



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 9.4

Meeting Date: June 21, 2018

Subject: Approve Resolution No. 3017: Authorizing the Issuance and Negotiated Sale of Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F in an Amount Not to Exceed \$10,000,000 and Related Documents and Actions

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading
- Conference/Action
- Action
- Public Hearing

Division: Business Services

Recommendation: Approve Resolution No. 3017 authorizing the sale of General Obligation Bonds for Measure Q and approving forms of documents and actions of officers of the District necessary in connection with the bonds.

Background/Rationale: In 2012, District voters passed Measure Q, a Proposition 39 election authorizing the issuance of approximately \$346 million of Measure Q general obligation bonds.

The District has issued approximately \$258,900,000 of Measure Q Bonds. The 2018 issuance will be the sixth issuance of Measure Q Bonds. This issuance will fund security measures in district schools.

Financial Considerations: General obligation bonds are repaid only by local property tax revenues. Debt service on the bonds is not paid from the general fund of the District. The bonds do not impact the general fund.

LCAP Goal(s): Family and Community Empowerment

Documents Attached:

1. Executive Summary
2. Authorizing Resolution No. 3017
3. Paying Agent Agreement
4. Bond Purchase Agreement
5. Placement Agent Agreement

Estimated Time of Presentation: 5 Minutes

Submitted by: Gerardo Castillo, CPA, Chief Business Officer

Approved by: Jorge A. Aguilar, Superintendent



Board of Education Executive Summary Business Services

Approve Resolution No. 3017: Authorizing the Issuance and Negotiated Sale of Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F in an Amount Not to Exceed \$10,000,000 and Related Documents and Actions
June 21, 2018

I. OVERVIEW / HISTORY

On November 6, 2012, the District received authorization, by more than fifty-five percent of the votes cast by eligible voters, to issue Measure Q General Obligation Bonds (Measure Q Bonds) in the amount of \$346 million.

Measure Q provides for the upgrading of classrooms; science labs; computer systems and technology; renovating heating and ventilation systems; improving student safety and security systems; and repairing roofs, restrooms, floors and plumbing.

To date, the District has issued approximately \$258.9 million of Measure Q Bonds. The 2018 issuance in the amount of \$10 million will be the sixth issuance of Measure Q Bonds. Proceeds will be used for security measures in District schools. Following the 2018 issuance, there will be \$77.1 million of remaining Measure Q bond authorization.

II. DRIVING GOVERNANCE

- California Government Code Section 53508 allows school districts to issue and sell bonds at a public or private sale
- Education Code Section 15140 and following authorizes the County to allow school districts to issue bonds on their own

III. BUDGET

General obligation bonds are voter-approved debt, which are secured by the legal obligation to levy *ad valorem* property taxes in an amount sufficient to pay annual debt service. General obligation bonds are not paid from the District's general fund. As authorized by the taxpayers, the County Director of Finance is obligated to levy *ad valorem* taxes on a property subject to taxation in the District. Costs associated with the Bonds do not impact the District's general fund.

IV. GOALS, OBJECTIVES, AND MEASURES

As part of the District's fiduciary responsibility to its taxpayers, staff and the District's financial advisor from Capitol PFG will present the bond issuance plan required to implement the projects approved by the voters.



Board of Education Executive Summary Business Services

Approve Resolution No. 3017: Authorizing the Issuance and Negotiated Sale of Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F in an Amount Not to Exceed \$10,000,000 and Related Documents and Actions
June 21, 2018

V. MAJOR INITIATIVES

As stated above, Measure Q funds will fund secured measures in District schools.

VI. RESULTS

The District is implementing approved projects while minimizing the impact to our taxpayers.

VII. LESSONS LEARNED/NEXT STEPS

The attached documents are presented to the Board for action.

**BOARD OF EDUCATION
OF THE
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

Res. No. 3017

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF BONDS OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000; APPROVING FORMS AND AUTHORIZING EXECUTION AND DELIVERY OF A PAYING AGENT AGREEMENT, A PLACEMENT AGENT AGREEMENT AND A BOND PURCHASE CONTRACT; AND DELEGATING TO THE DISTRICT OFFICERS AUTHORIZATION TO TAKE NECESSARY ACTIONS AND PREPARE, EXECUTE, AND DELIVER NECESSARY DOCUMENTS.

