLE 10A

Comparative Net Limited Assessed Property Values (a)

Fiscal Year	Humboldt Unified School District No. 22	Town of Prescott Valley	Town of Chino Valley	Yavapai County	State of Arizona
2017/18	\$ 393,767,515	\$ 306,047,574	\$71,703,530	\$ 2,463,150,036	\$ 59,404,007,785
2016/17	367,773,340	285,332,386	68,900,296	2,344,409,942	56,589,592,481
2015/16	350,901,095	212,718,987	68,650,602	2,279,183,448	54,838,548,829

(a) Determined by Net Limited Assessed Property Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Limited Assessed Property Value for fiscal years 2015/16 and thereafter.

Source: Property Tax Rates Assessed Values, Arizona Tax Research Association and State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

TABLE 10B

Comparative Net Full Cash Assessed Values (a)

Fiscal Year	Humboldt Unified School District No. 22	Town of Prescott Valley	Town of Chino Valley	Yavapai County	State of Arizona
2014/15	\$ 345,242,250	\$ 265,459,512	\$ 66,893,394	\$ 2,267,389,484	\$55,352,051,074
2013/14	321,099,350	247,570,440	67,121,326	2,279,676,521	52,594,377,492
2012/13	347,123,740	269,563,111	74,322,200	2,414,825,073	56,271,814,583

(a) Determined by Net Full Cash Assessed Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Full Cash Assessed Value for fiscal years prior to 2015/16.

Source: Property Tax Rates and Assessed Values, Arizona Tax Research Association and State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

TABLE 11

**Estimated Net Full Cash Value History
Humboldt Unified School District No. 22**

<u>Fiscal Year</u>	<u>Estimated Net Full Cash Valuation (a)</u>
2017/18	\$ 4,212,765,449
2016/17	3,856,802,863
2015/16	3,450,535,704
2014/15	2,906,783,023
2013/14	2,644,655,064

(a) *Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District.*

Source: *State and County Abstract of the Assessment Roll, Arizona Department of Revenue.*

DIRECT AND OVERLAPPING BONDED INDEBTEDNESS

TABLE 12

**Current Year Statistics (For Fiscal Year 2017/18)
Humboldt Unified School District No. 22**

Direct General Obligation Bonded Debt Outstanding and to be Outstanding	\$ 34,735,000* (a)
Net Limited Assessed Property Value	393,767,515
Net Full Cash Assessed Value	483,941,638
Estimated Net Full Cash Value	4,212,765,449

* *Subject to change.*

(a) *Includes the Bonds and is net of the Bonds Being Refunded. See footnote (b) to TABLE 14 for a description of the treatment of certain proceeds of the Bonds for State debt limit purposes.*

Source: *State and County Abstract of the Assessment Roll, Arizona Department of Revenue, Property Tax Rates and Assessed Values, Arizona Tax Research Association and the Assessor of the County.*

TABLE 13

**Direct General Obligation Bonded Debt Outstanding and to be Outstanding
Humboldt Unified School District No. 22**

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding	Bonds Being Refunded*	Balance Outstanding and to be Outstanding
2007A	\$ 15,000,000	School improvements	2022	\$ 3,005,000	\$ (3,005,000)	\$ -
2008B	26,000,000	School improvements	2024	13,965,000	(12,065,000)	1,900,000 (a)
2011	6,590,000	Refunding	2025	6,590,000		6,590,000 (b)
2012	7,410,000	Refunding	2026	7,410,000		7,410,000 (b)
2013	4,750,000	Refunding	2027	4,750,000		4,750,000 (b)
Total General Obligation Bonded Debt Outstanding						\$ 20,650,000
Plus: The Bonds						14,085,000*(a)
Total General Obligation Bonded Debt Outstanding and to be Outstanding						<u>\$ 34,735,000*</u>

* Subject to change.

(a) Designated as "Class B" as described in the following paragraph.

(b) A portion of the outstanding bonds are designated as "Class A" as described in the paragraph following the footnotes.

**Constitutional / Statutory Debt Limit / Unused Borrowing Capacity after Bond Issuance
Humboldt Unified School District No. 22**

Arizona school district general obligation bonds are subject to two limits: the constitutional debt limit on all general obligation bonds and the statutory debt limit on Class B bonds. Net Full Cash Assessed Value is used as the basis for determining the debt limits of the District. "Class B" designates, for the purpose of this statutory limit, those bonds authorized at elections held after December 31, 1998. The security and source of payment for Class B bonds is the same as Class A bonds (those authorized at elections held prior to December 31, 1998 or bonds issued to refund those bonds). TABLE 14 shows the unused constitutional capacity and TABLE 15 shows the unused Class B statutory capacity after issuance of the Bonds.

TABLE 14

2017/18 Arizona Constitutional Debt Limitation (30% of Net Full Cash Assessed Value)	\$145,182,491
Less: Class A Bonds Outstanding	(6,075,000)
Less: Class B Bonds Outstanding and to be Outstanding (a)	(28,660,000)*
Less: Reduction for Original Issue Premium (b)	(985,000)*
Unused Constitutional Borrowing Capacity	<u>\$ 109,462,491*</u>

* Subject to change.

(a) Includes the Bonds, net of the Bonds Being Refunded.

- (b) *This amount represents the difference between the par amount of the Bonds Being Refunded and the Bonds and reduces in equal amount the borrowing capacity of the District under State statutes and the Arizona Constitution. Such capacity will be recaptured as premium is amortized.*

TABLE 15

2017/18 Statutory Limitation on Bonds	
[Greater of 20% of the Net Full Cash Assessed Value (\$96,788,327)	
or \$1,500 per student (\$8,116,500)]	\$ 96,788,327
Less: Class B Bonds Outstanding and to be Outstanding (a)	(28,660,000)*
Less: Reduction for Original Issue Premium (b)	(985,000)*
Unused Statutory Borrowing Capacity	<u>\$ 67,143,327 *</u>

* *Subject to change.*

- (a) *Includes the Bonds, net of the Bonds Being Refunded.*
- (b) *See footnote (b) to TABLE 14 for a description of the treatment of certain proceeds of the Bonds for State debt limit purposes.*

TABLE 16

**Direct and Overlapping General Obligation Bonded Debt
Humboldt Unified School District No. 22**

Overlapping Jurisdiction	General Obligation Bonded Debt (b)	Proportion Applicable to the District (a)	
		Approximate Percent	Net Debt Amount
State of Arizona	None	0.66%	None
Yavapai County	None	15.99	None
Yavapai County Community College District	\$ 20,110,000	15.99	\$ 3,215,589
Central Yavapai Fire District	9,840,000	61.57	6,058,488
Town of Chino Valley	None	0.06	None
Town of Dewey Humboldt	None	100.00	None
Town of Prescott Valley	None	95.48	None
Eastridge Community Facilities District	141,000	100.00	141,000
Northside Community Facilities District No. 1	None	100.00	None
Parkway Community Facilities District No. 1	2,590,000	100.00	2,590,000
Pronghorn Ranch Community Facilities District	5,675,000	100.00	5,675,000
Quailwood Meadows Community Facilities District	5,045,000	100.00	5,045,000
Raven Ridge Community Facilities District	None	100.00	None
Southside Community Facilities District No. 1	None	100.00	None
Stoneridge Community Facilities District	7,445,000	100.00	7,445,000
Humboldt Unified School District No. 22 (c)	34,735,000 *	100.00	<u>34,735,000 *</u>
Net Direct and Overlapping General Obligation Bonded Debt			<u>\$ 64,905,077 *</u>

* Subject to change.

(a) Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for 2017/18.

(b) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various County and City improvement districts, as the bonds of these districts are presently being paid from special assessments against property within the various improvement districts.

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

Overlapping Jurisdiction	General Obligation Bonds Authorized but Unissued
Quailwood Meadows Community Facilities District	\$18,060,000
Stoneridge Community Facilities District	18,200,000
Humboldt Unified School District No. 22	None

(c) Includes the Bonds and is net of the Bonds Being Refunded.

Source: The various entities, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association, *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and the Assessor of the County

TABLE 17

**Direct and Overlapping General Obligation Bonded Debt Ratios
Humboldt Unified School District No. 22**

	Per Capita Bonded Debt Population Estimated @ 53,815	As % of District's 2017/18 Net Limited Assessed Property Value	As % of District's 2017/18 Estimated Net Full Cash Value
Net Direct General Obligation Bonded Debt (a)*	\$ 645.45	8.82%	0.82%
Net Direct and Overlapping General Obligation Debt (a)*	1,206.08	16.48	1.54

* Subject to change.

(a) Includes the Bonds and is net of the Bonds Being Refunded.

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association, the U.S. Census Bureau, Small Area Income and Poverty Program, 2016 Poverty Estimates for School Districts and the District.

TABLE 18

**Other Obligations
Humboldt Unified School District No. 22**

Item	Approximate Payment Amount	Periods Due
Copy machines	\$150,000	Annually through July 1, 2020

DISTRICT EMPLOYEE RETIREMENT SYSTEM

Retirement Plan

The District's employees are covered by the Arizona State Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit plan. The annual contribution rates are determined by the System's actuary, with minimum employer and employee rate requirements of not less than 2.00%. For fiscal year 2017/18, the District's and its employees' respective annual contribution is 11.50% (11.34% Retirement Pension and Health Insurance Benefit, 0.16% Long Term Disability Income Plan) of payroll amounts. For fiscal year 2016/17, the District's and its employees' annual contribution was 11.48% (11.34% Retirement Pension and Health Insurance Benefit, 0.14% Long Term Disability Income Plan) of payroll amounts. See Note 12 in APPENDIX C – "THE DISTRICT –

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016” for further discussion of the District and its employees’ obligations to the System as of June 30, 2016.

The System’s actuarially assumed rate of return is 8%. The most recent actuarial valuations for the System may be accessed at: <https://www.azasrs.gov/content/annual-reports>.

The Governmental Accounting Standards Board adopted Governmental Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions* (“GASB 68”), which, beginning with fiscal years starting after June 15, 2015, requires cost-sharing employers to report their “proportionate share” of the plan’s net pension liability in their government-wide financial statements. GASB 68 will also require that the cost-sharing employer’s pension expense component include its proportionate share of the System’s pension expense, the net effect of annual changes in the employer’s proportionate share and the annual differences between the employer’s actual contributions and its proportionate share. Both the District and each covered employee contribute to the System. As of June 30, 2016, the District reported a liability of \$36.85 million for its proportionate share of the net pension liability under the System. The pension liability was measured as of June 30, 2015. See Note 12 in APPENDIX C – “THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016” for further discussion of the District and its pension liability as of June 30, 2015.

Other Post-Employment Benefits

Pursuant to Governmental Accounting Standards Board Statement Number 45, *Accounting by Employers for Post-Employment Benefits Other than Pensions* (“GASB 45”), the District is required to report the actuarially accrued cost of post-employment benefits, other than pension benefits (“OPEB”), such as health and life insurance for current and future retirees. GASB 45 requires that such benefits be recognized as current costs over the working lifetime of employees and, to the extent such costs are not pre-funded, will require the reporting of such costs as a financial statement liability.

[From 2013 Official Statement, to be discussed]

The District currently does not offer any direct OPEBs but does allow retirees to participate in the group health insurance plan by paying 140% of the premium in fiscal year 2012/13. Because these retirees are considered in the group pool purchasing insurance, it is possible that the overall program cost for District employees will increase, but an amount has not been determined. The District is planning to conduct actuarial studies to determine the impact.

The District’s employees, their spouses and survivors may be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses also may qualify for retiree health care benefits through the State. Such individuals may obtain the health care benefits offered by the State by paying 100% of the applicable health care insurance premium, net of any subsidy provided by the State. The benefits are available to all retired participants in the State’s health care program. The District does not currently make payments for OPEB costs for such retirees.

REVENUES AND EXPENDITURES

The following information of the District was derived from the annual expenditure budget of the District for fiscal year 2016/17 and fiscal year 2017/18 and the audited financial statements of the District for fiscal years 2011/12 through and including 2015/16. (State law no longer requires school districts to file revenue budgets.) Budgeted figures for fiscal year 2016/17 and fiscal year 2017/18 are on a cash basis and are presented in the format required by State law. Budgeted figures for fiscal year 2016/17 and 2017/18 are “forward looking” statements that may not be realized during the course of the respective fiscal year as presented herein and thus must be viewed with an abundance of caution. Audited figures for fiscal years 2011/12 through and including 2015/16 are on a modified accrual basis. The presentation which follows has not been independently subject to any audit procedures.

The following information should be read in conjunction with the audited financial statements of the District. See **APPENDIX C for the District’s most recent audited general purpose financial statements, which are for fiscal year ended June 30, 2016.** Such audited financial statements are the most recent available for the District, are not current and therefore must be considered with an abundance of caution. **The District has not requested the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its report on the financial statements.**

TABLE 19

General Fund
Humboldt Unified School District No. 22

	Budgeted (a)		Audited				
	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
FUND BALANCE AT BEGINNING OF YEAR			\$ 5,011,756	\$ 5,916,585	\$ 2,986,570	\$ 1,610,180	\$ 4,807,691
REVENUES							
Other local			\$ 4,695,081	\$ 4,313,968	\$ 5,000,820	\$ 5,212,249	\$ 4,945,466
Property taxes			12,276,129	11,149,010	10,688,331	11,217,845	10,381,116
State aid and grants			15,070,188	14,475,102	15,967,872	13,638,810	10,716,936
Federal aid, grants and reimbursements			1,385,185	594,094	566,788	551,188	374,495
TOTAL REVENUES			\$ 33,426,583	\$ 30,532,174	\$ 32,223,811	\$ 30,620,092	\$ 26,418,013
ADJUSTMENTS							
Increase/(decrease) in reserve for prepaid items			\$ (454,226)	\$ 1,375	\$ 839	\$ -	\$ (432,593)
Transfers in/(out)			864,533	(2,602,107)	36,903	504,500	202,612
Fund reclassification (b)			-	675,243	-	452,012	-
TOTAL FUNDS AVAILABLE FOR							
EXPENDITURES			\$ 38,848,646	\$ 34,523,270	\$ 35,248,123	\$ 33,186,784	\$ 30,995,723
EXPENDITURES							
Current							
Instruction	\$ 18,934,039	\$ 18,633,703	\$ 16,337,802	\$ 15,976,920	\$ 15,735,200	\$ 16,570,217	\$ 16,610,072
Support services:							
Students and instructional staff	3,800,743	3,781,948	4,017,832	3,779,109	3,884,521	3,545,082	3,427,341
General and school administration	2,113,814	2,041,975	3,326,367	3,256,007	3,125,166	3,076,730	3,052,735
Business and central	1,139,561	1,090,996	-	-	-	-	-
Operation & maintenance of plant services	4,224,750	4,131,754	3,808,926	3,924,236	3,930,068	4,514,002	3,755,077
Facilities acquisition and construction	-	-	-	-	-	-	-
Student transportation	2,786,559	2,691,123	2,485,100	2,473,649	2,413,791	2,437,299	2,481,522
Operation of non-instructional services	62,327	61,845	62,111	69,148	87,835	56,884	58,796
School-sponsored cocurricular activities	51,198	49,115	-	-	-	-	-
School-sponsored athletics	217,216	217,078	-	-	-	-	-
K-3 reading program	246,184	238,960	-	-	-	-	-
Other	9,161,923	9,037,627	-	-	-	-	-
Auxiliary operations	621,000	604,760	-	-	-	-	-
Capital outlay	-	-	51,177	32,445	154,957	-	-
TOTAL EXPENDITURES	\$ 43,359,314	\$ 42,580,884	\$ 30,089,315	\$ 29,511,514	\$ 29,331,538	\$ 30,200,214	\$ 29,385,543
FUND BALANCE AT END OF YEAR			\$ 8,759,331	\$ 5,011,756	\$ 5,916,585	\$ 2,986,570	\$ 1,610,180

(a) Budgeted figures for fiscal year 2016/17 and fiscal year 2017/18 include the Maintenance and Operation, Student Success, Medicaid Reimbursement, E-Rate, Auxiliary Operations, Gifts and Donations, Insurance Proceeds, and Indirect Costs Funds.

(b) The District reclassified certain funds due to the implementation of Governmental Accounting Standards Board Statement Number 68, Accounting and Financial Reporting Pensions, as amended by Governmental Accounting Standards Board Statement Number 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. This reclassification required an adjustment to fiscal year 2014/15 and fiscal year 2012/13 due to new fund type definitions specified in GASB 54.

TABLE 20

Other Governmental Funds
Humboldt Unified School District No. 22

	Budgeted (a)		Audited				
	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
FUND BALANCE AT BEGINNING OF YEAR			\$ 13,911,199	\$ 10,159,610	\$ 10,276,111	\$ 11,496,821	\$ 9,268,959
REVENUES							
Other local			\$ 1,625,112	\$ 2,121,819	\$ 1,870,209	\$ 1,568,470	\$ 2,288,392
Property taxes			-	576,215	331,569	2,113	1,674,578
State aid and grants			3,116,365	4,500,958	3,465,765	2,324,708	3,759,750
Federal aid, grants and reimbursements			5,258,725	5,409,790	5,960,516	5,527,890	5,963,924
TOTAL REVENUES			\$ 10,000,202	\$ 12,608,782	\$ 11,628,059	\$ 9,423,181	\$ 13,686,644
ADJUSTMENTS							
Transfers in/(out)			\$ (869,739)	\$ 2,595,953	\$ (38,498)	\$ (506,694)	\$ (207,261)
Increase/(decrease) in reserve for inventory			7,789	701	52,005	-	-
Fund reclassification (b)			-	(675,243)	(119,200)	-	-
TOTAL FUNDS AVAILABLE FOR EXPENDITURES			\$ 23,049,451	\$ 24,689,803	\$ 21,798,477	\$ 20,413,308	\$ 22,748,342
EXPENDITURES							
Current							
Instruction	\$ 9,251,781	\$ 9,474,586	\$ 5,075,046	\$ 4,486,080	\$ 4,722,418	\$ 4,433,046	\$ 4,589,244
Support services:							
Students and instructional staff	9,136	109,200	1,036,545	1,106,369	846,588	1,088,937	1,223,279
General and school administration	357,256	290,599	71,584	318,005	326,687	329,087	301,115
Operation and maintenance of plant services	20,000	2,363	106,743	115,582	120,173	20,827	41,196
Student transportation	2,088	434,303	66,747	66,207	88,400	41,780	86,244
Operation of non-instructional services	-	-	2,507,995	2,359,577	2,272,783	2,171,153	2,150,413
Facilities acquisition and construction	4,944,795	6,188,995	-	-	-	-	-
Food service	2,618,371	3,200,000	-	-	-	-	-
Capital outlay	1,457,618	1,537,773	2,900,898	2,326,784	3,261,818	2,052,367	2,860,030
Other	1,571,996	1,992,239	-	-	-	-	-
TOTAL EXPENDITURES	\$ 20,233,041	\$ 23,230,058	\$ 11,765,558	\$ 10,778,604	\$ 11,638,867	\$ 10,137,197	\$ 11,251,521
FUND BALANCE AT END OF YEAR			\$11,283,893	\$13,911,199	\$10,159,610	\$10,276,111	\$11,496,821

(a) Budgeted figures for fiscal year 2016/17 and fiscal year 2017/18 do not include the Maintenance and Operation, Student Success, Medicaid Reimbursement, E-Rate, Auxiliary Operations, Gifts and Donations, Insurance Proceeds, and Indirect Costs Funds. These have been included in the budgeted figures for TABLE 19.

(b) The District reclassified certain funds due to the implementation of Governmental Accounting Standards Board Statement Number 68, Accounting and Financial Reporting Pensions, as amended by Governmental Accounting Standards Board Statement Number 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. This reclassification required an adjustment to fiscal year 2014/15 and fiscal year 2013/14 due to new fund type definitions specified in GASB 54.