WHEREAS, two elections (each, the “Election of 2012”) were duly called and regularly held in the Sacramento City Unified School District, County of Sacramento, California (herein called the “District”), each on November 6, 2012, pursuant to Sections 15100 and 15264 *et seq.* of the Education Code of the State of California (the “Education Code”), at which bond propositions summarized as follows were submitted to the electors of the District (Measure Q and Measure R, respectively):

“To better prepare students for college and careers by upgrading classrooms, science labs, computer systems and technology; renovating heating and ventilation systems; reducing costs through energy efficiency; improving student safety and security systems; repairing roofs, floors, walkways, bathrooms, electrical, plumbing and sewer systems; shall Sacramento City Unified School District issue \$346 million in bonds with independent citizen oversight, no money for administrator salaries, and mandatory annual audits to guarantee funds are spent properly to benefit local children?”

“To improve the health and safety of children, repair playgrounds and playfields to meet modern safety standards, improve physical education facilities and bathrooms, improve irrigation systems and water drainage to reduce water consumption, remove asbestos, lead paint and other unsafe conditions and to upgrade kitchen facilities to improve nutrition and nutritional education for children, shall the Sacramento City Unified School District issue \$68 million of bonds, with independent Citizen’s Oversight and no money for administrator salaries?”; and

WHEREAS, passage of said propositions required a 55% affirmative vote of the votes cast therein, and at least 55% of the votes cast on said propositions were in favor of issuing said bonds; and

WHEREAS, \$30,000,000 aggregate principal amount of said bonds, designated “Sacramento City Unified School District General Obligation Bonds (Measures Q and R) (Election of 2012), 2013 Series A (Tax-Exempt)” have heretofore been issued and sold, of which \$18,425,953 was allocated to the Measure Q authorization and \$11,574,047 was allocated to the Measure R authorization; and

WHEREAS, \$40,000,000 aggregate principal amount of said bonds, designated “Sacramento City Unified School District General Obligation Bonds (Measures Q and R) (Election of 2012), 2013 Series B (Qualified School Construction Bonds) (Taxable)” have heretofore been issued and sold, of which \$24,474,047 was allocated to the Measure Q authorization and \$15,525,953 was allocated to Measure R authorization; and

WHEREAS, \$66,260,000 aggregate principal amount of said bonds, designated “Sacramento City Unified School District General Obligation Bonds (Measure Q) (Election of 2012), 2015 Series C-1 (Tax-Exempt)” have heretofore been issued and sold; and

WHEREAS, \$23,740,000 aggregate principal amount of said bonds, designated “Sacramento City Unified School District General Obligation Bonds (Measure Q) (Election of 2012), 2015 Series C-2 (Taxable)” have heretofore been issued and sold; and

WHEREAS, \$14,000,000 aggregate principal amount of said bonds, designated “Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2016 Series D” have heretofore been issued and sold; and

WHEREAS, \$112,000,000 aggregate principal amount of said bonds, designated “Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q) 2017 Series E” have heretofore been issued and sold; and

WHEREAS, \$10,000,000 aggregate principal amount of said bonds, designated “Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure R) 2017 Series C” have heretofore been issued and sold; and

WHEREAS, Section 53508.7 of the Government Code of the State of California (the “Government Code”) provides that a private sale is limited to bonds sold pursuant to Sections 15140 or 15146 of the Education Code; and

WHEREAS, the Board of Education of the District deems it necessary and desirable to authorize the sale of said bonds by private sale to Opus Bank pursuant to one or more Bond Purchase Agreements (each, a “Bond Purchase Agreement”); and

WHEREAS, in accordance with Section 15146 of the Education Code, estimates of the costs associated with the issuance of said bonds are attached hereto as Exhibit A; and

WHEREAS, Section 15140(b) of the Education Code provides that the board of supervisors of a county may authorize a school district over which the county superintendent of schools has jurisdiction to issue and sell its own bonds without the further action of the board of supervisors or officers of the county if said school district has not received a qualified or negative certification in its most recent interim report; and

WHEREAS, the District has not received a qualified or negative certification in its most recent interim report; and

WHEREAS, the District shall not sell bonds authorized by the Election of 2012 unless the tax rate levied to pay the bonds authorized by the Election of 2012 will not exceed \$60 per \$100,000 of taxable property when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution; and

WHEREAS, the Superintendent of Schools of the County has jurisdiction over the District; and

WHEREAS, the District now wishes to request that the County authorize the District to issue and sell bonds on its own behalf; and

WHEREAS, the Director of Finance (the “Director of Finance”) of the County of Sacramento, Sacramento, California, serves as the paying agent for the District’s bonds; and

WHEREAS, the District desires that the Director of Finance annually establish tax rates on taxable property within the District for repayment of said bonds, pursuant to Sections 29100-29103 of the Government Code, and that the Board of Supervisors of the County annually approve the levy of such tax, and that the Director of Finance annually collect such tax and apply the proceeds thereof to the payment of principal of and interest on the bonds when due, all pursuant to Sections 15250 and 15251 of the Education Code; and

WHEREAS, there have been submitted and are on file with the Secretary of the Board of Education proposed forms of a Paying Agent Agreement, a Bond Purchase Agreement and a Placement Agent Agreement, all with respect to the Bonds proposed to be issued and sold, and the Superintendent and the Chief Business Officer of the District have examined or caused to be examined each document and have approved the forms thereof, and have recommended that this Board of Education approve and direct the completion, where appropriate, and the execution of such documents and the consummation of such financing; and

WHEREAS, this Board of Education desires to appoint the firm of Orrick, Herrington & Sutcliffe LLP as bond counsel to the District (the “Bond Counsel”), the firm of Capitol Public Finance Group, LLC, as municipal advisor to the District (the “Municipal Advisor”), and the firm of Raymond James & Associates, Inc., as the placement agent to the District (the “Placement Agent”); and

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE, AND ORDER, AS FOLLOWS:

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

Section 2. Authorization of Bonds; Application of Proceeds of Sale. The Board of Education hereby authorizes the sale and issuance of one or more series of bonds of the District and the designation of said bonds as the “Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F” in an aggregate principal amount

not to exceed \$10,000,000, which amount shall be finally determined by the Superintendent or the Chief Business Officer of the District, or such other officer of the District designated by the Superintendent or the Chief Business Officer (each, an “Authorized District Representative”), in accordance with the provisions of Section 6 hereof and with the general laws of the State of California (the “State”).

Section 3. Terms of Bonds. The maximum annual interest rate on the Bonds shall be 3.5%, payable as described in the Paying Agent Agreement referred to in Section 5 hereof. No Bond shall mature prior to August 1, 2019, nor later than August 1, 2024. No Bonds shall have principal maturing on more than one principal maturity date; however, it shall not be necessary that a portion of the principal mature in each year.

The Bonds may be issued as current interest serial bonds or term bonds as the Authorized District Representative shall determine upon the sale of such bonds. The current interest serial bonds may mature in the same year or years as the term bonds, without limitation.

The aggregate principal amount of the Bonds, the date thereof, the maturity dates, the principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, shall be as specified in the Paying Agent Agreement.

Section 4. Tax Treatment of Bonds. (a) Tax-Exempt Bonds. All or any portion of the Bonds may be issued as exempt from federal income tax, as the Authorized District Representative shall determine upon consultation with the Municipal Advisor, and according to the terms and conditions Bond Counsel to the District shall advise are appropriate to and necessary for the issuance of tax-exempt bonds.

(b) Bank Qualified. If the District reasonably anticipates the amount of qualified tax-exempt obligations which has been and will be issued by the District, or by any other entity on behalf of the District, in 2018 will not exceed \$10,000,000, the Authorized District Representative may designate the Bonds to be qualified tax-exempt obligations pursuant to Section 265(b)(3)(B) of the Internal Revenue Code of 1986 in the offering documents and in the Tax Certificate relating to such Bonds.