TABLE 21

Debt Service Fund
Humboldt Unified School District No. 22

	Budgeted		Audited				
	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
FUND BALANCE AT BEGINNING OF YEAR			\$ 209,732	\$ 219,829	\$ 328,486	\$ 336,516	\$ 332,636
REVENUES							
Other local			\$ 4,906	\$ 558	\$ 9,070	\$ 14,073	\$ 389
Property taxes			3,572,384	3,490,996	3,433,098	3,838,419	4,474,441
TOTAL REVENUES			\$ 3,577,290	\$ 3,491,554	\$ 3,442,168	\$ 3,852,492	\$ 4,474,830
ADJUSTMENTS							
Transfers in			\$ 5,206	\$ 6,154	\$ 1,595	\$ 2,194	\$ 4,649
Issuance of refunding bonds			-	-	-	4,750,000	\$ 7,410,000
Premium on sale of bonds			-	-	-	395,338	\$ 99,884
Payment to refunded bond escrow agent			-	-	-	(5,026,488)	\$ (7,373,344)
TOTAL FUNDS AVAILABLE FOR							
EXPENDITURES			\$ 3,792,228	\$ 3,717,537	\$ 3,772,249	\$ 4,310,052	\$ 4,948,655
EXPENDITURES							
Debt service:	\$ 3,563,006	\$ 3,563,006					
Principal retirement			\$ 1,900,000	\$ 1,770,000	\$ 1,725,000	\$ -	\$ -
Interest, premium and fiscal charges			1,665,006	1,737,805	1,827,420	1,767,716	1,860,361
Bond issuance costs			-	-	-	118,850	136,540
Payment to refunded bond escrow agent			-	-	-	2,095,000	2,615,238
TOTAL EXPENDITURES	\$ 3,563,006	\$ 3,563,006	\$ 3,565,006	\$ 3,507,805	\$ 3,552,420	\$ 3,981,566	\$ 4,612,139
FUND BALANCE AT END OF YEAR			\$ 227,222	\$ 209,732	\$ 219,829	\$ 328,486	\$ 336,516

APPENDIX C

THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The following audited financial statements are for the fiscal year ended June 30, 2016. These are the most recent audited financial statements available to the District. THESE FINANCIAL STATEMENTS ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE DISTRICT.

Such audited financial statements are the most recent available for the District, are not current and therefore must be considered with an abundance of caution. **The District has not requested the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its report on the financial statements.**

APPENDIX D

TOWNS OF PRESCOTT VALLEY AND DEWEY-HUMBOLDT, ARIZONA

The following information regarding Prescott Valley and Dewey-Humboldt is for reference only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District and, consequently, no representation is made as to the relevance of the data to the District or the Bonds. THE BONDS WILL NOT BE OBLIGATIONS OF PRESCOTT VALLEY OR DEWEY-HUMBOLDT. The Bonds will be direct obligations of the District, payable solely from ad valorem taxes levied against all taxable property in the District, limited as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

Town of Prescott Valley, Arizona

General

Prescott Valley is located in the central portion of Yavapai County, Arizona (the "County"), and is situated at an elevation of approximately 5,100 feet. Prescott Valley is approximately 90 miles northwest of the City of Phoenix, Arizona, and seven miles east of the City of Prescott, Arizona ("Prescott"). Prescott Valley was founded in 1966 and incorporated in 1978.

POPULATION STATISTICS

	<u>Town of Prescott Valley</u>	<u>Yavapai County</u>	<u>State of Arizona</u>
2016 Estimate (a)	42,130	220,189	6,835,518
2010 Census	38,822	211,033	6,392,017
2000 Census	23,535	167,517	5,130,632
1990 Census	8,904	107,714	3,665,339
1980 Census	2,284	68,145	2,716,546
1970 Census	244	37,005	1,775,399

(a) Estimate as of July 2016.

Source: Arizona Department of Commerce, Population Statistics Unit and the U.S. Census Bureau.

Government and Organization

Prescott Valley operates under a council-manager form of government. Six members are elected at large on a nonpartisan ballot for staggered, four-year terms. The Mayor is a member elected at large on a nonpartisan ballot for a four-year term. The Common Council appoints a Town Manager who has full responsibility for carrying out policies of the Common Council and administering operations of Prescott Valley.

Prescott Valley currently offers municipal services including sewer, police, a park system, roads, a library facility and recreation department. Fire protection is provided by the Central Yavapai Fire District. Water is provided by Prescott Valley. Telephone service is provided by CenturyLink; gas service by Unisource and electricity by Arizona Public Service Company. Prescott Valley provides police protection and sewer services.

Economy of the Area

Prescott Valley's economy is comprised of industry, manufacturing, retail and service business. Prescott Valley's location along State Routes 69 and 89A exposes it to tourism traffic that has made the trade and service sectors important components of the local economy. Many residents also commute to Prescott for employment where government, mining, cattle and sheep ranching are major economic activities.

Yavapai Regional Medical Center-East, an acute-care 50-bed hospital facility ("YRMC-East") located in Prescott Valley opened on May 15, 2006. Currently, YRMC-East employs approximately 498 full and part-time employees and offers an emergency department, surgery, laboratory services, cardiopulmonary and neurology services, radiology and various support services.

MAJOR EMPLOYERS Town of Prescott Valley, Arizona

Employer	Product/Service	Approximate Number of Employees
Humboldt Unified School District	Education	600
Ace Hardware Corporation	Hardware stores	280
Mingus Mountain Estate	Residential care	250
Yavapai West Guidance Clinic	Hospital	245
Town of Prescott Valley	Municipality	220
Mountain Valley Regional	Rehabilitation hospital	180
Armadilla Wax Works, Inc.	Candles	100
Central Yavapai Fire District	Fire Protection	90
Neal Klein Construction Corp	New construction, single family homes	80
Yavapai Plumbing & Electrical	Plumbing, heating and A/C	80

Source: Hoover's Inc., a D&B Company.

The following table illustrates unemployment rate averages for Prescott Valley, the County, the State and the United States of America.

UNEMPLOYMENT RATE AVERAGES (a)

<u>Calendar Year</u>	<u>Town of Prescott Valley</u>	<u>Yavapai County</u>	<u>State of Arizona</u>	<u>United States of America</u>
2017 (b)	4.3%	4.6%	4.9%	4.6%
2016	4.3	4.7	5.3	4.9
2015	5.0	5.6	6.1	5.3
2014	5.8	6.3	6.8	6.2
2013	7.4	7.7	7.7	7.4
2012	8.7	8.6	8.3	8.9

(a) *Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.*

(b) *Data through June 2017.*

Source: Arizona Office of Unemployment and Population Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Commerce

The following table illustrates the past five years of municipal transaction privilege tax collections.

**PRIVILEGE (SALES) TAX REVENUE
Town of Prescott Valley, Arizona
(\$000s omitted)**

<u>Fiscal Year</u>	<u>Amount</u>
2015/16	\$18,283
2014/15	15,462
2013/14	13,433
2012/13	11,535
2011/12	10,883

Source: Arizona Department of Revenue, Municipal Privilege Tax Collection Program.

Town of Dewey-Humboldt, Arizona

General

Dewey-Humboldt was founded in 1898 and incorporated in 2004. Dewey-Humboldt is located in the eastern portion of the County at an elevation of approximately 4,556 feet. Dewey-Humboldt is approximately 85 miles north of the City of Phoenix, Arizona, and 15 miles east of Prescott.

Government and Organization

Dewey-Humboldt operates under a council-manager form of government. Six members are elected at large on a nonpartisan ballot for four-year terms. The Mayor is a member elected at large on a nonpartisan ballot for a two-year term.

Economy of the Area

The economy of Dewey-Humboldt is largely supported by its neighboring communities of Prescott Valley, Chino Valley, Arizona, and Prescott.

MAJOR EMPLOYERS Town of Dewey-Humboldt, Arizona

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Earth Resources Corporation	Nonresidential construction	80
Grady's Quality Excavating, Inc.	Residential construction	50
Prescott Golf & Country Club	Country club	50
Ford Galpin Inc.	Automobiles	35
Granite Mountain Design Inc.	Machine shop, jobbing and repair services	35
R.E.D. Plumbing, Inc.	Plumbing contractors	25
Quailwood Greens Golf Course	Public golf courses	15
Northern Office Products and Office Furniture	Office supplies	15
Yavapai Steel, Inc.	Steel	15
Kachina Animal Hospital, PA	Animal hospital Services	10
Desert West Plumbing, Inc.	Plumbing contractors	10
Villages at Lynx Creek	Homeowners' association	10

Source: Hoover's Inc., a D&B Company.

The following table illustrates unemployment rate averages for Dewey-Humboldt.

UNEMPLOYMENT RATE AVERAGES (a)

<u>Calendar Year</u>	<u>Town of Dewey- Humboldt</u>
2017 (b)	3.4%
2016	3.5
2015	4.0
2014	4.5
2013	5.5
2012	6.2

(a) *Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.*

(b) *Data through June 2017.*

Source: Arizona Office of Unemployment and Population Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Commerce

The following table illustrates the past five years of sales tax collections.

**PRIVILEGE (SALES) TAX REVENUE
Town of Dewey-Humboldt, Arizona
(\$000s omitted)**

<u>Fiscal Year</u>	<u>Amount</u>
2015/16	\$559
2014/15	447
2013/14	425
2012/13	372
2011/12	366

Source: Arizona Department of Revenue, Municipal Privilege Tax Collection Program.

APPENDIX E

YAVAPAI COUNTY, ARIZONA

The following information regarding the County is provided for background information only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District; consequently no representation is made as to the relevance of the data to the District or the Bonds. THE BONDS WILL NOT BE OBLIGATIONS OF THE COUNTY. The Bonds will be direct obligations of the District, payable solely from ad valorem taxes levied against all taxable property in the District, limited as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

General

The County was formed in 1864, is located in west-central Arizona and encompasses 8,125 square miles. The topography varies from high desert with rugged mountain terrain in the southern most portion of the County to a highlands region of high mountain ranges and valleys. The northeast portion of the County is traversed by a strip of ponderosa pine forests which crosses the State from the northwest to the eastern border. Elevations in the County range from 1,900 feet to over 7,700 feet.

Located within the County are the cities of Cottonwood, Prescott and Sedona, Arizona, and the towns of Clarkdale, Prescott Valley, Dewey-Humboldt and Chino Valley, Arizona. Prescott is the County seat. The following table illustrates respective population statistics for the principal communities of the County, the County and the State.

POPULATION STATISTICS

	Town of Camp Varde	Town of Chino Valley	Town of Clarkdale	City of Cottonwood	Town of Dewey- Humboldt	City of Prescott	Town of Prescott Valley	City of Sedona (b)	Yavapai County	State of Arizona
2016 Estimate (a)	10,968	10,974	4,173	11,749	3,952	41,575	42,130	10,255	220,189	6,835,518
2010 Census	10,873	10,817	4,097	11,265	3,894	39,843	38,822	10,031	211,033	6,392,017
2000 Census	9,451	7,835	3,422	9,179	N/A	33,938	25,535	10,192	167,517	5,130,632
1990 Census	6,243	4,837	2,144	5,918	N/A	26,592	8,904	7,720	107,714	3,665,339
1980 Census	6,824	2,858	1,512	4,550	N/A	19,865	2,284	5,319	68,145	2,716,546
1970 Census	N/A	803	892	1,610	N/A	13,631	244	2,022	37,005	1,775,399

(a) Estimate as of July 2016

(b) Population in Coconino County and Yavapai County, Arizona.

Source: Office of Employment & Population Statistics, Arizona Department of Administration and the U.S. Census Bureau.

Employment

The table below illustrates the employment structure in the County.

NON-AGRICULTURAL EMPLOYMENT STRUCTURE (a) Yavapai County, Arizona

	Percent of Total
Mining and construction	8.1%
Manufacturing	5.9
Trade, transportation and utilities	20.0
Information	0.9
Financial activities	2.8
Professional and business services	5.6
Educational and health services	19.8
Leisure and hospitality	15.7
Other services	3.7
Government	17.5
Total	100.0%

(a) Data as of June 2017.

Source: Arizona Department of Administration, Employment and Population Statistics, CES/LAUS Unit in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

LABOR FORCE AND NONFARM EMPLOYMENT Yavapai County, Arizona

	2017 (a)	2016	2015	2014	2013	2012
Mining and construction	5,133	4,800	4,700	4,600	4,300	4,200
Manufacturing	3,750	3,600	3,400	3,300	3,200	3,000
Trade, transportation, and utilities	12,650	13,000	12,600	12,200	11,600	11,400
Information	600	600	600	600	600	600
Financial activities	1,800	1,900	1,900	1,800	1,700	1,700
Professional and business services	3,550	3,400	3,000	2,700	2,600	3,000
Educational and health services	12,467	12,200	11,500	11,300	10,900	10,400
Leisure and hospitality	9,900	9,600	9,000	8,400	8,000	7,800
Other Services	2,333	2,400	2,400	2,900	3,100	3,100
Government	11,017	10,800	10,700	10,600	10,500	10,500
	63,200	62,300	59,800	58,400	56,500	55,700

(a) Data as of June 2017.

Source: Arizona Department of Administration, Employment and Population Statistics, CES/LAUS Unit in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The table below illustrates the unemployment rate averages for the principal communities in Yavapai County, Yavapai County, the State and the United States of America.

UNEMPLOYMENT RATE AVERAGES (a)

Calendar Year	Town of Camp Varde	Town of Chino Valley	Town of Clarkdale	City of Cottonwood	Town of Dewey- Humboldt	City of Prescott	Town of Prescott Valley	City of Sedona (b)	Yavapai County	State of Arizona	United States of America
2017 (c)	6.0%	2.5%	6.0%	5.8%	3.4%	5.2%	4.3%	3.7%	4.6%	4.9%	4.6%
2016	6.3	2.6	6.2	6.1	3.5	5.4	4.3	3.8	4.9	5.3	4.9
2015	6.5	4.0	1.6	6.3	4.0	6.2	5.0	4.1	5.6	6.1	5.3
2014	7.3	4.5	1.8	7.0	4.5	6.9	5.8	4.6	6.3	6.8	6.2
2013	9.0	5.5	2.2	8.6	5.5	8.1	7.4	5.7	7.7	7.7	7.4
2012	10.0	6.2	2.5	9.6	6.2	9.1	8.7	6.3	8.6	8.3	8.1

(a) Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Represents only the portion of Sedona in the County.

(c) Data as of June 2017.

Source: Arizona Department of Administration, Employment and Population Statistics, CES/LAUS Unit in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Retail Sales

The following table illustrates retail sales for the County.

TAXABLE RETAIL SALES Yavapai County, Arizona (\$000s omitted)

Calendar Year	Retail Sales (a)
2017 (b)	\$ 931,272
2016	1,771,199
2015	1,686,220
2014	1,518,877
2013	1,439,984
2012	1,332,978

(a) The statutory definition of "Retail Sales" is the business of selling tangible personal property at retail. Therefore, this class does not include services or hotels, restaurants or food sales.

(b) Data as of June 2017.

Source: Arizona Department of Revenue, Office of Economic Research and Analysis.

Bank Deposits

The following table illustrates bank deposits in the County.

BANK DEPOSITS **Yavapai County, Arizona** **(in millions)**

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$3,695
2015	3,427
2014	3,255
2013	3,113
2012	2,924

Source: Federal Deposit Insurance Corporation.

FORM OF APPROVING LEGAL OPINION

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

[Closing Date]

Governing Board
Humboldt Unified School District No. 22
of Yavapai County, Arizona

Re: Humboldt Unified School District No. 22 of Yavapai County, Arizona Refunding Bonds,
Series 2017

We have examined copies of the proceedings of the Governing Board of Humboldt Unified School District No. 22 of Yavapai County, Arizona (the "District"), and other proofs submitted to us relative to the sale and issuance of the captioned Bonds (the "Bonds"). In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

We are of the opinion that such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Constitution and laws of the State of Arizona now in force, and particularly the provisions of Title 35, Chapter 3, Article 4, Arizona Revised Statutes, as amended, and that the Bonds are valid and legally binding obligations of the District, all of the taxable property within which is subject to the levy of a tax, without limitation as to rate, to pay the principal of and interest on the Bonds, but limited to a total amount not greater than the total aggregate principal and interest to become due on the bonds being refunded with proceeds of the sale of the Bonds (the "Bonds Being Refunded") from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The net proceeds of the Bonds have been invested in obligations issued by or guaranteed by the United States government which mature with interest so as to provide funds to pay when due, or called for redemption, the Bonds Being Refunded together with interest thereon and redemption premiums, if any, and such proceeds and obligations have been deposited in the respective principal and interest redemption funds, and shall be held in trust for the payment of, the Bonds Being Refunded with interest and redemption premiums, if any, on maturity or upon an available redemption date. The owners of the Bonds must rely on the sufficiency of such funds and securities held irrevocably in the trust for payment of the Bonds Being Refunded. The issuance of the Bonds shall in no way infringe upon the rights of the holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal and interest on the Bonds Being Refunded if such funds and securities prove insufficient.

Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated in the last sentence of this paragraph, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is exempt from income taxation under the laws of the State of Arizona. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. The Internal Revenue Code of 1986, as amended (the "Code") includes requirements which the District must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the District to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted in the resolution authorizing issuance of the Bonds, adopted by the Governing Board of the District on September 12, 2017, to take the actions required by the Code in order to maintain the exclusion from

gross income for federal income tax purposes of interest on the Bonds. (Subject to the limitations in the penultimate paragraph hereof, the District has full legal power and authority to comply with such covenants.) We express no opinion regarding other tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds. In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal tax purposes.

The rights of the holders of the Bonds and the enforceability of those rights may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights. The enforcement of such rights may also be subject to the exercise of judicial discretion in accordance with general principles of equity.

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review 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,

FORM OF CONTINUING DISCLOSURE UNDERTAKING

\$14,085,000*
HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22
OF YAVAPAI COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2017

(BASE CUSIP IDENTIFICATION NO. 985258)

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered by Humboldt Unified School District No. 22 of Yavapai County, Arizona (the “School District”), in connection with the \$14,085,000* aggregate principal amount of Refunding Bonds, Series 2017 (the “Series 2017 Bonds”). The Series 2017 Bonds are being issued pursuant to a resolution adopted by the Governing Board of the School District on September 12, 2017 (the “Bond Resolution”). The School District covenants and agrees as follows:

SECTION 1. Definitions. In addition to the definitions set forth hereinabove, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the School District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2017 Bonds (including persons holding Series 2017 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2017 Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the School District, 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” shall mean the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Undertaking, information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Undertaking.

“MSRB” shall mean Municipal Securities Rulemaking Board.

“Official Statement” shall mean the final Official Statement, dated _____, 2017, for the Series 2017 Bonds.

“Participating Underwriters” shall mean the original underwriters of the Series 2017 Bonds required to comply with the Rule in connection with the offering of the Series 2017 Bonds.

“Rule” shall mean 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.

“State” shall mean the State of Arizona.

* *Subject to change.*

SECTION 2. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the School District for the benefit of the Beneficial Owners and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 3. Provision of Annual Reports.

(a) Subject to annual appropriation to cover the costs of preparation and mailing thereof, the School District shall, or shall cause the Dissemination Agent to, not later than February 1 following the end of the School District's fiscal year (presently June 30), commencing with the Annual Report for the 2016-2017 Fiscal Year, provide through EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. 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 Undertaking; provided that the 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. 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(a).

(b) Not later than fifteen (15) business days prior to the date on which the Annual Report shall be provided through EMMA pursuant to subsection (a), the School District shall provide the Annual Report to the Dissemination Agent (if other than the School District). If the School District is unable to provide through EMMA an Annual Report by the date required in subsection (a), the School District shall send a notice on the form provided through EMMA for such purpose.

(c) 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 provided pursuant to this Disclosure Undertaking, stating the date it was provided.

SECTION 4. Content of Annual Reports. The School District's Annual Report shall contain or include by reference the following:

(a) If available at the time of such filing, the audited financial statements of the School District for the prior fiscal year, prepared in accordance with generally accepted auditing standards. 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 Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report within 30 days of the date they become available.

(b) Additional financial information and operating data of the type included with respect to the School District in the following tables of the Official Statement:

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, but subject to annual appropriation to cover the costs of preparation and mailing thereof, the School District shall give, or cause to be given in a timely manner, but not more than ten (10) business days thereafter, through EMMA notice of the occurrence of any of the following events with respect to the Series 2017 Bonds:

1. Principal and interest payment delinquencies,

2. Nonpayment related defaults under the Bond Resolution, if material,
3. Unscheduled draws on debt service reserves, if any, reflecting financial difficulties,
4. Unscheduled draws on credit enhancements reflecting financial difficulties,
5. Substitution of the credit or liquidity providers or their failure to perform,
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the Series 2017 Bonds or other material events affecting the tax status of the Series 2017 Bonds,
7. Modifications to rights of holders of the Series 2017 Bonds, if material,
8. Bond calls, if material, or tender offers,
9. Defeasances,
10. Release, substitution or sale of property securing repayment of the Series 2017 Bonds, if material,
11. Rating changes,
12. Bankruptcy, insolvency, receivership or similar events of the School District, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District,
13. The consummation of a merger, consolidation or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material, and
15. Notice of a failure of the School District to provide required annual financial information on or before the date specified in Section 3 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard “material” would be material shall be determined under applicable federal securities laws.