Section 5. Paying Agent Agreement. The form of instrument entitled “Paying Agent Agreement,” by and between the District and the Paying Agent, in substantially the form on file with the Secretary of the Board of Education, is hereby approved and authorized. The Authorized District Representative is hereby authorized and directed to execute and deliver one or more instruments in substantially said form, completed with terms as shall be agreed to by the Authorized District Representative in accordance with this Resolution, and with such other changes therein as the Authorized District Representative may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Bond Purchase Agreement; Sale of Bonds. The form of instrument entitled “Bond Purchase Agreement,” in substantially the form on file with the Secretary of the Board of Education, is hereby approved and adopted as the contract for purchase and sale of the Bonds. The Authorized District Representative is hereby authorized to direct the private

placement of the Bonds, in consultation with the Municipal Advisor and Bond Counsel. The Authorized District Representative is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially said form, completed with terms as shall be agreed to by the Authorized District Representative in accordance with this Resolution, and with such other changes therein as the Authorized District Representative may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that: (i) that the aggregate purchase price of the Bonds sold thereunder shall be no less than the principal amount of such Bonds; (ii) the true interest cost of the Bonds shall not exceed 4.0%; and (iii) the Bonds shall otherwise conform to the limitations specified herein and imposed by the general laws of the State.

Section 7. Placement Agent Agreement. The form of instrument entitled “Placement Agent Agreement,” by and between the District and Raymond James & Associates, Inc., as Placement Agent, in substantially the form on file with the Secretary of the Board of Education, is hereby approved and authorized. The Authorized District Representative is hereby authorized to execute and deliver the Placement Agent Agreement in substantially said form, and with such other changes therein as the Authorized District Representative may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the Placement Agent fee shall not exceed \$25,000.

Section 8. Investment of Proceeds. Proceeds of the Bonds held by the Director of Finance shall be invested at the Director of Finance’s discretion pursuant to law and the investment policy of the County, unless otherwise directed in writing by the District, pursuant to Section 53601 of the Government Code and Section 41015 of the Education Code. The Director of Finance may, but is not required to, invest proceeds of the Bonds in the County Pooled Investment Fund.

(i) To the extent permitted by law, at the written direction of the District, given by the Authorized District Representative, who is hereby expressly authorized to give such direction, all or any portion of the building fund of the District may also be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State of California.

(ii) To the extent permitted by law, at the written direction of the District, given by the Authorized District Representative, who is hereby expressly authorized to give such direction, all or any portion of the building fund of the District may also be invested on behalf of the District in investment agreements which comply with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds; provided that the Director of Finance shall approve and be a signatory to any such investment agreement. Pursuant to Section 5922 of the Government Code, this governing board hereby finds and determines that the investment agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the investment agreements and are designed to reduce the amount or duration of payment, currency, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Bonds.

Section 9. Request for Necessary County Actions. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property

taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds as provided by law and in the Paying Agent Agreement. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Bonds, and to pay the principal thereof, redemption premium, if any, and interest thereon as and when the same become due, and to provide for any mandatory sinking fund payments or set-asides that may be required, as set forth in the Paying Agent Agreement when executed.

Section 10. Pledge of Tax Revenues. The District hereby pledges all revenues from the property taxes collected from the levy by the County Board of Supervisors for the payment of outstanding bonds of the District heretofore or hereafter issued pursuant to voter-approved measures of the District, including the Bonds (for the purpose of this pledge, hereinafter collectively referred to as the “District Bonds”) and amounts on deposit in the interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the District Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the District Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund of the District to secure the payment of the District Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act.

The pledge is an agreement between the District and the bondholders to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds and each of the other District Bonds secured by the pledge are or were issued to finance or refinance one or more of the projects specified in the applicable voter-approved measure.

Section 11. Appointment of Bond Counsel, Municipal Advisor and Placement Agent. The firm of Orrick, Herrington & Sutcliffe LLP is hereby appointed Bond Counsel to the District in connection with the Bonds. The firm of Capitol Public Finance Group, LLC is hereby appointed Municipal Advisor to the District in connection with the Bonds. The firm of Raymond James & Associates, Inc., is hereby appointed as Placement Agent in connection with the Bonds.