SECTION 6. Termination of Reporting Obligation. The School District’s obligations under this Disclosure Undertaking shall terminate (A) upon the legal defeasance, prior redemption or payment in full of all of the Series 2017 Bonds, or (B) upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action. If termination pursuant to (A) occurs prior to the final maturity of the

Series 2017 Bonds, the School District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. 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 Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. 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 Undertaking.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the School District may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2017 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized securities law counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2017 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized securities law counsel, materially impair the interests of the Beneficial Owners.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the School District shall describe such amendment in the next 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(a), 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 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking 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 Undertaking. 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 Undertaking, the School District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the School District to comply with any provision of this Disclosure Undertaking, any Beneficial Owner 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 Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the School District to comply with this Disclosure Undertaking shall be an action to compel performance.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds 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 Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 Securities 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” and together with the Direct Participants, the “Participants”). DTC has 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.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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 the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the

Bonds 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 Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds and the redemption price of any Bond 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 the District or the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar and Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

\$14,085,000
HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22
OF YAVAPAI COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2017

BOND PURCHASE AGREEMENT

_____, 2017

Governing Board of Humboldt Unified School
District No. 22 of Yavapai County, Arizona
6411 North Robert Road
Prescott Valley Arizona 86314

Ladies and Gentlemen:

The undersigned, Stifel Nicolaus & Company, Incorporated (the "Underwriter"), acting on its own behalf and not acting as fiduciary or agent for you, offers to enter into this Bond Purchase Agreement (the "Agreement") with Humboldt Unified School District No. 22 of Yavapai County, Arizona (the "Issuer") which, upon the Issuer's written acceptance of this offer, will be binding upon the Issuer and upon the Underwriter. This offer is made subject to the Issuer's written acceptance hereof on or before 11:59 p.m., Phoenix, Arizona time, on _____, 2017 and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Bond Resolution (as defined herein) or in the Official Statement (as defined herein).

Any financial advisory relationship between the Underwriter and the Issuer (if such relationship has existed or now exists) with respect to the hereinafter-described Bonds is hereby terminated, and the Issuer hereby expressly consents to the acquisition or participation in the purchase thereof on a negotiated basis by the Underwriter. If a financial advisory relationship exists, there may be a conflict of interest in changing from the capacity of financial advisor to underwriter. The Issuer hereby expressly acknowledges that Greenberg Traurig, LLP ("Bond Counsel") has represented and continues to represent the Underwriter in matters not involving or pertaining to the Issuer. The Issuer and the Underwriter consent to Bond Counsel's representation of the Issuer as Bond Counsel and expressly waive any conflict of interest that might be deemed to exist.

1. **Purchase and Sale of the Bonds.** Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein and any certificates or other documents to be delivered to the Underwriter pursuant to this Agreement, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and

deliver to the Underwriter, all, but not less than all, of the Issuer's \$14,085,000 aggregate principal amount of Refunding Bonds, Series 2017 (the "Bonds"). Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Issuer, but rather is acting solely in its capacity as Underwriter for its own account. The Underwriter has been duly authorized to execute this Agreement and to act hereunder.

The principal amount of the Bonds to be issued, the dated date thereof, the maturities, optional redemption provisions, the interest rates per annum and the prices or yields per maturity are set forth in Schedule I hereto. The Bonds shall be as described in, and shall be issued pursuant to Title 35, Chapter 3, Article 4, Arizona Revised Statutes, as amended, for the purpose of refunding other school improvement bonds of the District, as described in the resolution adopted by the Issuer on September 12, 2017 (the "Bond Resolution").

The purchase price for the Bonds shall be \$_____ (the "Purchase Price"). The Purchase Price represents the aggregate of: (1) the par amount of the Bonds of \$14,085,000.00, (2) plus [net] original issue premium of \$_____, and (3) less the compensation to the Underwriter of \$_____. The Underwriter shall also be reimbursed for its expenses as set forth in paragraph 8 hereof. The compensation to the Underwriter includes the fee and disbursements of counsel to the Underwriter. The Underwriter shall also be reimbursed for its expenses as set forth in Section 8 hereof. [The payment of the Purchase Price by the Underwriter to the District will be net of the premium for the municipal bond insurance policy (the "Policy") in the amount of \$_____ which the Underwriter will pay directly to (the "Bond Insurer") at the Closing.]

Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an "arm's length," commercial transaction between the Issuer and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and proceedings leading up to the consummation of such transaction, the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (iii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer 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 Issuer on other matters) and the Underwriter has no obligation to the Issuer with respect to the transaction contemplated hereby except the obligations expressly set forth in this Agreement and Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB"); (iv) the Underwriter has financial and other interests that differs from those of the Issuer; (v) the Underwriter has provided to the Issuer prior disclosures under Rule G-17 of the MSRB, which have been received by the Issuer; (vi) the Underwriter is acting solely in its capacity as underwriter for its own accounts and not as agent or fiduciary to the Issuer; (vii) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (viii) the Issuer has consulted its own legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate. The Issuer also hereby acknowledges that Greenberg Traurig, LLP, "Bond Counsel," has represented the Underwriter in financing transactions for other political subdivisions and hereby waives any conflict of interest that may exist as a result of such representation.

2. **Public Offering.** The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices not to exceed the public offering prices set forth in Schedule I hereto, and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated in Schedule I hereto. Based on the initial offering prices to the public of the Bonds, the Underwriter anticipates receiving compensation of \$_____.

The Underwriter will furnish to the Issuer a certificate in a form acceptable to Bond Counsel stating that a bona fide public offering of the Bonds have been made and setting forth the initial offering prices at which a substantial amount of the Bonds of each maturity is reasonably expected to be sold to the public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) as of the date hereof.

3. **The Official Statement.**

(a) The Issuer hereby approves and ratifies the distribution by the Underwriter of the Preliminary Official Statement dated _____, 2017 (the "Preliminary Official Statement"), including the cover page, the inside front cover page and Appendices thereto, of the Issuer relating to the Bonds. The Preliminary Official Statement, as amended or supplemented to reflect the changes indicated on Schedule I hereto, is hereinafter called the "Official Statement."

(b) The Issuer has caused the Preliminary Official Statement to be prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds. An authorized Officer of the Issuer, acting for and on behalf of the Issuer, has deemed the Preliminary Official Statement to be "final" as of its date for all purposes of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934, as amended (the "Rule"), by execution of the Certificate Deeming the Preliminary Official Statement Final, dated _____, 2017 (herein after referred to as the "Deemed Final Certificate").

(c) The Issuer hereby authorizes the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Issuer consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer's acceptance hereof (but, in any event, not later than within seven business days after the Issuer's acceptance hereof and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide the Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the Issuer becomes

aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the Issuer or the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and manner approved by the Underwriter, which approval shall not be withheld unreasonably), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will 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 not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Underwriter hereby agrees to file the Official Statement with the MSRB. Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

(f) The Issuer shall enter into a written undertaking, to be dated the date of Closing (the "Undertaking") to provide continuing disclosure as required by the Rule, for the benefit of the owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of the Rule. The Undertaking shall be in the form set forth in the Preliminary Official Statement with such changes as may be agreed in writing by the Underwriter. (The Underwriter's obligation to purchase the Bonds shall be conditioned upon the Issuer delivering the Undertaking, satisfactory to the Underwriter, on or before the date of delivery of the Bonds.)

(g) The Issuer shall file the information required to be submitted to the Arizona Department of Administration pursuant to A.R.S. Section 35-501(B) within sixty (60) days of the date of the Closing.

4. **Representations, Warranties, and Covenants of the Issuer.** The Undersigned, on behalf of the Issuer, but not individually, represents and warrants to and covenants with the Underwriter as it relates to the primary offering of the Bonds that:

(a) The Issuer is a school district of the State of Arizona (the "State") duly created, organized and existing under the Constitution of the State and the laws of the State, and has full legal right, power and authority, and at the date of the Closing will have full legal right, power and authority (i) to enter into, execute and deliver, as applicable, this Agreement, the Bond Resolution, the Undertaking, the Bond Registrar and Paying Agent Agreement, to be dated as of _____, 2017 (the "Registrar Contract"), between the Treasurer of Yavapai County, Arizona (the "Treasurer"), on behalf of the Issuer, and Zions First National Bank, as Bond Registrar and Paying Agent (the "Registrar"), the Letter of Representations (the "DTC Letter") to The Depository Trust Company ("DTC") concerning the Bonds and an Escrow Trust Agreement, to be

dated as of _____, 2017 (the "Escrow Trust Agreement") among the District, the Treasurer and Zions First National Bank, as escrow trustee (the "Escrow Trustee") (collectively hereinafter referred to as the "Issuer Documents"), and all documents required hereunder and thereunder to be executed and delivered by the Issuer, (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement, and the Issuer has complied, and will at the Closing be in compliance in all material respects, with the terms of the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Resolution and the sale and issuance of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, as applicable, contained in the Bonds, and the Issuer Documents, (iii) the President of the Governing Board or other authorized member of the Governing Board to approve and execute the Official Statement, and (iv) the consummation by it of all other transactions contemplated by the Official Statement, and the Issuer Documents;

(c) The Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, executed, authenticated, delivered and paid for, in accordance with the Bond Resolution and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Constitution and laws of the State and the Bond Resolution and are secured and payable by a legal, valid and binding levy on all of the taxable property within the boundaries of the Issuer of a direct, annual, ad valorem tax, unlimited as to rate or amount;

(d) The Issuer is not in material breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds, the Issuer Documents and the adoption of the Bond Resolution and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a material breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are 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 property or assets of the Issuer from which the Bonds are payable or under the terms of any such law, regulation or instrument, except as provided by the Bonds, and the Bond Resolution;

(e) The Issuer has made all required filings with, and has obtained all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents, the Bonds, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) The Bonds, the Bond Resolution and the Undertaking conform to the descriptions thereof contained in the Official Statement;

(g) There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of taxes for the payment of principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, or the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds, for federal income tax purposes or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds, or the Issuer Documents;

(h) While the Underwriter has participated and will participate with the Issuer in the preparation and assemblage of the Preliminary Official Statement and the Official Statement, respectively, the Issuer acknowledges and agrees that the Issuer is primarily responsible for the content of the Preliminary Official Statement and the Official Statement and, as of the date thereof, and at the time of the acceptance by the Issuer hereof, the Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and at the time of the Issuer's acceptance hereof and at all times subsequent thereto, up to and including the date of the Closing (unless the Official Statement is amended or supplemented pursuant to subparagraph (d) of Section 3 hereof), the Official Statement (including the financial and statistical data included therein) will 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 the light of the circumstances under which they were made, not misleading;

(i) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Resolution and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds or the exclusion from gross income for State Income Tax purposes of the interest on the Bonds;

(j) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (A) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(k) The financial statements of, and other financial information regarding the Issuer, in the Official Statement fairly present the financial position and results of the Issuer as of the dates and for the periods therein set forth; prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer, and the Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer; and

(l) Except as otherwise disclosed in the Official Statement, and prior offering documents for Securities issued by Issuer, the Issuer has for the previous five years complied in all material respects with all continuing disclosure undertakings required by the Rule, if any, with respect to any previous issuance of bonds or other securities of the Issuer and the Issuer has submitted to the Arizona Department of Administration (or its predecessor) the information required with respect to previous bond issues, securities and lease-purchase agreements of the Issuer pursuant to Arizona Revised Statutes Section 35-501(B).

5. Closing.

(a) At 8:00 a.m., Phoenix, Arizona Time, on _____, 2017, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriter (the "Closing"), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the Purchase Price by wire transfer or other funds which are immediately available funds to the order of the Issuer.

(b) The Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds, registered in the name of Cede & Co., all as provided in the Bond Resolution. Delivery of the Bonds will be made through the facilities of DTC or, in the case of a "Fast Automated Securities Transfer" closing, with the Registrar or at such other place as may have been mutually agreed upon by the Issuer and the Underwriter.

6. **Closing Conditions.** The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer 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 Issuer 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 Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer 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 Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Issuer Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel to deliver its opinion referred to hereafter;

(d) At the time of the Closing, all official action of the Issuer relating to the Bonds, and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) At or prior to the Closing, the Bond Resolution shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the Registrar shall have duly authenticated the Bonds;

(f) At or prior to the Closing, the Policy shall have been duly executed, issued and delivered by the Bond Insurer;

(g) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(h) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(i) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(j) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

- (1) The Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the Issuer by the President of its Governing Board or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;
- (2) The Bond Resolution with such supplements or amendments as may have been agreed to by the Underwriter;
- (3) The Undertaking executed on behalf of the Issuer by the President of the Governing Board or such other official as may have been agreed to by the Underwriter;
- (4) The approving opinion of Bond Counsel with respect to the Bonds, in substantially the form attached to the Official Statement;
- (5) A supplemental opinion of Bond Counsel addressed to the Underwriter, substantially to the effect that:
 - (i) the statements contained in the Official Statement in the tax caption on the cover page and under the headings entitled "INTRODUCTORY STATEMENT," "THE BONDS", "PLAN OF REFUNDING" "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS," "TAX MATTERS," and "CONTINUING DISCLOSURE" therein (except with respect to the statement about Issuer's compliance with previous undertakings, as to which no opinion need be expressed) and in Appendices F and G, insofar as such statements purport to summarize certain provisions of the Bonds, the Bond Resolution, the applicable laws of the State of Arizona and the applicable portions of the Internal Revenue Code of 1986, as amended (the "Code"), present a fair and accurate summary of the information which they purport to summarize and the statements contained in the Official Statement under the heading "RELATIONSHIP AMONG PARTIES" (as it relates to Bond Counsel only) are true and correct in all material respects; and, based solely on Bond Counsel's participation in the transaction as Bond Counsel, nothing has come to the attention of Bond Counsel that would lead Bond Counsel to believe that the information and statements in the Preliminary Official Statement, as of its date and as of the date of sale of the Bonds, and the Final Official Statement,

as of its date and as of the date of such letter, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, no view need be expressed as to the financial statements of the District, any other financial, forecast, technical or statistical data, and any information in the Official Statement respecting DTC;

- (ii) the offer and sale of the Bonds shall be exempt from registration under the Securities Act of 1933, as amended, and shall not result in the Bond Resolution being required to be qualified pursuant to the Trust Indenture Act of 1939, as amended;
 - (iii) the Issuer Documents have been duly authorized, executed and delivered by the Issuer and the Treasurer, as applicable, and (assuming due authorization and execution by the other parties thereto) are legal, valid and binding obligations of the respective parties, enforceable in accordance with their terms, subject to customary exceptions for bankruptcy and judicial discretion; and
 - (iv) the Undertaking has been duly authorized, executed and delivered by the Issuer and, subject to appropriation to provide for the costs of compliance therewith, is a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms; subject to customary exceptions;
- (6) An opinion, dated the date of the Closing and addressed to the Underwriter, of counsel to the Underwriter in a form acceptable to the Underwriter;
- (7) A certificate, dated the date of Closing, of an appropriate representative of the Issuer to the effect that to the best knowledge of such representative (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) except as otherwise described in the Official Statement, no litigation or proceeding or tax challenge against it is pending or, to its knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds, or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and collecting revenues, including payments on the Bonds pursuant to the Bond Resolution, and other income or the levy or collection of the taxes pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof; (iii) the Bond Resolution has been duly adopted the Governing Board of by the Issuer, is

in full force and effect and has not been modified, amended or repealed, and (iv) no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing;

- (8) A certificate of the Issuer in form and substance satisfactory to Bond Counsel (a) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (b) certifying that to the best of the knowledge and belief of the Issuer there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;
- (9) Any other certificates and opinions required by the Bond Resolution for the issuance thereunder of the Bonds;
- (10) A certificate, dated the date of the Closing and signed by the Issuer's Superintendent, to the effect that to the best of his knowledge, information and belief after appropriate review, the Official Statement, is true in all material respects and does not omit any statement of a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (11) Evidence that the Bond Insurer has issued its Policy with respect to the Bonds as well as appropriate opinions and certifications from the Bond Insurer relating to the Policy;
- (12) Evidence that _____ has issued (i) an "underlying" rating of "_____" and (ii) a rating of "_____" based on issuance of the Policy (the "Ratings"), and that the Ratings are then in effect; and;
- (13) A verification report of Grant Thornton LLP (the "Verification Agent") dated the date of the Closing, as described under the heading "Verification of Mathematical Computations" in the Official Statement and a written consent of the Verification Agent to the reference made to it in the Official Statement;
- (14) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or counsel to the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and

warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere herein shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

7. **Termination.** The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following or if the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement and then this Agreement shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Sections 4 and 8(c) hereof shall continue in full force and effect:

(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 State legislature 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 Bonds or, with respect to State taxation, of the interest on the Bonds, 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 Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Bond Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, 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 Bonds 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 NYSE AMEX Equities, formerly known as 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 Bonds, or as to obligations of the general character of the Bonds, 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 Issuer, its property, income securities (or interest thereon), or the validity or enforceability of the assessments or the levy of taxes to pay principal of and interest on the Bonds;

(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 required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer, except for changes which the Official Statement discloses are expected to occur;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak of hostilities or a national or international calamity or crisis (other than those existing as of the date hereof), or an escalation thereof, the effect of such outbreak, calamity or crisis on the financial markets of the United States being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds;

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

(k) there shall have occurred any downgrading or outlook change, or any notice shall have been given of (A) any intended or potential downgrading or outlook change or (B) any review or possible change that does not indicate a possible upgrade, in the rating accorded any of

the Issuer's obligations (including the rating to be accorded the Bonds); or any rating accorded to the Insurer; and

(l) United States Treasury Certificate of Indebtedness, Notes or Bonds-State and Local Government Series or acceptable open market securities shall be unavailable for purchase and/or delivery in the amounts, maturities and prices or yields required pursuant to the Escrow Trust Agreement; and

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

8. **Expenses.**

(a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay, but only from the proceeds of the sale of the Bonds, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of the preparation, printing and distribution of the Preliminary Official Statement and the Official Statement, (including any amendments or supplements thereto); (ii) the cost of preparation, printing and signing of the Bonds, and the DTC Letter; (iii) the fees and expenses of Bond Counsel and the Verification Agent; (iv) the initial fees and expenses of the Registrar for the Bonds, provided, however, that the Issuer shall be responsible for all other fees and expenses of the Registrar for the Bonds; (v) fees and expenses incurred by the Issuer or the Underwriter for the Rating; (vi) fees and expenses of counsel to the Underwriter; and (vii) reasonable miscellaneous, normally occurring, "out-of-pocket" expenses incurred by the Underwriter in connection with the issuance of the Bonds.

(b) If the Closing shall take place hereunder, the Underwriter shall pay (i) the cost of preparation and printing of this Agreement; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by them in connection with the public offering of the Bonds.

(c) If this Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the Issuer to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Issuer shall be unable to perform its obligations under this Agreement, the Issuer will reimburse the Underwriter for all out-of-pocket expenses) reasonably incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder and pay the fees and disbursements of counsel to the Underwriter.

9. **Cancellation.** To the extent applicable by provision of law, all parties acknowledge that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein.

10. **Notices.** Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing at 6411 North Robert Road, Prescott Valley, Arizona 86314 and any notice or other communication to be given to the

Underwriter under this Agreement may be given by delivering the same in writing to Stifel Nicolaus & Company, Incorporated, 2325 E. Camelback Road, Suite 750, Phoenix, Arizona 85016, Attention: Mr. Michael LaVallee.

11. **Parties in Interest.** This Agreement shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

12. **Effectiveness.** This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

13. **Choice of Law.** This Agreement shall be governed by and construed in accordance with the law of the State.

14. **Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

15. **Business Day.** For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

16. **Section Headings.** Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

17. **Counterparts.** This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

18. **Cancellation of Contracts.** As required by the provisions of Arizona Revised Statutes Section 38-511, as amended, notice is hereby given that the State, its political subdivisions (including the Issuer) or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions, or any of the departments or agencies of either is, at any time while the

contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This section is not intended to expand or enlarge the rights of the Issuer hereunder except as required by such Section 38-511. Each of the parties hereto hereby certifies that it is not presently aware of any violation of Section 38-511 which would adversely affect the enforceability of this Bond Purchase Agreement and covenants that it shall take no action which would result in a violation of such Section.

19. **Electronic Signatures.** The electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format (pdf) or other replicating image attached to an email or internet message.

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Respectfully submitted,

**STIFEL NICOLAUS & COMPANY,
INCORPORATED**

By: _____
Name: _____
Title: _____
Date: _____

ACCEPTANCE:

ACCEPTED this _____ day of _____, 2017.

**HUMBOLDT UNIFIED SCHOOL DISTRICT
NO. 22 OF YAVAPAI COUNTY, ARIZONA**

By: _____
Name: _____
Title: _____

SCHEDULE I
\$14,085,000
HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22
OF YAVAPAI COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2017

Dated Date: _____, 2017

Maturity Date <u>(July 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>
2018	\$ 395,000	____%	____%
2019	2,360,000	____%	____%
2020	2,660,000	____%	____%
2021	2,935,000	____%	____%
2022	2,230,000	____%	____%
2023	2,505,000	____%	____%

The Bonds are not subject to optional redemption prior to their maturity dates.

[Inset Form of Underwriter's Certificate; from Stifel]

WRITTEN POLICIES AND PROCEDURES FOR TAX-ADVANTAGED OBLIGATIONS

Humboldt Unified School District No. 22 of Yavapai County, Arizona (the “Issuer”), has issued and may in the future issue tax-exempt obligations (including, without limitation, bonds, notes, loans, leases and certificates) (together, “tax-advantaged obligations”) that are subject to certain requirements under the Internal Revenue Code of 1986, as amended (the “Code”).

The Issuer has established the policies and procedures contained herein (the “Procedures”) as of September 12, 2017, in order to ensure that the Issuer complies with the requirements of the Code that are applicable to its tax-advantaged obligations. The Procedures, coupled with requirements contained in the arbitrage and tax certificate or other operative documents (the “Tax Certificate”) executed at the time of issuance of the tax-advantaged obligations, are intended to constitute written procedures for ongoing compliance with the federal tax requirements applicable to the tax-advantaged obligations and for timely identification and remediation of violations of such requirements.

A. GENERAL MATTERS.

1. Responsible Officer. The Business Manager of the Issuer will have overall responsibility for ensuring that the ongoing requirements described in the Procedures are met with respect to tax-advantaged obligations (the “Responsible Officer”).
2. Establishment of Procedures. The Procedures will be included with other written procedures of the Issuer.
3. Identify Additional Responsible Employees. The Responsible Officer shall identify any additional persons who will be responsible for each section of the Procedures, notify the current holder of that office of the responsibilities, and provide that person a copy of the Procedures. (For each section of the Procedures, this may be the Responsible Officer or another person who is assigned the particular responsibility.)
 - a. Upon employee or officer transitions, new personnel should be advised of responsibilities under the Procedures and ensure they understand the importance of the Procedures.
 - b. If employee or officer positions are restructured or eliminated, responsibilities should be reassigned as necessary to ensure that all Procedures have been appropriately assigned.
4. Training Required. The Responsible Officer and other responsible persons shall receive appropriate training that includes the review of and familiarity with the contents of the Procedures, review of the requirements contained in the Code applicable to each tax-advantaged obligation, identification of all tax-advantaged

obligations that must be monitored, identification of all facilities (or portions thereof) financed with proceeds of tax-advantaged obligations, familiarity with the requirements contained in the Tax Certificate or other operative documents contained in the transcript, and familiarity with the procedures that must be taken in order to correct noncompliance with the requirements of the Code in a timely manner.

5. Periodic Review. The Responsible Officer or other responsible person shall periodically review compliance with the Procedures and with the terms of the Tax Certificate to determine whether any violations have occurred so that such violations can be timely remedied through the “remedial action” regulations or the Voluntary Closing Agreement Program available through the Internal Revenue Service (“IRS”) (or successor guidance). Such periodic review shall occur at least annually.
6. Change in Terms. If any changes to the terms of the tax-advantaged obligations are contemplated, bond counsel should be consulted. Such modifications could jeopardize the status of tax-advantaged obligations.

B. IRS INFORMATION RETURN FILING. The Responsible Officer will confirm that bond counsel has filed the applicable information reports (such as Form 8038-G) for such issue with the IRS on a timely basis, and maintain copies of such form including evidence of timely filing as part of the transcript of the issue. The Responsible Officer shall file the IRS Form 8038-T relating to the payment of rebate or yield reduction payments in a timely manner as discussed in Section G.12. below. The Responsible Officer shall also monitor the extent to which the Issuer is eligible to receive a refund of prior rebate payments and provide for the timely filing for such refunds using an IRS Form 8038-R.

C. USE OF PROCEEDS. The Responsible Officer or other responsible person shall:

1. Consistent Accounting Procedures. Maintain or confirm maintenance of clear and consistent accounting procedures for tracking the investment and expenditures of proceeds, including investment earnings on proceeds.
2. Reimbursement Allocations at Closing. At or shortly after closing of an issue, ensure that any allocations for reimbursement expenditures comply with the Tax Certificate.
3. Timely Expenditure of Proceeds. Monitor that sale proceeds and investment earnings on sale proceeds of tax-advantaged obligations are spent in a timely fashion consistent with the requirements of the Tax Certificate.
4. Requisitions. Utilize or confirm the utilization of requisitions to draw down proceeds, and ensure that each requisition contains (or has attached to it) detailed information in order to establish when and how proceeds were spent; review requisitions carefully before submission to ensure proper use of proceeds to minimize the need for reallocations.

5. Final Allocation. Ensure that a final allocation of proceeds (including investment earnings) to qualifying expenditures is made if proceeds are to be allocated to project expenditures on a basis other than “direct tracing” (direct tracing means treating the proceeds as spent as shown in the accounting records for draws and project expenditures). An allocation other than on the basis of “direct tracing” is often made to reduce the private business use of bond proceeds that would otherwise result from “direct tracing” of proceeds to project expenditures. *This allocation must be made within 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than five years and 60 days after the date the tax-advantaged obligations are issued (or 60 days after the issue is retired, if earlier).* Bond counsel can assist with the final allocation of proceeds to project costs. Maintain a copy of the final allocation in the records for the tax-advantaged obligation.
6. Maintenance and Retention of Records Relating to Proceeds. Maintain or confirm the maintenance of careful records of all project and other costs (e.g., costs of issuance, credit enhancement and capitalized interest) and uses (e.g., deposits to a reserve fund) for which proceeds were spent or used. These records should be maintained separately for each issue of tax-advantaged obligations for the period indicated under Section H. below.

D. MONITORING PRIVATE BUSINESS USE. The Responsible Officer or other responsible person shall:

1. Identify Financed Facilities. Identify or “map” which outstanding issues financed which facilities and in what amounts.
2. Review of Contracts with Private Persons. Review all of the following contracts or arrangements with non-governmental persons or organizations or the federal government (collectively referred to as “private persons”) with respect to the financed facilities which could result in private business use of the facilities:
 - a. Sales of financed facilities;
 - b. Leases of financed facilities;
 - c. Management or service contracts relating to financed facilities;
 - d. Research contracts under which a private person sponsors research in financed facilities; and
 - e. Any other contracts involving “special legal entitlements” (such as naming rights or exclusive provider arrangements) granted to a private person with respect to financed facilities.
3. Bond Counsel Review of New Contracts or Amendments. Before amending an existing agreement with a private person or entering into any new lease, management, service, or research agreement with a private person, consult bond

counsel to review such amendment or agreement to determine whether it results in private business use.

4. Establish Procedures to Ensure Proper Use and Ownership. Establish procedures to ensure that financed facilities are not used for private use without written approval of the Responsible Officer or other responsible person.
5. Analyze Use. Analyze any private business use of financed facilities and, for each issue of tax-advantaged obligations, determine whether the 10 percent limit on private business use (5 percent in the case of “unrelated or disproportionate” private business use) is exceeded, and contact bond counsel or other tax advisors if either of these limits appears to be exceeded.
6. Remediation if Limits Exceeded. If it appears that private business use limits are exceeded, immediately consult with bond counsel to determine if a remedial action is required with respect to nonqualified tax-advantaged obligations of the issue or if the IRS should be contacted under its Voluntary Closing Agreement Program. If tax-advantaged obligations are required to be redeemed or defeased in order to comply with remedial action rules, such redemption or defeasance must occur within 90 days of the date a deliberate action is taken that results in a violation of the private business use limits.
7. Maintenance and Retention of Records Relating to Private Use. Retain copies of all of the above contracts or arrangements (or, if no written contract exists, detailed records of the contracts or arrangements) with private persons for the period indicated under Section H. below.

E. LOAN OF BOND PROCEEDS. Consult bond counsel if a loan of proceeds of tax-advantaged obligations is contemplated. If proceeds of tax-advantaged obligations are permitted under the Code to be loaned to other entities and are in fact so loaned, require that the entities receiving a loan of proceeds institute policies and procedures similar to the Procedures to ensure that the proceeds of the loan and the facilities financed with proceeds of the loan comply with the limitations provided in the Code. Require the recipients of such loans to annually report to the Issuer ongoing compliance with the Procedures and the requirements of the Code.

F. ARBITRAGE AND REBATE COMPLIANCE. The Responsible Officer or other responsible person shall:

1. Review Tax Certificate. Review each Tax Certificate to understand the specific requirements that are applicable to each tax-advantaged obligation issue.
2. Arbitrage Yield. Record the arbitrage yield of the issue, as shown on IRS Form 8038-G or other applicable form. If the tax-advantaged obligations are variable rate, yield must be determined on an ongoing basis over the life of the tax-advantaged obligations as described in the Tax Certificate.

3. Temporary Periods. Review the Tax Certificate to determine the “temporary periods” for each issue, which are the periods during which proceeds of tax-advantaged obligations may be invested without yield restriction.
4. Post-Temporary Period Investments. Ensure that any investment of proceeds after applicable temporary periods is at a yield that does not exceed the applicable yield, unless yield reduction payments can be made pursuant to the Tax Certificate.
5. Monitor Temporary Period Compliance. Monitor that proceeds (including investment earnings) are expended promptly after the tax-advantaged obligations are issued in accordance with the expectations for satisfaction of three-year or five-year temporary periods for investment of proceeds and to avoid “hedge bond” status.
6. Monitor Yield Restriction Limitations. Identify situations in which compliance with applicable yield restrictions depends upon later investments (e.g., the purchase of 0 percent State and Local Government Securities from the U.S. Treasury for an advance refunding escrow). Monitor and verify that these purchases are made as contemplated.
7. Establish Fair Market Value of Investments. Ensure that investments acquired with proceeds satisfy IRS regulatory safe harbors for establishing fair market value (e.g., through the use of bidding procedures), and maintaining records to demonstrate satisfaction of such safe harbors. Consult the Tax Certificate for a description of applicable rules.
8. Credit Enhancement, Hedging and Sinking Funds. Consult with bond counsel before engaging in credit enhancement or hedging transactions relating to an issue, and before creating separate funds that are reasonably expected to be used to pay debt service. Maintain copies of all contracts and certificates relating to credit enhancement and hedging transactions that are entered into relating to an issue.
9. Grants/Donations to Governmental Entities. Before beginning a capital campaign or grant application that may result in gifts that are restricted to financed projects (or, in the absence of such a campaign, upon the receipt of such restricted gifts), consult bond counsel to determine whether replacement proceeds may result that are required to be yield restricted.
10. Bona Fide Debt Service Fund. Even after all proceeds of a given issue have been spent, ensure that debt service funds, if any, meet the requirements of a “bona fide debt service fund,” i.e., one used primarily to achieve a proper matching of revenues with debt service that is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of: (i) the earnings on the fund for the immediately preceding bond year; or (ii) one-twelfth of the debt service on the issue for the immediately preceding bond year. To the extent that a

debt service fund qualifies as a bona fide debt service fund for a given bond year, the investment of amounts held in that fund is not subject to yield restriction for that year.

11. Debt Service Reserve Funds. Ensure that amounts invested in reasonably required debt service reserve funds, if any, do not exceed the least of: (i) 10 percent of the stated principal amount of the tax-advantaged obligations (or the sale proceeds of the issue if the issue has original issue discount or original issue premium that exceeds 2 percent of the stated principal amount of the issue plus, in the case of premium, reasonable underwriter's compensation); (ii) maximum annual debt service on the issue; or (iii) 125% of average annual debt service on the issue.
12. Rebate and Yield Reduction Payment Compliance. Review the arbitrage rebate covenants contained in the Tax Certificate. Subject to certain rebate exceptions described below, investment earnings on proceeds at a yield in excess of the yield (i.e., positive arbitrage) generally must be rebated to the U.S. Treasury, even if a temporary period exception from yield restriction allowed the earning of positive arbitrage.
 - a. Ensure that rebate and yield reduction payment calculations will be timely performed and payment of such amounts, if any, will be timely made. Such payments are generally due 60 days after the fifth anniversary of the date of issue, then in succeeding installments every five years. The final rebate payment for an issue is due 60 days after retirement of the last obligation of the issue. The Issuer should hire a rebate consultant if necessary.
 - b. Review the rebate section of the Tax Certificate to determine whether the "small issuer" rebate exception applies to the issue.
 - c. If the 6-month, 18-month, or 24-month spending exceptions from the rebate requirement (as described in the Tax Certificate) may apply to the tax-advantaged obligations, ensure that the spending of proceeds is monitored prior to semiannual spending dates for the applicable exception.
 - d. Make rebate and yield reduction payments and file Form 8038-T in a timely manner.
 - e. Even after all other proceeds of a given issue have been spent, ensure compliance with rebate requirements for any debt service reserve fund and any debt service fund that is not exempt from the rebate requirement (see the Arbitrage Rebate covenants contained in the Tax Certificate).
13. Maintenance and Retention of Arbitrage and Rebate Records. Maintain records of investments and expenditures of proceeds, rebate exception analyses, rebate calculations, Forms 8038-T, and rebate and yield reduction payments, and any

other records relevant to compliance with the arbitrage restrictions for the period indicated in Section H. below.

- G. RECORD RETENTION.** The Responsible Officer or other responsible person shall ensure that for each issue of obligations, the transcript and all records and documents described in these Procedures will be maintained while any of the obligations are outstanding and during the three-year period following the final maturity or redemption of that issue, or if the obligations are refunded (or re-refunded), while any of the refunding obligations are outstanding and during the three-year period following the final maturity or redemption of the refunding obligations.

ATTACHMENT I TO WRITTEN PROCEDURES

REMEDIAL ACTION PROCEDURES

Capitalized terms used herein but not defined have the meaning assigned thereto in Section 5 below and in the Written Policies and Procedures for Tax-Advantaged Obligations to which these Remedial Action Procedures are attached. This attachment describes written procedures that may be required to be taken by, or on behalf of, an issuer of Obligations.

1. **Background.** The maintenance of the tax status of the Obligations (*e.g.*, as tax-exempt obligations under federal tax law) depends on the compliance with the requirements set forth in the Internal Revenue Code of 1986, as amended (the “Code”). *The purpose of this attachment is to set forth written procedures to be used in the event that any deliberate actions are taken that are not in compliance with the tax requirements of the Code (each, a “Deliberate Action”) with respect to the Obligations, the proceeds thereof, or the property financed or refinanced by the Obligations (the “Financed Property”).*

2. **Consultation with bond counsel.** If a Deliberate Action is taken with respect to the Obligations and the Financed Property subsequent to the issuance or execution and delivery of the Obligations, then the Issuer must consult with Greenberg Traurig, LLP or other nationally recognized bond counsel (“bond counsel”) regarding permissible Remedial Actions that may be taken to remediate the effect of any such Deliberate Action upon the federal tax status of the Obligations. Note that remedial actions or corrective actions other than those described in this attachment may be available with respect to the Obligations and the Financed Property, including remedial actions or corrective actions that may be permitted by the Commissioner through the voluntary closing agreement programs (VCAP) provided by the Internal Revenue Service from time to time.

3. **Conditions to Availability of Remedial Actions.** None of the Remedial Actions described in this attachment are available to remediate the effect of any Deliberate Action with respect to the Obligations and the Financed Property unless the following conditions have been satisfied and unless bond counsel advises otherwise:

(a) The issuer of the Obligations reasonably expected on the date the Obligations were originally issued or executed and delivered that the Obligations would meet neither the Private Business Tests nor the Private Loan Financing Test of Section 141 of the Code and the Treasury Regulations thereunder for the entire term of the Obligations (such expectations may be based on the representations and expectations of the applicable conduit borrower, if there is one);

(b) The weighted average maturity of the Obligations did not, as of such date, exceed 120 percent of the Average Economic Life of the Financed Property;

(c) Unless otherwise excepted under the Treasury Regulations, the Issuer delivers a certificate, instrument, or other written records satisfactory to bond counsel demonstrating that the terms of the arrangement pursuant to which the Deliberate Action

is taken is *bona fide* and arm's-length, and that the non-exempt Person using either the Financed Property or the proceeds of the Obligations as a result of the relevant Deliberate Action will pay fair market value for the use thereof;

(d) Any disposition must be made at fair market value and any Disposition Proceeds actually or constructively received by the Issuer as a result of the Deliberate Action must be treated as gross proceeds of the Obligations and may not be invested in obligations bearing a yield in excess of the yield on the Obligations subsequent to the date of the Deliberate Action; and

(e) Proceeds of the Obligations affected by the Remedial Action must have been allocated to expenditures for the Financed Property or other allowable governmental purposes before the date on which the Deliberate Action occurs (except to the extent that redemption or defeasance, if permitted, is undertaken, as further described in Section 4(A) below).

4. **Types of Remedial Action.** Subject to the conditions described above, and only if the Issuer obtains an opinion of bond counsel prior to taking any of the actions below to the effect that such actions will not affect the federal tax status of the Obligations, the following types of Remedial Actions may be available to remediate a Deliberate Action subsequent to the issuance of the Obligations:

(a) Redemption or Defeasance of Obligations.

(i) If the Deliberate Action causing either the Private Business Use Test or the Private Loan Financing Test to be satisfied consists of a fair market value disposition of any portion of the Financed Property exclusively for cash, then the Issuer may allocate the Disposition Proceeds to the redemption of Nonqualified Obligations pro rata across all of the then-outstanding maturities of the Obligations at the earliest call date of such maturities of the Obligations after the taking of the Deliberate Action. If any of the maturities of the Obligations outstanding at the time of the taking of the Deliberate Action are not callable within 90 days of the date of the Deliberate Action, the Issuer may (subject generally to the limitations described in (iii) below) allocate the Disposition Proceeds to the establishment of a Defeasance Escrow for any such maturities of the Obligations within 90 days of the taking of such Deliberate Action.

(ii) If the Deliberate Action consists of a fair market value disposition of any portion of the Financed Property for other than exclusively cash, then the Issuer may use any funds (other than proceeds of the Obligations or proceeds of any obligation the interest on which is excludable from the gross income of the registered owners thereof for federal income tax purposes) for the redemption of all Nonqualified Obligations within 90 days of the date that such Deliberate Action was taken. In the event that insufficient maturities of the Obligations are callable by the date which is within 90 days after the date of the Deliberate Action, then such funds may be used for the establishment of a Defeasance Escrow within 90 days of the date of the Deliberate Action for all of the

maturities of the Nonqualified Obligations not callable within 90 days of the date of the Deliberate Action.

(iii) If a Defeasance Escrow is established for any maturities of Nonqualified Obligations that are not callable within 90 days of the date of the Deliberate Action, written notice must be provided to the Commissioner of Internal Revenue Service at the times and places as may be specified by applicable regulations, rulings, or other guidance issued by the Department of the Treasury or the Internal Revenue Service. Note that the ability to create a Defeasance Escrow applies only if the Obligations to be defeased and redeemed all mature or are callable within ten and one-half (10.5) years of the date the Obligations are originally issued or executed and delivered. If the Obligations are not callable within ten and one-half years, and none of the other remedial actions described below are applicable, the remainder of this attachment is for general information only, and bond counsel must be contacted to discuss other available options.