Section 12. Authorization of Further Actions. (a) The Municipal Advisor, Bond Counsel, and the appropriate District officials are each hereby authorized and directed to continue to prepare the necessary legal documents to accomplish said financing and the other transactions authorized herein, and to take any and all necessary actions in connection therewith.

(b) The officers and employees of the District are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized, and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution. The President of the Board of Education, the Secretary of the Board of Education, the Superintendent and the Chief Business Officer, and any other officer or employee of the District to whom authority is delegated by one of the above named officers for the purposes of the Bonds, are hereby authorized and directed to execute and deliver any and all notices, certificates and representations, including but not limited to signature

certificates, no-litigation certificates, tax certificates, notices to the California Debt and Investment Advisory Commission, and to enter into such agreements or contracts, including, but not limited to, as may be necessary to obtain bond insurance with respect to the Bonds, or paying agent services with respect to the Bonds, as such officers or employees deem necessary and desirable to accomplish the purposes of this Resolution. The District may designate another purchaser of the Bonds so long as all other parameters for the issuance of the Bonds as set forth in this Resolution are met.

Section 13. Notice to California Debt and Investment Advisory Commission.
The Authorized District Representative is hereby authorized and directed to cause notices of the proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Section 8855(g) of the Government Code.

Section 14. Ratification of Actions. All actions heretofore taken by the officers and agents of the District with respect to the sale, execution, and delivery of the Bonds and the other transactions authorized and contemplated herein, are hereby approved, confirmed, and ratified.

Section 16. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 21st day of June, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jessie Ryan, President, Board of Education
Sacramento City Unified School District

ATTEST:

Jorge A. Aguilar, Secretary, Board of Education
Sacramento City Unified School District

EXHIBIT A

ESTIMATES OF COSTS OF ISSUANCE

\$10,000,000*

**SACRAMENTO CITY UNIFIED
SCHOOL DISTRICT
(County of Sacramento, State of California)
GENERAL OBLIGATION BONDS
ELECTION OF 2012 (MEASURE Q),
2018 SERIES F**

<u>Description of Services</u>	<u>Estimated Cost*</u>
Orrick, Sutcliffe & Herrington Professional Services (Bond Counsel):	\$35,000.00
Raymond James & Associates, Inc. Professional Services (Placement Agent):	25,000.00
Capitol Public Finance Group, LLC Professional Services (Municipal Advisor):	35,000.00
Other Expenses	
Lozano Smith (District Counsel):	5,000.00
BNY Mellon (Costs of Issuance Custodian):	500.00
Nixon Peabody LLP (Opus Bank Counsel):	12,000.00
California Debt and Investment Advisory Commission (Filing Fee):	2,500.00
Contingency:	4,000.00
ESTIMATED COSTS OF ISSUANCE:	<u>\$119,000.00</u>

* Preliminary, subject to change.

SECRETARY’S CERTIFICATE

I, Jorge A. Aguilar, Secretary of the Board of Education of the Sacramento City Unified School District, County of Sacramento, California, do hereby certify as follows:

The attached is a full, true, and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on June 21, 2018, and entered in the minutes thereof, at which meeting all of the members of said Board of Education had due notice and at which a quorum was present, and said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at Serna Center, 5735 47th Avenue, Sacramento, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office. Said resolution has not been amended, modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this ____ day of June, 2018.

Jorge A. Aguilar, Secretary of the Board of
Education
Sacramento City Unified School District

PAYING AGENT AGREEMENT

by and between the

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
Sacramento County, California

and

COUNTY OF SACRAMENTO, CALIFORNIA,
as Paying Agent

Dated as of July 1, 2018

Relating to the

\$10,000,000
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2012
(MEASURE Q), 2018 SERIES F

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PAYING AGENT AGREEMENT

This PAYING AGENT AGREEMENT, made and entered into as of July 1, 2018, by and between the COUNTY OF SACRAMENTO, CALIFORNIA, as paying agent (the “Paying Agent”), and the SACRAMENTO CITY UNIFIED SCHOOL DISTRICT, a school district duly organized and existing under and by virtue of the Constitution and laws of the State of California (the “District”),

W I T N E S S E T H:

WHEREAS, two elections (each, the “Election of 2012”) were duly called and regularly held in the District on November 6, 2012, pursuant to Sections 15100 and 15264 *et seq.* of the Education Code of the State of California (the “Education Code”), at which bond propositions summarized as follows were submitted to the electors of the District (Measure Q and Measure R, respectively):

“To better prepare students for college and careers by upgrading classrooms, science labs, computer systems and technology; renovating heating and ventilation systems; reducing costs through energy efficiency; improving student safety and security systems; repairing roofs, floors, walkways, bathrooms, electrical, plumbing and sewer systems; shall Sacramento City Unified School District issue \$346 million in bonds with independent citizen oversight, no money for administrator salaries, and mandatory annual audits to guarantee funds are spent properly to benefit local children?”

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WHEREAS, passage of said propositions required a 55% affirmative vote of the votes cast therein, and at least 55% of the votes cast on said propositions were in favor of issuing said bonds; and

WHEREAS, \$30,000,000 aggregate principal amount of said bonds, designated “Sacramento City Unified School District General Obligation Bonds (Measures Q and R) (Election of 2012), 2013 Series A (Tax-Exempt)” have heretofore been issued and sold, of which \$18,425,953 was allocated to the Measure Q authorization and \$11,574,047 was allocated to the Measure R authorization; and

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WHEREAS, \$112,000,000 aggregate principal amount of said bonds, designated “Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q) 2017 Series E” have heretofore been issued and sold; and

WHEREAS, \$10,000,000 aggregate principal amount of said bonds, designated “Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure R) 2017 Series C” have heretofore been issued and sold; and

WHEREAS, the Superintendent of Schools of the County has jurisdiction over the District; and

WHEREAS, by its resolution duly adopted on June 21, 2018 (the “Resolution”), the Board of Education of the District has authorized the issuance of a portion of said bonds in one or more series in an aggregate principal amount not exceeding \$10,000,000 of said bonds of Measure Q, pursuant to Article 4.5 of Chapter 3, of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Government Code”), and other applicable provisions of law, including applicable provisions of the Education Code; and

WHEREAS, a school district is authorized by Sections 53506 and following of the Government Code to issue and sell its bonds by a private sale to a purchaser; Section 53508.7 of the Government Code limits a private sale to bonds sold pursuant to Sections 15140 or 15146 of the Education Code; Section 15140(b) of the Education Code requires that for a school district to issue its own bonds without the county’s participation, the board of supervisors of the county must first approve the procedures; and the Board of Supervisors of the County, by its resolution adopted on July 17, 2018, has expressly authorized the District to proceed with a private sale of its bonds under Section 53508.7 of the Government Code and Section 15140(b) of the Education Code; and

WHEREAS, the District has not received a qualified or negative certification on its most recent interim report; and

WHEREAS, the District has found and determined, and by execution hereof so represents, that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Paying Agent Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Paying Agent Agreement; and

NOW, THEREFORE, in order to provide for the payment of the Bonds and the performance and observance by the District of all the covenants, agreements and conditions herein and in the Bonds contained; to secure the acknowledgement and consent of Director of Finance of the County to the payment arrangements provided for herein; and in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration to both parties, the District and the Paying Agent hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes hereof, and of any amendment hereof or supplement hereto, and of the Bonds, and of any certificate, opinion, request, or other document mentioned herein or therein, have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

“Authorized District Representative” shall mean the Superintendent of the District, the Chief Business Officer of the District, or any other designee of the Superintendent or the Board, acting with the authority of the Superintendent.

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

“Bondowner,” “Bondholder,” “Owner,” or “Holder” shall mean the person in whose name any Bond shall be registered.

“Bonds” shall mean the Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F, issued hereunder.

“Business Day” shall mean any day of the week other than a Saturday or a Sunday on which the Paying Agent is not required or authorized to remain closed, and on which the New York Stock Exchange is open for business.

“Certificate of the District.” See “Request of the District” defined herein.

“Code” shall mean the Internal Revenue Code of 1986, as the same shall be hereafter amended, and any regulations heretofore issued or which shall be hereafter issued by the United States Department of the Treasury thereunder.

“County” shall mean the County of Sacramento, State of California.