(b) Alternative Use of Disposition Proceeds. Use of any Disposition Proceeds in accordance with the following requirements may be treated as a Remedial Action with respect to the Obligations:

(i) the Deliberate Action consists of a disposition of all or any portion of the Financed Property for not less than the fair market value thereof for cash;

(ii) the Issuer reasonably expects to expend the Disposition Proceeds resulting from the Deliberate Action within two years of the date of the Deliberate Action;

(iii) the Disposition Proceeds are treated as Proceeds of the Obligations for purposes of Section 141 of the Code and the Regulations thereunder, and the use of the Disposition Proceeds in the manner in which such Disposition Proceeds are in fact so used would not cause the Disposition Proceeds to satisfy the Private Activity Bond Tests;

(iv) no action is taken after the date of the Deliberate Action to cause the Private Activity Bond Tests to be satisfied with respect to the Obligations, the Financed Property, or the Disposition Proceeds (other than any such use that may be permitted in accordance with the Treasury Regulations);

(v) Disposition Proceeds used in a manner that satisfies the Private Activity Bond Tests or that are not expended within two years of the date of the Deliberate Action must be used to redeem or defease Nonqualified Obligations in accordance with the requirements set forth in Section 4(a) hereof; and

(c) Alternative Use of Financed Property. The Issuer may be considered to have taken sufficient Remedial Actions to cause the Obligations to continue their applicable treatment under federal tax law if, subsequent to taking any Deliberate Action with respect to all or any portion of the Financed Property:

(i) the portion of the Financed Property subject to the Deliberate Action is used for a purpose that would be permitted for qualified tax-exempt obligations;

(ii) the disposition of the portion of the Financed Property subject to the Deliberate Action is not financed by a person acquiring the Financed Property with proceeds of any obligation the interest on which is exempt from the gross income of the registered owners thereof under Section 103 of the Code for purposes of federal income taxation or an obligation described in Sections 54A-54F, 54AA, or 6431 of the Code; and

(iii) any Disposition Proceeds other than those arising from an agreement to provide services (including Disposition Proceeds arising from an installment sale) resulting from the Deliberate Action are used to pay the debt service on the Obligations on the next available payment date or, within 90 days of receipt thereof, are deposited into an escrow that is restricted as to the investment thereof to the yield on the Obligations to pay debt service on the Obligations on the next available payment date.

Absent an opinion of bond counsel, no Remedial Actions are available to remediate the satisfaction of the Private Security or Payment Test regarding the same with respect to the Obligations. Nothing herein is intended to prohibit Remedial Actions not described herein that may become available subsequent to the date the Obligations are originally issued or executed and delivered to remediate the effect of a Deliberate Action taken with respect to the Obligations, the proceeds thereof or the Financed Property.

5. **Additional Defined Terms.** For purposes of this attachment, the following terms have the following meanings:

“Commissioner” means the Commissioner of Internal Revenue, including any successor person or body.

“Defeasance Escrow” means an irrevocable escrow established to redeem obligations on their earliest call date in an amount that, together with investment earnings thereon, is sufficient to pay the entire principal of, and interest and call premium on, obligations from the date the escrow is established to the earliest call date. A Defeasance Escrow may not be invested in higher yielding investments or in any investment under which the obligor is a user of the proceeds of the obligations.

“Deliberate Action” means any action, occurrence, or omission by the Issuer (or, if applicable, by a conduit borrower) that is within the control of the Issuer (or, if applicable, by such conduit borrower) that causes either (1) the Private Business Use Test to be satisfied with respect to the Obligations or the Financed Property (without regard to the Private Security or Payment Test), or (2) the Private Loan Financing Test to be satisfied with respect to the Obligations or the proceeds thereof. An action, occurrence, or omission is not a Deliberate Action if (1) the action, occurrence, or omission would be treated as an involuntary or

compulsory conversion under Section 1033 of the Code, or (2) the action, occurrence, or omission is in response to a regulatory directive made by the government of the United States.

“Disposition Proceeds” means any amounts (including property, such as an agreement to provide services) derived from the sale, exchange, or other disposition of property (other than Investments) financed with the proceeds of the Obligations.

“Nonqualified Obligations” means that portion of the Obligations outstanding at the time of a Deliberate Action in an amount that, if the outstanding Obligations were issued or executed and delivered on the date on which the Deliberate Action occurs, the outstanding Obligations would not satisfy the Private Business Use Test or the Private Loan Financing Test, as applicable. For this purpose, the amount of private business use is the greatest percentage of private business use in any one-year period commencing with the Deliberate Action.

“Private Activity Bond Tests” means, collectively, the Private Business Use Test, the Private Security or Payment Test, and the Private Loan Financing Test.

“Private Business Tests” means the Private Business Use Test and the Private Security or Payment Test.

“Private Business Use Test” has the meaning set forth in Section 141(b)(1) of the Code.

“Private Loan Financing Test” has the meaning set forth in Section 141(c) of the Code.

“Private Security or Payment Test” has the meaning set forth in Section 141(b)(2) of the Code.

“Remedial Action” means any of the applicable actions described in Section 4 hereof, or such other actions as may be prescribed from time to time by the Department of the Treasury or the Internal Revenue Service, which generally have the effect of rectifying noncompliance by the Issuer with certain provisions of Section 141 of the Code and the Regulations thereunder and are undertaken by the Issuer to maintain the federal tax status of the Obligations.

6. **Change in Law.** This attachment is based on law in effect as of this date. Statutory or regulatory changes, including but not limited to clarifying Treasury Regulations, may affect the matters set forth in this attachment.

**HUMBOLDT UNIFIED SCHOOL DISTRICT NO. 22 OF YAVAPAI COUNTY, ARIZONA
PROCEDURES FOR COMPLIANCE WITH OBLIGATIONS
UNDER CONTINUING DISCLOSURE UNDERTAKINGS
ADOPTED SEPTEMBER 12, 2017**

These Procedures for Compliance with Obligations under Continuing Disclosure Undertakings (these “Procedures”) set forth specific procedures of Humboldt Unified School District No. 22 of Yavapai County, Arizona (the “Issuer”) designed to assist in compliance with applicable requirements set forth in undertakings (“Continuing Disclosure Undertakings”) providing for ongoing disclosure in connection with the offering of obligations to investors for obligations (whether or not tax-exempt/tax-advantaged) subject to the continuing disclosure requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

These Procedures document practices and describe various procedures for preparing and disseminating related reports and information and reporting “listed events” for the benefit of the holders of the Issuer’s obligations and to assist the Participating Underwriters (within the meaning of the Rule) in complying with the Rule and the Continuing Disclosure Undertaking.

The Issuer recognizes that compliance with pertinent law is an ongoing process; necessary during the entire term of any obligations issued by the Issuer, and is an integral component of the Issuer’s debt management. Accordingly, implementation of these Procedures will require ongoing monitoring and consultation with bond counsel and the Issuer’s accountants and advisors.

General Policies and Procedures

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

1. The Business Manager (the “Compliance Officer”) shall be responsible for monitoring post-issuance compliance issues.
2. The Compliance Officer will coordinate procedures for record retention and review of such records.
3. All documents and other records relating to obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer.
4. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.
5. The Compliance Officer will review the annual information required to be filed pursuant to each Continuing Disclosure Undertaking.

Continuing Disclosure

Under the provisions of the Rule, Participating Underwriters are required to reasonably determine that issuers (such as the Issuer) have entered into written Continuing Disclosure Undertakings to make ongoing disclosure in connection with offerings of obligations to investors subject to the Rule. Unless the Issuer is exempt from compliance with the Rule or the continuing disclosure provisions of the Rule as a result of certain permitted exemptions, a Continuing Disclosure Undertaking executed by the Issuer will be required.

In order to monitor compliance by the Issuer with its Continuing Disclosure Undertakings, the Compliance Officer will take the actions listed below, if and as required by such Continuing Disclosure Undertakings. The Compliance Officer may coordinate with staff, and may engage a dissemination agent, counsel, and/or other professionals to assist in discharging the Compliance Officer's duties under these Procedures as the Compliance Officer deems necessary.

A. Compilation of Currently Effective Continuing Disclosure Undertakings

The Compliance Officer shall compile and maintain a set of all currently effective Continuing Disclosure Undertakings of the Issuer. Such agreements are included in the transcript of proceedings for the Issuer's respective obligation issue. Continuing Disclosure Undertakings are "Currently Effective" for purposes of these Procedures (and hence shall be included in the set of Currently Effective Continuing Disclosure Undertakings) for so long as the obligations to which they relate are outstanding. As obligations are completely repaid or redeemed, the Compliance Officer shall remove the related Continuing Disclosure Undertakings from the set of Currently Effective Continuing Disclosure Undertakings.

B. Annual Review and Annual Reporting Requirements

The Compliance Officer shall ensure that all necessary financial statements, financial information and operating data is filed in the manner and by the filing dates set forth in the Currently Effective Continuing Disclosure Undertakings. The Compliance Officer shall review the set of Currently Effective Continuing Disclosure Undertakings annually, prior to each annual filing, keeping in mind:

- The financial information and operating data required to be reported under a particular Continuing Disclosure Undertaking may differ from the financial information and operating data required to be reported under another Continuing Disclosure Undertaking; and
- The timing requirements for reporting under a particular Continuing Disclosure Undertaking may differ from the timing requirements for filing under another Continuing Disclosure Undertaking.

C. Calendar; EMMA Notification System

The Compliance Officer shall keep a calendar of all pertinent filing dates required under the Issuer's Currently Effective Continuing Disclosure Undertakings. The Compliance Officer shall also subscribe to notification services made available through the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

D. Annual Review of Prior Filings

As part of the annual review process, the Compliance Officer shall also review prior filings made within the past five years subsequent to the last such review of prior filings. If the Compliance Officer discovers any late or missing filings, the Compliance Officer (after discussing the circumstances with the Issuer's dissemination agent, counsel or other agents as necessary) shall file the missing information.

E. Monitoring of Listed events

The Compliance Officer shall monitor the occurrence of any of the following events and/or other events set forth in the Currently Effective Continuing Disclosure Undertakings and shall provide notice of the same in the required manner and by the relevant reporting deadline (generally within 10 days of the occurrence):

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- 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 Issuer's obligations, or other material events affecting the tax status of the Issuer's obligations;
- Modification to rights of holders of the Issuer's obligations, if material;
- Calls of the Issuer's obligations, if material, and tender offers;
- Defeasances of the Issuer's obligations;
- Release, substitution or sale of property securing repayment of the Issuer's obligations, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the Issuer;
- The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

F. Review of Official Statements

The Compliance Officer shall review drafts of any offering document for a new offering of obligations, with assistance from its dissemination agent, counsel or other agents of the Issuer as necessary, and shall determine that the offering document accurately and completely describes the Issuer's continuing disclosure compliance history within the five years prior to the date of the respective Official Statement. This compliance review is not meant to limit the Issuer's other reviews of or diligence procedures relating to its offering documents.

G. Record Retention

The Compliance Officer shall retain documentation evidencing the Issuer's annual reviews and its reviews of offering documents in connection with new offerings as set forth above. This Issuer shall retain this documentation, for each Continuing Disclosure Undertaking, for the period that the related obligations are outstanding.

H. Annual Review Checklist

The Compliance Officer may (or may not) choose to use and retain the attached Annual Review Checklist to assist in implementing these Procedures.

CONTINUING DISCLOSURE ANNUAL REVIEW CHECKLIST

1. **Fiscal Year Ending:** _____
2. **Compliance Officer:** _____
3. **Checklist Completion Date:** _____
4. **Obligations for which there are Currently Effective Continuing Disclosure Undertakings**

- Attach Agreements:

\$ _____, dated _____, 20____

\$ _____, dated _____, 20____

\$ _____, dated _____, 20____

\$ _____, dated _____, 20____

\$ _____, dated _____, 20____

\$ _____, dated _____, 20____

\$ _____, dated _____, 20____

5. **Have any new Obligations subject to Continuing Disclosure Been Issued this Year?**

_____ No

_____ Yes (Add Agreement to Currently Effective Continuing Disclosure Undertakings)

If Yes, did the Compliance Officer review the Offering Document's Description of the Issuer's Continuing Disclosure Compliance History within the Prior 5 Years?

Circle: Y/ N (If N, review and discuss any issues with counsel.)

6. Have any Obligations subject to Continuing Disclosure Been Completely Paid or Redeemed this Year?

_____ No

_____ Yes (Remove Agreement from Currently Effective Continuing Disclosure Undertakings)

7. (a) Has the Compliance Officer Review the Annual Continuing Disclosure Filing to Ensure that all Necessary Financial Statements, Financial Information and Operating Data is Included?

_____ Yes

_____ No (Compliance Officer must review the Annual Continuing Disclosure Filing)

(b) For purposes of this review, please keep in mind:

	Checked?
Different Continuing Disclosure Undertakings may require different information to be file (so check each one)	Y / N
Different Continuing Disclosure Undertakings may have different filing timing requirements (so check each one).	Y / N

Have any of the Following Events Occurred this Year?

Event	Circle
1. Principal and interest payment delinquencies	Y / N
2. Non-payment related defaults, if material	Y / N
3. Unscheduled draws on debt service reserves reflecting financial difficulties	Y / N
4. Unscheduled draws on credit enhancements reflecting financial difficulties	Y / N
5. Substitution of credit or liquidity providers, or their failure to perform	Y / N
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's obligations, or other material events affecting the tax status of the Issuer's obligations	Y / N
7. Modification to rights of holders of the Issuer's obligations, if material	Y / N
8. Calls of the Issuer's obligations, if material, and tender offers	Y / N
9. Defeasances of the Issuer's obligations	Y / N
10. Release, substitution or sale of property securing repayment of the Issuer's obligations, if material	Y / N
11. Rating changes	Y / N
12. Bankruptcy, insolvency, receivership or similar event of the Issuer	Y / N
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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	Y / N
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material	Y / N

If any such Event Occurred, was Proper Notice Provided?

_____ Yes

_____ No (Call your dissemination agent or counsel immediately to discuss)

_____ N/A

Has the Issuer Retained a Dissemination Agent? (i.e., a Paid Third Party that Assists with Filings)

_____ Yes: Name/Contact: _____

_____ No

ACTION

Item 10B.

BMHS Online Academy
CTDS Number

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO:	Humboldt Unified School District Governing Board	Item # 108
FROM:	Rob Bueche, Executive Director of Federal Program and School Innovation	Reading
DATE:	September 12, 2017	Discuss
SUBJECT:	Request to the Arizona Department of Education to issue a CTDS (County Type District School) number for the online instruction academy housed at Bradshaw Mountain High School	Action X Consent

OBJECTIVE:	Goal #1 – To Raise the Level of Student Achievement
	Goal #2 – To Focus on Planning for Future Student Needs

SUPPORTING DATA:

The purpose of this request is to open a CTDS number for students who will be served by the Bradshaw Mountain Online Academy (BMOA) an opportunity to enroll in an online learning format. Arizona Revised Statute §15-808 permits the functioning of an Online Instructional Institution, as well as allows for the institution to collect enrollment for students who are in the program. In order to exist, action to approve this application by the Governing Board is required. Previously, the board approved the request for a CTDS number at their meeting in November of 2009, but the name has since changed from the Virtual On-Line School to the Bradshaw Mountain Online Academy.

The CTDS number of the Bradshaw Mountain High School East campus is a logical choice for the required state coding. In order for this to happen, we would need to transfer and rename the school assigned to the code to take on the Bradshaw Mountain Online Academy as the identity with the State of Arizona. This would allow for it to operate as an online learning academy instead of a brick and mortar building, and the location of BMOA would be housed within the physical address of Bradshaw Mountain High School. This would require no additions to the staff at the time of this request. Additionally, this initiative supports Goal 1, Strategy 1 of Vision 2020, which guarantees that all students have access to a rigorous, guaranteed, and viable curriculum in each content area PreK-12 that is developed and delivered by teachers in collaboration with district support personnel (see attached application for additional details). Additionally, supports for Goal 2, Strategies 2, 3, and 6 all ensure access for students to technological devices to enhance educational experiences and opportunities, providing access to...online learning environments, and addressing (student cultural) needs through researched-based programs is made possible. This affords flexibility for students to attend school exclusively in the online format if certain factors, as designated on a case-by-case basis by BMHS administration, prohibit a student from attending BMHS.

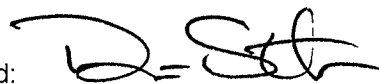
SUMMARY & RECOMMENDATION:

It is recommended that the Governing Board approve the reactivation and transfer of the CTDS number for Bradshaw Mountain High School East entity to the Bradshaw Mountain Online Academy.

Sample Motion:

I move to approve the reactivation and transfer of the CTDS number for Bradshaw Mountain High School East entity to the Bradshaw Mountain Online Academy.

Approved for transmittal to the Governing Board:



Mr. Daniel Streeter, Superintendent

Questions should be directed to: Rob Bueche, Director of Federal Programs and School Innovation at 759-4010.



ENTITY PROFILE FORM

Required fields have blue fill instead of white fill or have red borders

Effective Fiscal Year: 2018

Entity CTDS: 130222240

Do you want to...

Entity Name: Bradshaw Mountain High School East

- ☐ Create a New Entity
- ☐ Modify this Entity
- ☐ Close this Entity
- ☒ Reopen this Entity
- ☐ Add JTED Member District
- ☐ Remove JTED Member District

Please provide a brief description of the proposed changes to your profile:

Bradshaw Mountain High School East is an inactive CTDS Number.. We are proposing this CTDS Number be assigned to the Bradshaw Mountain Online Academy, an AOI school. This would require a name change from Bradshaw Mountain High School East to Bradshaw Mountain Online Academy, and permit Humboldt Unified School District to offer educational programming to students using an on-line learning format offered through Edgenuity.

Mailing Address:

6411 N. Robert Road

City: Prescott Valley State: AZ

Zip Code: 86314 County Yavapai

Site Phone Number: (928) 759-4000

Physical Address:

City: State:

☒ Same as Mailing Address Zip Code: County

Site Fax Number: (928) 759-4020

Grades Served:

PS	K	1	2	3	4	5	6	7	8	9	10	11	12	UE
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Contact Information:

Name: Rob Bueche

Title: Executive Director of Federal Programs

☐ Check to add contact to entity contact list

Phone: (928) 759-4010

Fax: (928) 759-4044

E-Mail: robert.bueche@humboldtunified.com

Authorizing Person: Dan Streeter

Position: District Superintendent

Phone: (928) 759-5007

E-mail: daniel.streeter@humboldtunified.com

Web Site: www.humboldtunified.com

Select your LEA Account Analyst: Kristin Bumford

For questions, please call (602) 542-5695

ACTION

Item 10C.

Curriculum Adoption

Edgenuity

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO: Humboldt Unified School District Governing Board Item # 10C
FROM: Cole Young, Executive Director of Educational Services Reading
DATE: September 12, 2017 Discuss
SUBJECT: Proposed Adoption of On-Line Curriculum - Edgenuity Action X

OBJECTIVE: Goal #1 To Raise the Level of Student Achievement
Goal #2 To Focus on Planning for Future Student Needs

SUPPORTING DATA: The link to the Edgenuity website is: <https://www.edgenuity.com/>

In January 2017 a committee was formed to begin looking at available on-line curriculum to meet the needs of our high school students for credit recovery, blended learning, and to also support students in a total on-line environment.

In order to meet the expectations of the adopted Arizona College and Career Readiness Standards (ACCRS), the HUSD graduate profile, and to accommodate the needs of the multiple pathways needed by students, the committee conducted an extensive search concerning an on-line curriculum that would fit our students' current and future needs.

The committee went through the process of reviewing four different on-line curricula and selected two publishers to give a presentation to the group. The committee then discussed the curricula and requested the two companies to return for a second presentation to answer any questions/ concerns pertaining to our specific needs. To conclude this four month process, through committee consensus building, we unanimously selected Edgenuity.

Edgenuity was selected by the committee based on its adaptability, ease of use, alignment to rigorous educational outcomes, expansion opportunities and its ability to provide optional pathways for our students to actively engage in the ownership of both their current and future educational needs.

Lastly, in preparing for the future needs of our all our students, Edgenuity has the ability to expand with our Vision 2020 concerning the experience our students need to be nationally and globally competitive. Edgenuity expands our course offerings, makes curriculum accessible down to the sixth grade level for our students, and provides on-line options for teachers to use in the classroom or in a stand-alone environment.