“Director of Finance” shall mean the Director of Finance of the County. The “Office of the Director of Finance” shall mean the Office of the Director of Finance of the County, in Sacramento, California.

“District” shall mean the Sacramento City Unified School District, located in the County.

“Holder.” See “Bondowner” defined herein.

“Interest and Sinking Fund” shall mean the Interest and Sinking Fund of the District administered by the Director of Finance, established pursuant to State law.

“Interest Payment Date” shall mean February 1 and August 1 of each year. The first Interest Payment Date shall be February 1, 2019. The final Interest Payment Date shall be the Maturity Date of the Bonds.

“Law” shall mean Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the Education Code, and other applicable provisions of law.

“Maturity Date” means the maturity date of the Bonds, which is [August 1, 2024].

“Order of the District.” See “Request of the District” defined herein.

“Opinion of Counsel” shall mean a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the District.

“Owner.” See “Bondowner” defined herein.

“Paying Agent” shall mean the Director of Finance of the County of Sacramento, as initial paying agent, registrar, and transfer agent with respect to the Bonds, its successors and assigns and any other corporation or association which may at any time be substituted in its place as provided in Section 6.02 hereof.

“Paying Agent Agreement” shall mean this agreement, by and between the District and the Paying Agent.

“Purchaser” shall mean [Purchaser], the original purchaser of the Bonds.

“Record Date” shall mean the 15th day of the month preceding any Interest Payment Date. The first Record Date shall be January 15, 2019.

“Request of the District,” “Certificate of the District,” or “Order of the District” shall mean a written request, certificate, or order, respectively, authorized and signed by an Authorized District Representative.

“State” shall mean the State of California.

“Tax Certificate” shall mean the Tax Certificate concerning certain matters pertaining to the use of proceeds of the Bonds, executed and delivered by the District on the date

The principal and any premium of the Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the office of the Paying Agent designated for this purpose pursuant to Section 6.01(b).

The principal and interest on the Bonds shall be payable in like lawful money to the person whose name appears on the bond registration books of the Paying Agent as the Owner thereof as of the close of business on the applicable Record Date for each Interest Payment Date, whether or not such day is a Business Day. Payment of the principal and interest on any Bond shall be made by check mailed by first class mail on each Interest Payment Date (or on the following Business Day, if the Interest Payment Date does not fall on a Business Day) to such Owner at such Owner's address as it appears on such registration books or at such address as the Owner may have filed with the Paying Agent for that purpose; or upon written request of the Owner of Bonds aggregating not less than \$1,000,000 in principal amount, given no later than the Record Date immediately preceding the applicable Interest Payment Date, by wire transfer in immediately available funds to an account maintained in the United States at such wire address as such Owner shall specify in its written notice.

Presentment of the Bonds for payment of principal and interest shall not be required, except on the Maturity Date or upon redemption of the Bonds pursuant to Section 4.01 hereof.

SECTION 2.02 Form and Registration of Bonds. (a) The Bonds, the Paying Agent's certificate of authentication and registration, and the form of assignment to appear thereon shall be in substantially the forms, respectively, attached hereto as Exhibit A, with necessary or appropriate variations, omissions, and insertions as permitted or required by this Paying Agent Agreement (provided that if a portion of the text of any Bond is printed on the reverse of the bond, the following legend shall be printed on the bond: "THE PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.").

(b) The Bonds, when issued, shall be registered in the name of [Purchaser], and shall be initially issued as one installment bond for the entire principal amount of the Bonds. Registered ownership of the Bonds may not thereafter be transferred except as provided in Sections 2.04 and 2.05 hereof.

SECTION 2.03 Execution and Authentication of Bonds. The Bonds shall be signed by the manual or facsimile signature of the President of the Board or any member of the Board, and the Secretary of the Board, or his or her designee. The Bonds shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent.

Only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form given in Exhibit A hereto, executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Paying Agent Agreement, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Paying Agent Agreement.

SECTION 2.04 Transfer of Bonds; Purchaser Letter. Any Bond may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.07 hereof by the person in whose name it is registered, in person or by the duly authorized attorney of such person, upon surrender of such Bond to the Paying Agent for cancellation at the office of the Paying Agent designated for such purpose, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent, and delivery to the District and the Paying Agent a completed and duly executed Investor Letter in substantially the form attached hereto as Exhibit B.