SUMMARY & RECOMMENDATION:

After forming a comprehensive stakeholder committee and working through a consensus process of selecting an on-line curriculum, the instructional resource information was available for public viewing and comment for 60+ days.

It is recommended by the committee that Edgenuity be adopted as the curriculum to drive our on-line platform.

Sample Motion:

I move to adopt Edgenuity as the core on-line curriculum for Humboldt Unified School District.

Approved for transmittal to the Governing Board:


Mr. Daniel Streeter, Superintendent

Questions should be directed to: Executive Director of Educational Services, Cole Young 759-5016

ACTION
Item 10D.

BFPS Fees

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO:	Humboldt Unified School District Governing Board	Item # 10D
FROM:	Patty Bitsilly, Director of Special Services	Reading
DATE:	September 12, 2017	Discuss
SUBJECT:	Preschool Fee Modification	Action X
		Consent

OBJECTIVE:	Goal #1: To Raise the Level of Student Achievement
	Goal #4: To Attract and Retain Highly Effective Employees

SUPPORTING DATA

Bright Futures Preschool is requesting to provide an incentive and fringe benefit to all employees choosing to enroll their children in the preschool program on a fee basis. The current cost for enrollment includes a \$50 one-time registration fee per family and an ongoing cost of \$180 per month.

BFPS Employee Rate Proposal:

- Waive the one-time \$50 registration fee
- Reduce monthly rate to \$150 per month
- 5% discount for paying the annual fee upon enrollment (all fee-based families)

We are aware that current staff members and potential staff members are in need of convenient, high quality preschool program. As BFPS seeks to expand its services to more typical peers, this would provide an incentive to an already existing pool of students.

The proposal has been reviewed and approved by legal counsel.

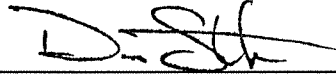
SUMMARY & RECOMMENDATION

In an effort to support Humboldt Unified employees, Bright Futures Preschool is proposing an employee rate. We believe this proposed structure will fill a need for our staff in providing convenient, high quality preschool for their children.

Sample Motion

I move to approve the Bright Futures Preschool Employee Rate as presented.

Approved for transmittal to the Governing Board:


Mr. Daniel Streeter, Superintendent

Questions should be directed to: Patty Bitsilly, 759-4031

ACTION
Item 10E.

Bid Award
Caliente Construction

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO:	Humboldt Unified School District Governing Board	Item #	10E
FROM:	Dr. James Bogner, Assistant Superintendent-Operations	Reading	
DATE:	September 12, 2017	Discuss	
SUBJECT:	Reroofing of Mountain View Elementary School Bid Award – Caliente Roofing	Action	X

OBJECTIVE: Board Governance

SUPPORTING DATA:

The District engaged the Professional Group Public Consulting, Inc. (PCPG) to assist in the procurement of our School Facilities Board (SFB) Building Renewal Grant (BRG). This project included multiple shingle roofs at Mountain View Elementary School. The District also utilized WRE Corporation for the development of specifications and drawings for this project. (Scope of project attached).

The District issued: IFB#17-00-01 Reroofing of Mountain View Elementary School. The bids were legally advertised in the Daily Courier on April 22, and again on May 2, 2017. PCPG notified 112 general and roofing contractors regarding the opportunity.

The non-mandatory pre-bid meeting was held at Mountain View Elementary School on May 8, 2017, at 9:00 a.m. where the bid was reviewed and vendors walked the project and inspected roofs of the multiple buildings of the school. Three general contractors, two roofing contractors, and one HVAC contractor were present at the pre-bid meeting.

Two (2) sealed bids were received from general contractors, no later than the specified time of 11:00 a.m. on May 19, 2017, at the HUSD District Office.

The lowest responsive and responsible bid of \$380,000 was from Caliente Construction.

On August 2, 2017, the Arizona School Facilities Board approved this project at a total cost of \$440,461.00 which includes architectural/engineering services, procurement services, and the general contracting services. (Copy attached).

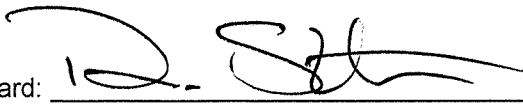
SUMMARY & RECOMMENDATION:

It is recommended that the Governing Board award the Mountain View Elementary School reroofing project to Caliente Construction to be funded through the Arizona School Facilities Board.

Sample Motion:

I move to approve the selection of Caliente Construction for the reroofing project at Mountain View Elementary School as presented.

Approved for transmittal to the Governing Board: _____


Mr. Daniel Streeter, Superintendent

Questions should be directed to: Dr. James Bogner, Assistant Superintendent-Operations, 759-4000

SCOPE OF WORK

PROJECT IDENTIFICATION

PROJECT NAME: Humboldt Unified School District
PROJECT: Mountain View Elementary School
SITE ADDRESS: 8601 E. Loos Dr.
Prescott Valley, AZ 86314
City State ZIP Code

SCOPE OF WORK

SUMMARY:

1. Remove the existing gutters and down spouts, clean and repair where possible. Save gutters to reinstall.
2. Tear off existing roof system down to wood decking. Remove all system fasteners.
3. Replace any decking that is structurally unsound. (line item pricing)
4. Replace any fascia that is structurally unsound. (line item pricing)
5. All wall expansion joints adjacent to the roofing system shall be cleaned out and new backer rod and sealants installed. Color match wall as close as possible.
6. Discard all debris by legal means.
7. Extend the height of all roof penetrations, stands and curbs to a height of 8 inches above the roof deck height including eight of crickets.
8. Modify all roof top equipment and penetrations to meet the new height requirements.
9. Install the self-adhered membrane per specification.
10. Install all flashings per specification and details.
11. Install shingles per specification.
12. Install ridge vents at existing locations.
13. Install ridge shingles not to block ridge vents.
14. Reinstall existing gutters using rust resistant screws. Nails will not be permitted.
15. Replace any gutter that is not usable (line item pricing)
16. Clean up and remove all debris.
17. Utilize magnets to remove all nails and metals from the ground around the work site.

SFB District Access

Balance Sheet
Accounting Information

Humboldt Unified District

Humboldt Unified District

Mountain View Elementary School

Balance Sheet for Project: 130222132-1001-008-BRG

Project Status History

View Project Application

Additional Cost - Fund 691

Tran Date	Warrant Date	Memo	Payments	Budget	Balance
5/22/2017	NA	SFB approval 4/4/17	\$0.00	\$7,000.00	\$7,000.00
8/2/2017	NA	SFB approval 8/2/17	\$0.00	\$15,000.00	\$22,000.00
Account Total			\$0.00	\$22,000.00	\$22,000.00

Base Cost - Fund 691

Tran Date	Warrant Date	Memo	Payments	Budget	Balance
5/22/2017	NA	SFB approval 4/4/17	\$0.00	\$0.00	\$0.00
8/2/2017	NA	SFB approval 8/2/17	\$0.00	\$380,461.00	\$380,461.00
Account Total			\$0.00	\$380,461.00	\$380,461.00

Contingency Cost - Fund 691

Tran Date	Warrant Date	Memo	Payments	Budget	Balance
5/22/2017	NA	SFB approval 4/4/17	\$0.00	\$0.00	\$0.00
8/2/2017	NA	SFB approval 8/2/17	\$0.00	\$38,000.00	\$38,000.00
Account Total			\$0.00	\$38,000.00	\$38,000.00

District Funds

Tran Date	Warrant Date	Memo	Payments	Budget	Balance
5/22/2017	NA	SFB approval 4/4/17	\$0.00	\$0.00	\$0.00
8/2/2017	NA	SFB approval 8/2/17	\$0.00	\$0.00	\$0.00
Account Total			\$0.00	\$0.00	\$0.00
Total			\$0.00	\$440,461.00	\$440,461.00

SCHOOL FACILITIES BOARD

Adopted: December 4, 2008

Modified: November 4, 2009, June 23, 2010, July 11, 2012, October 9, 2013, April 6, 2016, December 8, 2016

TERMS AND CONDITIONS FOR ACCEPTANCE OF MONIES FROM BUILDING RENEWAL GRANT FUND

School District: Humboldt Unified District

School: Mountain View Elementary School

Project Number: 130222132-1001-008BRG

Project Description: Reroofing - 2017

1. PURPOSE OF TERMS AND CONDITIONS

These Terms and Conditions apply to the distribution of monies by the Arizona School Facilities Board ("Board") from the Building Renewal Grant Fund ("Fund") pursuant to Arizona Revised Statutes, ("A.R.S.") §15-2032.

These monies are being awarded to the District for the purpose of maintaining the adequacy of existing school facilities owned by school districts that are required to meet the minimum adequacy standards for student capacity and that fall below the minimum school facility guidelines. Districts are prohibited from using monies from the Fund awarded pursuant to these Terms and Conditions on any project that is in a building, or part of a building, that is being leased to another entity. All monies used must be in compliance with the statutory requirements found in A.R.S. §15-2032 and the Building Renewal Grant Policy adopted on October 2, 2008 and as subsequently amended, as well as any applicable session law.

2. TERM OF TERMS AND CONDITIONS

The term of this Terms and Conditions shall begin on the date of the District's signature and shall continue until the Completion Report, pursuant to ¶ 4.2, is received by the Board and the Project is closed.

2.1 Abandonment of Project

A Project is considered to be abandoned if construction has not begun within four months of Board approval of construction funding. In such an instance, any unspent monies advanced by the Board to the District must be returned to the Board within thirty (30) days.

3. FINANCIAL CONDITIONS

The District will accept a grant from the Fund in accordance with all applicable state statutes and rules, and will expend the funds in compliance with all provisions of such statutes and rules, including but not limited to, the following:

- a. Use of fiscal control and fund accounting procedures as prescribed in the Uniform System of Financial Records, which will insure proper disbursement of, and accounting for, monies paid to the District from the Fund;
- b. Compliance with the procurement rules adopted by the State Board of Education and the Arizona Procurement Code, as applicable;
- c. Compliance with all applicable state, federal, and local codes and laws related to buildings and building access, including permitting requirements of the Department of Environmental Quality for any construction project;
- d. Compliance with any applicable federal, state and local health or safety requirements.

3.1 UNIFORM SYSTEM OF FINANCIAL RECORDS

The District will maintain records as required by the Uniform System of Financial Records and provide access to those records to the Board as necessary to perform its duties. The District will cooperate with the Board or the Auditor General or any of their authorized representatives when audits are conducted as authorized by law. This cooperation includes access without unreasonable restrictions to the District's records and personnel for the purpose of obtaining relevant information.

3.2 SURPLUS FUNDS

If the final cost of the Project is less than the amount awarded by the Board, the District shall return the unspent monies to the Board.

3.3 UNFORSEEN CONDITIONS

The District shall notify its School Facilities Liaison if any unforeseen conditions arise during Project implementation. The School Facilities Liaison will direct the District on how to proceed. The District must receive approval from the School Facilities Liaison to proceed if the unforeseen condition requires any change orders or will result in any changes in the contract value or contract scope.

3.4 LOCAL FUNDS

If the District intends to supplement the Project with additional funds, the District shall provide to the Board a resolution from the District's governing board setting forth the commitment of additional funding. The District's governing board's resolution shall clearly indicate the amount being committed in each project.

3.5 SCOPE OF WORK

The Board must approve any changes in the scope of the work of the Project. If changes in the scope of work are made without the Board's approval, the Board shall determine if the new scope of work satisfies the project criteria for funding. If the Board determines that the new scope in work does not meet the criteria for funding, the Board shall consider the Project abandoned. The District shall return any unspent monies to the Board, and reimburse the Fund for monies spent without proper authorization from the Board within thirty (30) days of being notified by the Board.

3.6 FUTURE REPAIRS – THIS SECTION SURVIVES THE TERMINATION OF THIS AGREEMENT

To the extent allowed by law, if the District has contributed local funds to pay for an upgrade of the Project beyond that required by the minimum school facilities guidelines; any increased in the cost of a future repair or replacement shall be paid for proportional to the original cost sharing.

4. REPORTING REQUIREMENTS

The District will make reports to the Board as requested, and will cooperate with any evaluation of the grant and/or project as required by the Board. All expenditures and projects are subject to audit. All construction and related contracts entered into by the District shall contain a clause that will permit the Board and/or the District to audit the contract.

4.1 PUBLIC RECORD

Any application, report or plan, including school designs or architectural drawings relating to the funded Project in the possession of the District or its agents or designees is deemed a public record as defined by Arizona law.

4.2 COMPLETION REPORT

The District shall provide a completion report in a format prescribed by the Board, and shall maintain records for five years following the completion of the project, which show:

- a. The amounts received from the Fund;
- b. How the District spent the monies received from the Fund;
- c. The total cost of the project;
- d. The share of the total cost provided from other sources;
- e. A list of all change orders that were approved for a construction project.

5. INSURANCE REQUIREMENTS

For all construction projects, the District agrees to secure insurance coverage for purposes of general liability, property damage and workers' compensation and secure performance and payment bonds.

6. AUDIT OF RECORDS

Pursuant to A.R.S. §§ 35-214 and 35-215, the District shall retain and shall contractually require each subcontractor to retain all data, books and other records ("records") relating to these Terms and Conditions for a period of five years after completion of these Terms and Conditions. All records shall be subject to inspection and audit by the State for five years after the termination of these Terms and Conditions.

7. AVAILABILITY OF FUNDS

Every payment obligation of the State under these Terms and Conditions is conditioned upon the availability of funds allocated for the payment of such obligations. If funds are not allocated and available for the continuance of the Project, these Terms and Conditions may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

8. RESOLUTION OF DISPUTES

The Parties to these Terms and Conditions agree to resolve all disputes arising out of or relating to these Terms and Conditions through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes.

9. NON-DISCRIMINATION

The Parties shall comply with Executive Order 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The Parties shall take affirmative action to ensure that Districts for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability. However, Indian tribes are exempt from the definition of employer for both federal and State Civil Rights Act.

10. TERMINATION

Each party shall have the right to terminate this Agreement by notifying the other party in writing of the termination at least thirty (30) days prior to the effective date of said termination. If the Agreement is terminated by the Board, the District shall be paid for all the allowable costs incurred prior to the date of termination. The payment of costs may be subject to audit verification by the Board or its duly authorized representative.

11. ASSIGNMENT AND DELEGATION

Neither party may assign any rights hereunder without the express, prior written consent of both parties.

12. CANCELLATION FOR CONFLICT OF INTEREST

The parties acknowledge that these Terms and Conditions are subject to the cancellation provisions set forth in A.R.S. §38-511.

13. ENTIRE AGREEMENT

These Terms and Conditions contain the entire understanding of the parties hereto. There are no representations or provisions other than those contained herein. Any amendment or modification of these Terms and Conditions shall be consistent with section 1 of these Terms and Conditions.

14. APPLICABLE LAW

These Terms and Conditions shall be governed and interpreted by the laws of the State of Arizona.

15. THIRD PARTY ANTITRUST VIOLATIONS

The District assigns to the State any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the District toward fulfillment of these Terms and Conditions.

16. PROGRAM REVIEW AND SITE VISITS

The Board has the right to make site visits at reasonable intervals for purposes of review of Project accomplishments and management control systems and to provide technical assistance, if required. The District will provide reasonable access to facilities, office space, resources, and assistance for the safety and convenience to the Board's representatives in the performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

17. RIGHTS IN DATA

The Board may duplicate, use, and disclose in any manner and for any purpose whatsoever, within the limits established by Federal and State laws and regulations, all information relating to these Terms and Conditions.

18. FEDERAL IMMIGRATION AND NATIONALITY ACT

By entering into the Contract, the District warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The District shall obtain statements from its contractors and its subcontractors certifying compliance and shall furnish the statements to the Board upon request. These warranties shall remain in effect through the term of the Terms and Conditions. The District and its contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at USCIS.GOV.

The State may request verification of compliance for any of the District's contractor or subcontractor performing work under these Terms and Conditions. Should the State suspect or find that the District or its contractor or any of its subcontractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Terms and Conditions for default, and suspension and/or debarment of the contractor. All costs necessary to verify compliance are the responsibility of the contractor.

19. PURSUANT TO E-VERIFY REQUIREMENT, A.R.S. § 41-4401

- 19.1 The District's contractors must warrant compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with A.R.S. § 23-214(A). (That subsection reads: After December 31, 2007, each employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-verify program.)
- 19.2 A breach of warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of contract and the contractor may be subject to penalties up to and including termination of the contract.
- 19.3 Failure to comply with a Board audit process to randomly verify the employment of contractors and subcontractors shall be deemed a material breach of contract and the contractor may be subject to penalties up to and including termination of the contract.
- 19.4 The Board retains the legal right to inspect the papers of any employee who works on the Project to ensure that the contractor or subcontractor is complying with the warranty under paragraph 1.

20. REIMBURSEMENTS FOR INVESTIGATIONS, ASSESSMENTS, REPAIRS AND REPLACEMENTS.

The Board may enter into additional agreements with the District that authorize the District to utilize Board funded investigations, assessments, repairs or replacements for construction defect litigation. This agreement may require the District to reimburse the Board an agreed upon amount for the expenses incurred in obtaining those investigations, repairs or replacements if, upon the completion of the legal action, the District receives damages.

21. PROHIBITED BEHAVIOR-BOYCOTT OF ISRAEL

The District warrants that its contractors are not engaged in a boycott of Israel as defined by A.R.S. §35-393.01.

22. FLOW-DOWN REQUIREMENTS

The District shall comply with requirements of applicable Federal, State and local laws, regulations, policy and guidance, and shall flow down the requirements of applicable Federal, State, and local laws, regulations, policy and guidance to contractors and subcontractors at any tier to the extent necessary to ensure compliance with the requirements.

The District shall comply with all laws, statutes, ordinances, rules, codes, regulations applicable to any school district.

23. CERTIFICATION / AUTHORIZATION

These Terms and Conditions must be signed by the President of the Governing Board of the District and certifies that he or she has read these Terms and Conditions and represents and warrants that he or she is duly authorized to agree and accept and therefore sign these Terms and Conditions on behalf of the District.

Governing Board President (signature)

Date

Name (typed)

School District

Project number: 130222132-1001-008BRG

ACTION

Item 10F.

Curriculum Fellow Services Agreement

Great Minds

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO:	Humboldt Unified School District Governing Board	Item # 10F
FROM:	Cole Young, Executive Director of Educational Services	Reading
DATE:	September 12, 2017	Discuss
SUBJECT:	Great Minds - Contract Approval – Curricular Fellowship	Action X
		Consent

OBJECTIVE: Goal #1 – To Raise the Level of Student Achievement

SUPPORTING DATA:

Andrea Misemer, HUSD Curriculum Coordinator, applied and received the honor of working with Great Minds as a 'Curriculum Fellow' for the 2017-18 school year. The terms of this contract for job sharing the Curriculum Coordinator position are based on a 50% Humboldt Unified and 50% Great Minds split of time. Meaning, the 203 day Curriculum Coordinator contract is split in half with Great Minds. Subsequently, Great Minds agrees to pay for half of the salary and benefit package currently received by the Curriculum Coordinator. This contract does have a cancellation clause allowing for it to be terminated for any reason given a thirty day notice.

The attached contract has been reviewed and approved by the District's legal counsel.


SUMMARY & RECOMMENDATION:

It is the recommendation of administration that the contract be approved.

Sample Motion:

I move to approve the contract with Great Minds concerning the Curriculum Fellowship offered to Andrea Misemer, HUSD Curriculum Coordinator.

Approved for transmittal to the Governing Board:


Mr. Daniel Streeter, Superintendent

Questions should be directed to: Cole Young, Executive Director of Educational Services 759-5016

Curriculum Fellow Services Agreement

This Curriculum Fellow Services Agreement (this “**Agreement**”), dated as of 7/19/2017 (the “**Effective Date**”), is by and between Great Minds LLC, a District of Columbia limited liability company exempt from taxation under Section 501(c)(3) of the Internal Revenue Code with a principal place of business at 55 M Street, SE, Suite 340, Washington, DC 20003 (“**GM**”) and Humboldt Unified School District with offices located at 6411 N. Robert Road (District Office) (the “**School**”).

WHEREAS, Great Minds, a District of Columbia nonprofit corporation (“**Parent**”) is the sole member of GM and is organized and operated exclusively for charitable, educational and scientific purposes (collectively referred to as “**Charitable Purposes**” and more specifically outlined below) and has been recognized by the Internal Revenue Service as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended and in force from time to time (the “**Code**”);

WHEREAS, GM is disregarded as an entity separate from Parent for federal income tax purposes in that it is treated as exempt under Section 501(c)(3) of the Code and its activities are considered an extension of the Parent’s activities;

WHEREAS, Parent’s Charitable Purposes are to engage in certain lawful acts or activities permitted under the District of Columbia Nonprofit Corporation Act of 2010, as the same may be amended and in force from time to time (the “**Act**”) which are charitable, educational, and/or scientific in nature, entitling Parent to exemption from taxation under Section 501(c)(3) of the Code, and more particularly to: (i) further a rigorous liberal arts education for all students enrolled in America's primary and secondary schools through exposure to a complete liberal education—including history, literature, geography, civics, languages and the arts in addition to science, math and language arts; (ii) promote at the federal, state and local levels for the liberal arts to be included in: state, national and independent standards, state and federal assessments, state and local curricula and secondary school graduation requirements, and teacher education and certification requirements; (iii) conduct and disseminate research in the field of education; (iv) create, disseminate and publish liberal arts curriculum and conduct associated professional education and training in the field of education; and (v) assist states, districts and schools with the development and implementation of curriculum;

WHEREAS, to promote its Charitable Purposes, GM desires to engage School to provide, and School desires to provide, the Services (as defined below) to GM, all as more fully set forth herein.

WHEREAS, without limiting the generality of the preceding recitals, School District and GM (collectively, the “**Parties**”) desire to acknowledge: (a) the content of the Products is educational; (b) the preparation of the Products will follow methods generally accepted as “educational” in character; (c) the distribution of the Products is necessary and valuable in achieving the Charitable Purposes; and (d) the manner in which the Products are distributed is distinguishable from ordinary commercial publishing practices.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Curriculum Fellow Rights and Services.

School shall provide to GM the services (the “**Services**”) set out in one or more statements of work to be issued by GM and accepted by School (each, a “**Statement of Work**”). The initial accepted Statement of Work is attached hereto as **Schedule A**. Each Statement of Work shall identify a designated Curriculum Fellow, who shall be an employee of the School. Additional Statements of Work shall be deemed accepted only if signed by an authorized representative of GM and an authorized representative of School. School shall provide the Services: (a) in accordance with the terms and subject to the conditions set forth in the respective Statement of Work and this Agreement; (b) in a timely, workmanlike and professional manner; (c) in accordance with the highest professional standards; and (d) to the satisfaction of GM. Without limitation, Services may include creating new curriculum and/or products or revising existing curriculum and/or products. The Parties agree that School’s designated Curriculum Fellow will not perform Services on scheduled days off on the school calendar.

2. Term. This Agreement shall commence as of the Effective Date and shall continue thereafter for a period of 1 year, unless sooner terminated pursuant to **Section 8**.

3. Intellectual Property Rights.

3.1 “**Intellectual Property Rights**” means any or all of the following and all rights in, arising out of, or associated with (a) patents, patent disclosures and inventions (whether patentable or not), (b) trademarks, service marks, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith, (c) copyrights and copyrightable works (including computer programs) including derivative works, and rights in data or databases, (d) trade secrets, know-how and other confidential information, and (e) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions, of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

3.2 GM and its licensors are, and shall remain, the sole and exclusive owner of all right, title and interest in and to all documents, work product and other materials that are delivered to School and/or Curriculum Fellow in connection with this Agreement (the “**Works**”), including all Intellectual Property Rights therein. School shall have no right or license to use any Works except to the extent necessary to provide the Services to GM. All other rights in and to the Works are expressly reserved by GM.

3.3 GM is, and shall be, the sole and exclusive owner of all right, title and interest in and to all documents, work product and other materials that are delivered to GM hereunder or prepared, developed or created by or on behalf of Curriculum Fellow or School in the course of performing, or in connection with, the Services (the “**Deliverables**”), including all Intellectual

Property Rights therein. School agrees that with respect to any Deliverables that may qualify as “work made for hire” as defined in 17 U.S.C. §101, such Deliverables are hereby deemed a “work made for hire” for GM.

3.4 To the extent that any or all of the Deliverables do not constitute a “work made for hire,” School hereby irrevocably assigns to GM all right, title, and interest in and to the Deliverables, including but not limited to all Intellectual Property Rights and so-called “moral rights” or rights of droit moral. To the extent that moral rights (including without limitation the rights of attribution, reputation, and/or integrity) are not assignable under local law, School voluntarily agrees to waive, and hereby waives, all such rights. School shall not retain or acquire any rights whatsoever in or to the Deliverables, and shall not have the right to use the Deliverables for any purpose whatsoever except in performance of the Services or with the express prior written consent of GM.

3.5 Upon the request of GM, School shall, and shall cause its designated Curriculum Fellow and all of its other employees and other personnel to promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist GM to prosecute, register, perfect or record its rights in or to any Deliverables.

3.6 School represents and warrants that all Deliverables will be original to Curriculum Fellow and not copies or substantial copies of any other artwork, sketches, drawings, designs, graphics, imagery, color studies, photographs, mechanicals, signage, text, typography, and related materials, except to the extent that they are derivative works of GM’s works. School further represents and warrants that none of the Deliverables have been assigned or licensed, or have been purportedly assigned or licensed, to any other party.

4. Confidentiality. All non-public, proprietary or confidential information of GM (the “**Confidential Information**”), including but not limited to its business practices, methods, plans, research, processes, operations, services, strategies, techniques, agreements, know-how, trade secrets, vendor information, financial information, or customer or prospective customer information disclosed by GM to School, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as “confidential,” in connection with this Agreement is confidential, solely for School's use in performing this Agreement and may not be disclosed or copied unless authorized by GM in writing. Upon GM’s request, School shall promptly return all documents and other materials received from GM. GM shall be entitled to injunctive relief for any violation of this Section.

5. Fees and Payment Terms

For the Services to be performed hereunder, GM will pay to School a fee determined in accordance with the fee schedule set out in each Statement of Work. Payment to School of such fees shall constitute payment in full for the performance of the Services and GM shall not be responsible for paying any other fees, costs or expenses.

6. Representations and Warranties; Covenants.

6.1 The Parties each represent and warrant that:

- (a) it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization or chartering;
- (b) it has the full right, power and authority to enter into this Agreement, to grant the rights and licenses granted hereunder and to perform its obligations hereunder;
- (c) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the party;
- (d) when executed and delivered by such party, this Agreement will constitute the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms.

6.2 School agrees that it shall:

- (a) comply with all applicable laws and regulations in providing the Services and has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement.
- (b) comply with all GM rules, regulations and policies of which it has been made aware, in its provision of the Services. GM will notify School of any new rules, regulations, and policies and School agrees to comply with all new rules, regulations and policies upon notification.
- (c) maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent by School in providing the Services. During the term and for a period of five (5) years thereafter, upon GM's written request, School shall allow GM and GM's representative to inspect and make copies of such records and interview the persons who performed Services.

7. Mutual Indemnification. To the extent allowed by law, each Party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other Party (as "Indemnitee") from and against any and all claims, losses, liability, costs or expenses (including reasonable attorney fees), hereinafter collectively referred to as "claims," arising out of this Agreement but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

8. Termination.

8.1 Either party, in its sole discretion, may terminate this Agreement or any Statement of Work, in whole or in part, at any time without cause, by providing at least [thirty (30)] days' prior written notice (the "**Termination Notice**") to the other party.

8.2 Either party may terminate this Agreement, effective upon written notice to the other party (the "**Defaulting Party**"), if the Defaulting Party:

- (a) materially breaches this Agreement, and such breach is incapable of cure, or with respect to a material breach capable of cure, the Defaulting Party does not cure such breach within [ten (10)] days after receipt of written notice of such breach; or
- (b) (i) becomes insolvent or admits its inability to pay its debts generally as they become due; (ii) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within seven business days or is not dismissed or vacated within 45 days after filing; (iii) is dissolved or liquidated or takes any corporate action for such purpose; (iv) makes a general assignment for the benefit of creditors; or (v) has a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.

8.3 Upon expiration or termination of this Agreement for any reason, School shall promptly:

- (a) Deliver to GM all documents, work product and other materials, whether or not complete, prepared by or on behalf of School in the course of performing the Services.
- (b) Return to GM all documents, work product and other materials provided by GM to the School in connection with the Services in its possession and control.
- (c) Deliver to GM, all documents and tangible materials (and any copies) containing, reflecting, incorporating or based on Confidential Information.
- (d) On a pro rata basis, repay all fees and expenses paid in advance for any Services which have not been provided.
- (e) Certify in writing to GM that it has complied with the requirements of this **Section 8.3**.

8.4. The rights and obligations of the parties set forth in this **Section 8.4** and **Sections 3, 4, 5, 6, 7, 8, 9, and 10** and any right or obligation of the parties in this Agreement which, by its nature, should survive termination or expiration of this Agreement, will survive any such termination or expiration of this Agreement.

9. Independent Contractor.

9.1 School shall be an independent contractor pursuant to this Agreement. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties. Neither party, by virtue of this Agreement, will have any right, power or authority to act or create an obligation, express or implied, on behalf of the other party.

9.2 Any persons employed or engaged by School in connection with the performance of the Services shall be School's employees or contractors. School assumes responsibility for the actions of its employees and contractors under this Agreement and will be solely responsible for their supervision, daily direction and control, wage rates, withholding income taxes, providing unemployment and disability benefits, and the manner and means through which the work under this Agreement will be accomplished.

10. Miscellaneous

10.1 Notices. All notices required by this Agreement shall be in writing and shall be sufficiently given if delivered personally or mailed by registered mail or by certified mail, return receipt requested, to the parties at their respective addresses set forth above. Any party may specify a different address by written notice to the other, in accordance with this **Section 10.1**. All notices shall be deemed to have been given as of the date so delivered or mailed.

10.2 Entire Agreement. This Agreement contains the entire understanding of the parties and supersedes any other agreement or understanding between the parties relating to the subject matter.

10.3 Waivers, Amendments and Modifications. No waiver, amendment or modification of this Agreement shall be valid or binding unless written and signed by each party hereto. Waiver by either party of any breach or default of any provision of this Agreement by the other party shall not operate as a waiver of any previous or future default or breach of the same or different provision of this Agreement.

10.4 Assignment. School may not assign any of its rights or delegate any of its obligations or duties hereunder without the express, written, prior consent of GM. Without limitation, GM may assign any of its rights and/or delegate any of its obligations or duties hereunder, in whole or in part, without Contractor's consent.

10.5 Governing Law, Jurisdiction and Venue. This Agreement is subject to and to be construed in accordance with the laws of the State of Arizona without regard to conflicts of law principles that would require the application of any other law.

10.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute a single agreement.

10.7 Severability. If any term of this Agreement is held to be invalid or unenforceable, in whole or in part, by a court of competent jurisdiction, such term shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

GREAT MINDS LLC

By _____
Name:
Title:

SCHOOL

By _____
Name: Mr. Daniel Streeter
Title: Superintendent

Schedule A

Statement of Work

1. GM Contact: Dawn Huber, (202) 823-4354, dawn.huber@greatminds.org
2. School Contact: Cole Young, 928-759-5016, District Office
3. Curriculum Fellow: Andrea Misemer
4. Curriculum Fellow Responsibilities and Deliverables include:
 - a. Curriculum Fellow will create new Eureka Math curriculum and/or products.
 - b. Curriculum Fellow will revise existing Eureka Math curriculum and/or products.
 - c. Curriculum Fellow may revise or create Eureka Math professional development sessions.
 - d. Curriculum Fellow will, as required, attend group collaboration meetings.
5. Payment Terms
 - a. Job-share split (50% district and 50% GM). This statement of work runs from 7/19/2017 – 6/8/2018 and includes 203 total contracted days (101.5 District days and 101.5 Great Mind days).
 - b. Amount owed to the district by GM: \$29,309.14 (\$ 26,305 in salary and \$ 3,004.14 in benefits)
 - c. The District will invoice GM monthly for the job-share arrangements with payment due 30 days from each approved invoice.
 - d. GM will pay all travel expenses for the Curriculum Fellow to conduct on location training sessions. Meals are covered by a set per diem using GSA published per diem rates. Curriculum Fellow must invoice GM for all per diem, expenses and provide original receipts to GM within 5 days of the event. Payment will be due 30 days from each approved invoice.

ACTION

Item 10G.

Additional .5 FTE
DO Custodial Staff

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO:	Humboldt Unified School District Governing Board	Item # 106
FROM:	Jim Bogner, Assistant Superintendent-Operations	Reading
DATE:	September 12, 2017	Discuss
SUBJECT:	Increase Custodial FTE at District Office Complex	Action X
		Consent

OBJECTIVE:	Goal #2: To Focus on Planning for Future Student Needs
	Goal #4: To Attract and Retain Highly Effective Employees

SUPPORTING DATA

The District Office complex custodial staffing is currently at 1.5 full-time equivalents (FTEs). Last January we added a full-day Head Start Preschool program and are looking to expand the number of students served directly by Bright Futures Preschool. The Child Nutrition Department is scheduled to reopen the kitchen this year in order to support the expansion of their catering services. Additionally, the Northern Arizona Suns, upon Board approval, will again be using all rooms in the gymnasium facility for up to seven months this year with a strong possibility to continue the lease in future years.

SUMMARY & RECOMMENDATION.

Current custodial staffing levels are not adequate to provide the level of service required for a facility of this size and increased use. In order to ensure students, staff and partners continue to have a clean and safe environment in which to work, administration is recommending an increase in custodial staff from 1.5 to 2.0 full-time equivalents. The increase of a .5 custodial position will cost approximately \$15,500 which includes benefits.

Sample Motion

I move to approve the addition of a .5 FTE to the custodial staff at the District Office.

Approved for transmittal to the Governing Board:



Mr. Daniel Streeter, Superintendent

Questions should be directed to: Jim Bogner, 759-4006

ACTION

Item 10H.

Additional Teaching Positions (2)
CSES

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO:	Humboldt Unified School District Governing Board	Item #	10 H
FROM:	Jim Bogner, Assistant Superintendent-Operations	Reading	
DATE:	September 12, 2017	Discuss	
SUBJECT:	Additional Staffing for Coyote Springs Elementary School	Action	X
		Consent	

OBJECTIVE:	Goal #1: To Raise the Level of Student Achievement
	Goal #2: To Focus on Planning for Future Student Needs

SUPPORTING DATA

Coyote Springs Elementary School has exceeded projected enrollment by 65 students. This has resulted in class size ratios exceeding District target class size ratios in grades 4 and 5. Class sizes range from 34 to 38 students in those grades. The District has provided substitute aides to assist since the beginning of the year.

SUMMARY & RECOMMENDATION

Due to the increased enrollment at Coyote Springs, which has resulted in class size ratios exceeding District limits, administration is recommending an additional two teachers be approved to reduce class size in grades 4 and 5. This recommendation will bring the class size ratios to about 24 to 1 in grade 4 and 27 to 1 in grade 5.

The cost for these two positions including benefits will be approximately \$96,000.

Sample Motion

I move to approve two additional full-time teacher positions at Coyote Springs Elementary School.

Approved for transmittal to the Governing Board:



Mr. Daniel Streeter, Superintendent

Questions should be directed to: Jim Bogner, 759-4006

ACTION

Item 10I.

Business Manager

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO:	Humboldt Unified School District Governing Board	Item #	10 I
FROM:	Cynthia Windham, Finance Director	Reading	
DATE:	September 12, 2017	Discuss	
SUBJECT:	Request to add a Business Manager Position	Action	X

OBJECTIVE: Board Governance

BACKGROUND INFORMATION:

Over the past several months, the administration has been analyzing the workflow of the Finance Department with a focus on efficiencies, effectiveness, and sustainability of the current infrastructure. The critical nature of compliance to the USFR (Unified System of Financial Records) requires adequate staff to perform the various functions and adherence in both the regulatory and financial areas of:

- Budgetary Forecasting/Compliance
- Procurement/Purchasing Statutes
- Student Attendance Reporting
- Accounting Oversight
 - Payroll Processing/Federal Regulations
 - Accounts Payable Processing
 - Internal Cash Controls/Reconciliations
 - Stewardship of District Assets
- Grants Oversight
- Risk Management

Each of these areas are critical to the efficient functioning of the Finance Department and yet, in virtually all of these areas (with the exception of payroll) there is only one individual to perform the required functions, leaving the District in a precarious situation.

The rules and regulations associated with school finance are unique and include specific competencies that often are only acquired through experience. With staff attrition, either through resignations or retirement, the District is in a vulnerable position with the potential inability to function properly. As a note, there are additional departments that are also operating under similar conditions. The Auditor General's Classroom Spending Report identifies that the Humboldt Unified School District is in the "VERY LOW" category with respect to Administration (as well as others) in relation to our peer districts.

Although this distinction speaks to the dedication of our staff, it also speaks to the unsustainable nature of performing at the required levels. There are literally "not enough people" to get the job done appropriately.

SUMMARY & RECOMMENDATION:

In reviewing the current positions and duties in the Finance Department, it is requested that the Governing Board approve the creation of a 1.0 FTE Business Manager position to be funded through indirect costs. This position will serve multiple purposes:

- Ensure the functionality and stability of the Finance Department
- Allow for a further analysis of the potential reorganization of job duties within the department
- Provide a sustainable structure with impending attrition

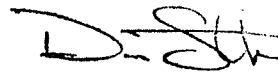
An analysis will be provided to the Governing Board at a future board meeting and will serve as part of a larger project regarding the necessary restructuring to address the minimum wage impact to the District.

It is recommended the position of Business Manager be approved and added to the Internal Audit Manager pay schedule as an administrative position. The base salary for this position is \$59,160 plus benefits to be funded from Indirect Costs.

Sample Motion:

I move to approve a 1.0 FTE Business Manager position and placement on the Administrative Salary Schedule as presented.

Approved for transmittal to the Governing Board: _____



Mr. Daniel Streeter, Superintendent

Questions should be directed to: Cynthia Windham, Finance Director (759-4000)

ACTION

Item 10J.

Attendance Reporting

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO:	Humboldt Unified School District Governing Board	Item # 10J
FROM:	Cynthia Windham, Finance Director	Reading
DATE:	September 12, 2017	Discuss
SUBJECT:	Approval of Grade Level "Ungraded Elementary"	Action X
		Consent

OBJECTIVE: Board Governance

BACKGROUND INFORMATION:

The Arizona Department of Education requires Governing Board action to approve the student attendance category of "Ungraded Elementary" for the electronic student count to be accepted by AzEDS (the student attendance system).

To qualify as "UE" (ungraded elementary) a student must be 5-years old before September 1st, or 5-years old by January 1st with board approval, and have 1) a special education need; 2) an IEP (Individual Education Program); 3) be receiving services; and, 4) be enrolled in a full-time program of 712 hours per year.

Currently, HUSD has three students who are not being captured during the AzEDS upload process because of this unique grade range distinction.

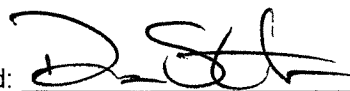
SUMMARY & RECOMMENDATION:

It is recommended that the Governing Board approve the grade level distinction of "Ungraded Elementary" for all schools in the District to facilitate the attendance transmission of qualifying students to the Arizona Department of Education.

Sample Motion:

I move to approve the grade level attendance category of "Ungraded Elementary" for attendance reporting purposes.

Approved for transmittal to the Governing Board:



Mr. Daniel Streeter, Superintendent

Questions should be directed to: Cynthia Windham, Finance Director

ACTION
Item 10K.

ASBA Bylaws

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO:	Humboldt Unified School District Governing Board	Item #	10K
FROM:	Richard Adler, Governing Board President	Reading	
DATE:	September 12, 2017	Discuss	
SUBJECT:	Proposed ASBA Bylaw Changes Request Notice	Action	X
		Consent	
<hr/>			
OBJECTIVE:	Board Governance		
<hr/>			

SUPPORTING DATA

Article VIII Section 1.(b) allows for changes to the ASBA Bylaws to be brought forward by the membership.

These Bylaws or the Core Beliefs may be amended or repealed, or new ones adopted as follows:


- a) By a vote of two-thirds of the member boards using an electronic vote of the membership using a procedure adopted by the Board of Directors.
- b) Amendments may be submitted by action of a board member, the Board of Directors of this Association, or any committee appointed by it, and shall be transmitted to the executive director not later than September 15. Such amendments shall be forwarded to the membership at least thirty (30) days prior to the opening of electronic voting as approved by the ASBA Board of Directors.

The HUSD Governing Board is to determine if they wish to put forth any changes or amendments to the ASBA Bylaws (attached). Proposed changes are due Friday, September 15, 2017.

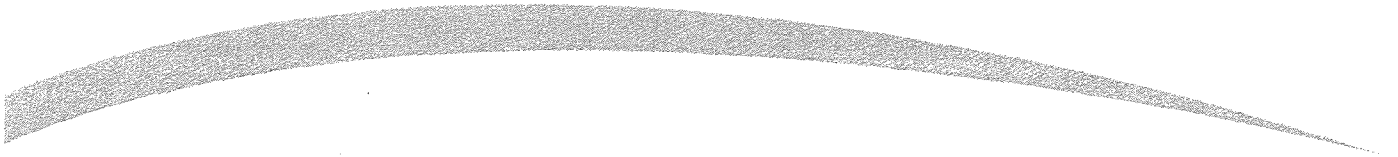
Sample Motion

I move to approve the submission of proposed changes to the ASBA Bylaws as discussed.

Approved for transmittal to the Governing Board:


Mr. Daniel Streeter, Superintendent

Questions should be directed to: Richard Adler (richard.adler@humboldtunified.com)



BYLAWS

TABLE OF CONTENTS

Introduction.....	1
Article I Name of the Association	1
Article II Purpose of the Association	1
Article III Policies of the Association	2
Article IV Membership	2
Section 1. Classes of Membership	2
Section 2. Voting Powers of Membership	2
Section 3. Dues of Membership	3
Section 4. Resignation	3
Section 5. Suspension and Expulsion	3
Article V Officers and Board of Directors and Executive Committee	3
Section 1. Officers and Terms of Office	3
Section 2. Board of Directors.....	3
Section 3. Qualifications	4
Section 4. Authority	4
Section 5. Nominations and Elections	4
Section 6. Selection of Executive Director	5
Section 7. Duties of Officers, Board of Directors and Executive Committee ..	5
Section 8. Executive Committee	5
Section 9. Vacancies and Removal from Office	5
Article VI Meetings and Voting	6
Section 1. Membership Meetings	6
Section 2. Meetings of the Board of Directors and Executive Committee	6
Section 3. Annual Delegate Assembly.....	6
Article VII Committees & Caucuses	7
Section 1. Standing Committees	7
Section 2. Caucuses	7
Article VIII Amendment of Bylaws and Core Beliefs	7
Article IX Parliamentary Authority	8

Introduction

ASBA is a membership driven organization as described in these Bylaws. As a Private Nonprofit, ASBA is committed to compliance with the Articles of Incorporation, these Bylaws, and the Internal Policy Manual, in all aspects of our work. A review and understanding of these Bylaws facilitates smooth interaction between and among members. Your membership and participation are appreciated.

BYLAWS ARIZONA SCHOOL BOARDS ASSOCIATION, INC.

Article I - Name of the Association

The Association shall be called the ARIZONA SCHOOL BOARDS ASSOCIATION, INC.

Article II - Purpose of the Association

The Purpose of the Association shall be:

Section 1. To promote the general advancement of public education in the State of Arizona and the United States of America and its Territories.

Section 2. To promote lay control of public education.

Section 3. To coordinate educational policies and procedures and promote uniform application of school laws of the state.

Section 4. To coordinate the activities and interest of school boards and accommodation schools within the State of Arizona.

Section 5. To present reports, recommendations and information concerning education to the Legislature, State Board of Education, and other governmental officials and agencies.

Section 6. To provide leadership to the local school boards.

- (a) By exchanging information and ideas pertaining to all aspects of education.
- (b) By encouraging effective communication with students, parents, community, school personnel, legislators and appropriate agencies.
- (c) By encouraging the most desirable and effective communication between school boards and school personnel, the legislature, and the general public.

Section 7. To cooperate with other organizations for the benefit of the children in the public schools of the state and nation.



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Article III - Policies of the Association

The adoption of the beliefs, of the Arizona School Boards Association, changes thereto, or additions thereto, shall require a majority vote in favor of such adoption by the delegates of member boards. Changes to bylaws and core beliefs may occur by an electronic vote of the membership using a procedure adopted by the Board of Directors.

Article IV - Membership

Section 1. Classes of Membership

(a) **Active Member –**

Any governing board of a school district of the State of Arizona is eligible to be an active member of the Association, and membership shall be classified under the name of the district thus represented.

(b) **Honorary Member –**

Each past president of the Association shall automatically become and remain an honorary life member. The Board of Directors of the Association may elect additional honorary life members.

(c) **Associate Member –**

Accommodation schools within the state of Arizona; the Arizona State School for the Deaf and the Blind; the State Juvenile Education System Board; agency school boards, or local school boards, as established by the Bureau of Indian Affairs of the United States Department of the Interior; tribal school boards, charter school governing bodies; and accredited community colleges shall be eligible for Associate Membership. Any former member of a public school governing board shall be eligible for Associate Membership upon written application to the executive director and upon the payment of dues as established by the Association. Membership privileges of the Associate Members shall be determined by the Board of Directors.

(d) **Organization Affiliate –**

Any commercial or professional service firm that wishes to participate in the programs and activities of the Association shall be eligible for Organization Affiliate Membership upon written application to the executive director and approval by the Board of Directors.

Section 2. Voting Powers of the Membership

(a) **Active Members –**

A governing board that is an active member of the Association shall be deemed present at a membership meeting if one or more members of such governing boards are in attendance. On each matter presented to the membership for vote, each governing board that is an active member shall be entitled to one vote, provided such governing board has paid dues as established and assessed in section 3(a) hereafter. The right to the floor for the purpose of discussion shall, however, be open to any and all members of a governing board who is an active member.



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(b) **Honorary Members –**

Honorary members shall also have the right to the floor for the purpose of discussion but shall not be entitled to vote.

(c) **Associate Members –**

Associate members shall have the right to the floor for discussion purposes but shall not be entitled to vote.

(d) **Organization Affiliate –**

Organization affiliate members shall not be entitled to vote.

Section 3. Dues of the Membership

(a) **Active Members –**

The dues of each active member shall be established by the Association at an annual membership meeting or as established by law.

(b) **Honorary Members –**

Honorary members shall not pay any dues.

(c) **Associate Members –**

The dues of associate members shall be as established by the Association by an electronic vote of the membership using a procedure adopted by the Board of Directors.

(d) **Organization Affiliates –**

The dues of organization affiliate members shall be as established by the Association by an electronic vote of the membership using a procedure adopted by the Board of Directors.

Section 4. Resignation

Any member of any classification may submit a resignation in writing to the executive director and such resignation shall be effective ten (10) days after receipt.

Section 5. Suspension and Expulsion

Failure to pay dues shall be grounds for suspension or expulsion from the Association. The Board may also terminate the membership of a member for actions of the member contrary to ASBA's bylaws, under procedures adopted by the Board. Suspension or expulsion shall automatically constitute a termination (in case of suspension, however, only for the period of suspension) of all member's rights and privileges in the Association.

Article V - Officers and Board of Directors and Executive Committee

Section 1. Officers and Terms of Office

The officers of the Association shall be president, president-elect, treasurer, secretary, and immediate past president, each of whom shall serve a term of one (1) year or until the selection and/or qualification of his/her successor. Upon election as the *president-elect*, he/she shall accede automatically to the presidency at such time as he/she is duly qualified. No two offices may be held by the same person.

Section 2. Board of Directors

The governing body of the Association shall be a Board of Directors consisting of the officers, one representative from each of the counties of the state, except Maricopa and



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Pima counties which are allotted two (2) representatives. County representatives shall serve for a period of two (2) years with no member serving more than three (3) consecutive two (2) year terms. However, at the first meeting of the Board of Directors after the adoption of the bylaws, county representatives shall determine by lot the one-half of their number who will serve for one (1) year and the one-half who will serve for two (2) years. Thereafter, members of the Board of Directors shall be elected by member boards of their counties at their annual County Workshop meetings. Ex-officio members of the Arizona School Boards Association Board of Directors shall be:

- (a) Any person residing in Arizona who is either an officer or director of the National School Boards Association during his/her term of office in the national body, and
- (b) Any member of an ASBA active member Governing Board serving as President of the Arizona Hispanic Native American Indian Caucus and Black Caucus during his/her term of office in the Caucus.

Section 3. Qualifications

Each officer and director, with the exception of the immediate past president, shall be a member of a governing board which is a member of the Association. No more than one (1) elected officer shall be elected from any one member board and no two (2) board of directors' positions may be held by the same person.

Section 4. Authority

The board shall manage the affairs of the Association and shall have the power to adopt such rules as are consistent with the bylaws.

Section 5. Nominations and Elections

A nominating committee shall be constituted and selected as follows: the immediate past president of the Association shall serve as chairman of the committee and the remaining members shall be appointed by the president in consultation with the directors from those counties in which a county representative to the Board of Directors is elected for a two-year term. No two (2) members of the nominating committee shall be from the same county, and no more than three (3) members, in addition to the past president, shall be members of the Board of Directors. The committee shall submit a slate of officers consisting of one or more nominees for each office to the general membership at an annual membership meeting. Additional nominations may be made from the floor provided the consent of the nominee has been obtained.

The election of officers of the Association shall take place at the annual membership meeting. The election shall be by written ballot when there is more than one nominee for any office and only designated delegates shall be allowed to vote. The officers, county representatives, and ex-officio members of the Board of Directors shall take office at the close of the annual membership meeting. County representatives to the Board of Directors shall be nominated and elected by the official delegates of the governing boards of school districts at the county workshop of each county.



Section 6. Selection of Executive Director

The executive director shall be appointed by the Board of Directors, with a contract not to exceed four (4) years. He/she shall receive such salary and expenses as the Board shall determine or as may be consistent with the laws of the State of Arizona providing therefore.

Section 7. Duties of Officers, Board of Directors and Executive Committee

The president shall have such power and duties as are usually exercised by such an officer. He/she shall preside at meetings of the Association, the Board of Directors and of the Executive Committee. Unless otherwise provided for herein he/she shall appoint all standing and special committees. The president shall be ex-officio member of all committees, except the nominating committee, with voting power. The president-elect, in the absence or disability of the president, shall have the authority and perform the duties of the president. The treasurer and secretary shall have such powers and duties as are usually exercised by such officers. The treasurer shall collect dues and receipt therefor; shall receive and cause to be deposited all monies belonging to the Association, shall disburse the funds of the Association in accordance with the dictates of the Board. He/she shall report regularly to the board, prepare a budget report to be presented to delegates and membership and shall perform such other duties as are delegated to him/her by the president or by the Board. The secretary shall keep the minutes of all meetings of the Association, the Board, and the Executive Committee; shall keep a membership roster up to date at all times; shall preserve the records and the files of the Association; shall give all notices required.

Section 8. Executive Committee

The Executive Committee shall be composed of the officers of the Association.
Duties:

- (a) The Executive Committee shall have the authority of the Board to act on any emergency when the president deems it impracticable to call a meeting of the entire board.
- (b) It may review plans and programs to be presented to the Board at their regular meetings.
- (c) It shall have authority to give direction or delegate that such direction be given on legislative action to come before the State Legislature on which there is no formal Association position.
- (d) All actions of the Executive Committee shall be subject to ratification by the Board of Directors.

Section 9. Vacancies and removal from office.

A vacancy in any office or on the Board of Directors occurring between annual membership meetings shall be filled by a vote of the Board of Directors. Such person shall hold office until the next annual membership meeting of the Association. Any officer or director who *misses more than one meeting out of any four (4) consecutive meetings, unless he/she is excused* by the Board for a valid reason, may have his/her office vacated by action of the board.



Article VI - Meetings and Voting

Section 1. Membership Meetings

The Association shall hold an annual membership meeting, and in addition an annual Delegate Assembly at a time and place designated by the preceding annual membership meeting, by a vote of the membership, or by subsequent determination by the Board of Directors. Notice of the time and place shall be given by written notice to all members at least sixty (60) days but not more than ninety (90) days prior to the meeting. Special meetings of the membership may be called at anytime by the Board of Directors or by the president; and the president shall call a special meeting promptly upon receipt by him/her of a petition stating the purpose of the meeting signed by no less than ten (10) active members. Notice of the time and place of a special meeting shall be given to members at least fifteen (15) days prior to the meeting date, and such notice shall specify the business to be transacted. The presence of representatives of no less than twenty-five (25) active members shall be necessary to constitute a quorum at any meeting of the membership.

Section 2. Meetings of the Board of Directors and Executive Committee

The Board of Directors shall meet at least once each quarter of each calendar year. Special meetings shall be upon the call of the president, and such meetings shall be called upon written request of five (5) members of the Board of Directors. All members should be given notice of time and place of special meetings at least five (5) days prior to the meeting date. The Executive Committee shall meet from time to time as it deems necessary or upon call of the president.

Section 3. Annual Delegate Assembly

- (a) The annual Delegate Assembly shall be held to establish the political agenda items which support the beliefs of the association in the legislative process and in the priorities of the Association. Action agenda items may be submitted to the annual Delegate Assembly of the Association by the action of member boards, the Board of Directors of this Association, or any committee appointed by it, and shall be transmitted to the executive director not later than sixty (60) days before the opening date of the annual Delegate Assembly. All action items so submitted shall be forwarded immediately to the legislative committee for consideration.
- (b) The legislative committee is charged with creating a draft political agenda and shall consider the district action agenda item submitted. The draft legislative agenda shall be sent to members at least twenty (20) days prior to the annual Delegate Assembly by the legislative committee.
- (c) Other action agenda items submitted to the chairman of the legislative committee during the annual Delegate Assembly and prior to the last business session shall be considered by the membership at said meeting, provided that such action agenda items are in proper written form and signed by registered delegates from at least ten (10) active members.
- (d) The reporting member of the legislative committee shall be authorized, on behalf of the committee, to move for floor action on action agenda items and beliefs.



- (e) All action agenda items reported out of the legislative committee shall be duplicated as soon as possible and made available to the delegates.
- (f) Action agenda items passed at the annual Delegate Assembly will constitute the Political Agenda and shall be considered the position of the Association until the next Delegate Assembly.
- (g) The presence of representatives of no less than twenty-five (25) active members shall be necessary to constitute a quorum at the Delegate Assembly.

Article VII - Committees & Caucuses

Section 1. Standing Committees

Standing Committees of the Association shall be a nominating committee and a legislative committee.

The nominating committee shall be so constituted and have such powers as previously provided herein.

The legislative committee, consisting of as many members as deemed advisable by the president and the Board of Directors, shall meet upon the call of the president to consider legislative matters, and the effect thereof on governing boards.

Section 2. Caucuses

Caucuses shall exist to enhance the work of the association by addressing the unique needs of member districts. Caucuses of ASBA are considered to be affiliated with ASBA as a program provider with responsibility for the caucuses. Each caucus is expected to adopt its own bylaws for operating, programming and governing within the context of the relationship with ASBA described herein.

With the adoption of this section, the Black Caucus of ASBA and the Hispanic/Native American Indian Caucus of ASBA are hereby established.

Caucuses shall be added or eliminated to this provision through the amendment process described in article VIII of this document.

Article VIII - Amendment of Bylaws and Core Beliefs

Section 1. These Bylaws or the Core Beliefs may be amended or repealed, or new ones adopted as follows:

- (a) By a vote of two-thirds of the member boards using an electronic vote of the membership using a procedure adopted by the Board of Directors.
- (b) Amendments may be submitted by action of a member board, the Board of Directors of this Association, or any committee appointed by it, and shall be transmitted to the executive director not later than September 15. Such amendments shall be forwarded to the membership at least thirty (30) days prior to the opening of electronic voting as approved by the ASBA Board of Directors.

Article IX - Parliamentary Authority

Section 1. The rules contained in the current edition of Robert's Rules of Order newly revised shall govern the proceedings of the ASBA in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order that ASBA may adopt.

Adopted by the ASBA Delegate Assembly, April 6, 1974.

Amended:	September 12, 1975	December 14, 1995
	June 12, 1976	December 12, 1996
	December 8, 1976	December 11, 1997
	November 30, 1977	December 10, 1998
	November 29, 1978	December 13, 2001
	December 12, 1979	December 16, 2004
	December 2, 1981	December 14, 2006
	June 25, 1983	December 11, 2008
	December 5, 1985	December 16, 2010
	December 12, 1986	December 15, 2011
	December 13, 1990	December 13, 2012
	December 12, 1991	December 11, 2014
	December 15, 1994	



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PERSONNEL

Item 11A.

Performance Pay Plan (Superintendent)

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO:	Humboldt Unified School District Governing Board	Item #	11 A
FROM:	Jim Bogner, Assistant Superintendent-Operations	Reading	
DATE:	September 12, 2017	Discuss	
SUBJECT:	Superintendent's Performance Pay Plan – Payment of Part Two	Action	X
<hr/>			
OBJECTIVE:	Board Governance		

SUPPORTING DATA

The superintendent is eligible to earn performance pay in addition to his annual base salary if he satisfies the criteria for an award of performance pay as described below.

Method of Performance Assessment:

The Superintendent shall be deemed to have earned Performance Pay if a majority of the Governing Board members present and voting on the day of the Performance Pay Assessment agree that Superintendent has met Performance Pay criteria. The Board shall conduct its Performance Pay Assessment two times a year. There shall be two parts to the Performance Pay Plan:

Part One: Fifty percent (50%) of the Performance Pay amount shall be reviewed and determined in December of each year, during the same time that the Board conducts the Superintendent's annual evaluation under Board Policy CBI. If after the Board has conducted its annual evaluation of the Superintendent, a majority of the Board finds that the Superintendent's performance is rated satisfactory or better, in the performance categories designated in the evaluation instrument, then the Superintendent shall receive one-half (1/2) of his Performance Pay. If a majority of the Governing Board does not rate the Superintendent's performance as satisfactory or better, then the Superintendent will receive none of this one-half (1/2) of the Performance Pay.

Part Two: In addition, the remaining fifty percent (50%) of the Performance Pay amount shall be paid to the Superintendent on or before the end of the applicable school year, if a majority of the Governing Board finds that the Superintendent has met the Performance Pay criteria as stated in the previous paragraph (Part One).

SUMMARY & RECOMMENDATION

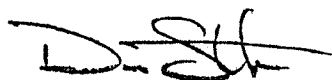
On December 16, 2016, at a meeting of the Governing Board, the board met in executive session for the purpose of evaluating the superintendent. The board was pleased with the superintendent's performance and leadership.

It is requested that the board authorize payment of Part Two of the Superintendent's Performance Pay Plan.

Sample Motion

I move to approve payment of Part Two of the Superintendent's Performance Pay Plan for the 2016-17 fiscal year.

Approved for transmittal to the Governing Board:



Mr. Daniel Streeter, Superintendent

Questions should be directed to: Jim Bogner, Assistant Superintendent (759-4006)

PERSONNEL

Item 11B.

Resignation

(Striediek)

HUMBOLDT UNIFIED SCHOOL DISTRICT

TO:	Humboldt Unified School District Governing Board	Item # 11B
FROM:	Jim Bogner, Assistant Superintendent-Operations	Reading
DATE:	September 12, 2017	Discuss
SUBJECT:	Resignation of Teresa Striediek	Action X
		Consent
<hr/>		
OBJECTIVE:	Board Governance	
<hr/>		

SUPPORTING DATA

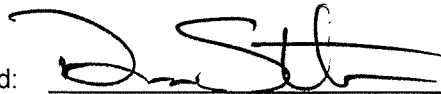
Ms. Striediek was hired as a Math Teacher at Glassford Hill Middle School and signed a contract for the 2017-18 school year on May 18, 2017. On August 21, 2017, Ms. Striediek submitted a letter of resignation.

SUMMARY & RECOMMENDATION

Sample Motion(s)

- I move to go into executive session pursuant to A.R.S. §38-341.03 (A)(1) (Personnel) for discussion regarding the resignation of certified employee Teresa Striediek
- I move to reject the resignation of Teresa Striediek, Math Teacher, and assess liquidated damages of \$1,000.

Approved for transmittal to the Governing Board:



Mr. Daniel Streeter, Superintendent

Questions should be directed to: Jim Bogner, 759-4006