Whenever any Bond or Bonds shall be surrendered for transfer, the designated District officials shall execute (as provided in Section 2.03 hereof) and the Paying Agent shall authenticate and deliver a new Bond or Bonds of the same maturity, for a like aggregate principal amount, and bearing the same rate of interest. The Paying Agent shall require the payment by the Bondowner requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of Bonds shall be required to be made by the Paying Agent during the period from the close of business on the Record Date next preceding any Interest Payment Date or the close of business on the date when a notice of redemption has been given to and including such Interest Payment Date or designated redemption date.

The Paying Agent may only transfer the Bonds as a whole if the conditions of the Investor Letter are met. Pursuant to the Resolution, if the Purchaser sells any part of the Bonds, the Purchaser shall tender the Bonds to the Paying Agent who shall then reissue a new Bond in the name of the subsequent purchaser.

SECTION 2.05 Exchange of Bonds. Bonds may be exchanged at the office of the Paying Agent in Sacramento, California, or such other place as the Paying Agent shall designate, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate. The Paying Agent shall require the payment by the Bondowner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No exchange of Bonds shall be required to be made by the Paying Agent during the period from the close of business on the Record Date next preceding any Interest Payment Date or the close of business on the date when a notice of redemption has been given to and including such Interest Payment Date or designated redemption date.

SECTION 2.06 Bond Register. (a) The Paying Agent will keep or cause to be kept, at the place it shall designate for the purpose, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as hereinbefore provided.

(b) The Paying Agent shall assign each Bond authenticated and registered by it a distinctive letter or number, or letter and number.

(c) The Paying Agent shall keep a definitive record of the registered Owner(s) of the Bonds and the outstanding balance on the principal amount of the Bonds.

ARTICLE III

ISSUANCE OF THE BONDS

SECTION 3.01 Delivery of Bonds. The Paying Agent is hereby authorized to authenticate and deliver the Bonds to or upon the written Request of the District.

SECTION 3.02 Application of Proceeds of Sale of Bonds. Upon the delivery of the Bonds to the initial purchaser thereof and the receipt from said initial purchaser by the Paying Agent, of the net purchase price of the Bonds in the amount of \$10,000,000 (consisting of the par amount thereof), the District shall cause said net purchase price of the Bonds to be deposited with the Paying Agent and the Paying Agent shall apply, transfer and deposit said amount as follows:

(i) \$[Building Fund Deposit] in the Building Fund of the District within the County Treasury;

(ii) \$[I&S Fund Deposit] in the Interest and Sinking Fund of the District within the County Treasury; and]

(iii) \$[COI Deposit] to the Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F Costs of Issuance Account (the "Costs of Issuance Account"), which is hereby created and which shall be held and administered by the Paying Agent hereunder. Amounts deposited in the Costs of Issuance Account shall be paid on the written Order of the District. On the 180th day following the date of issue of the Bonds, or upon prior written Order of the District, the Paying Agent shall transfer any remaining amounts in the Costs of Issuance Account to the Director of Finance for deposit in the Interest and Sinking Fund of the District.

Funds held by the Paying Agent hereunder shall be held uninvested, unless otherwise directed by a written Order of the District.

ARTICLE IV

REDEMPTION OF THE BONDS

SECTION 4.01 Terms of Redemption. (a) Optional Redemption. The Bonds are not subject to optional redemption prior to maturity.

(b) Defeasance of Bonds. If at any time the District shall pay or cause to be paid, or there shall otherwise be paid to the Owners of any or all outstanding Bonds, all of the principal, interest, and premium, if any, represented by Bonds at the times and in the manner provided herein and in the Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation to levy taxes for payment of the Bonds as described in Section 5.02 hereof, and such obligation and all agreements

and covenants of the District to such Owners hereunder and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by the Bonds, but only out of moneys on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment; and provided further, however, that the provisions of Section 6.07 hereof shall apply in all events.

For purposes of this Section, the District may pay and discharge any or all of the Bonds by irrevocably depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of the United States of America or other non-callable obligations the payment of the principal of and interest on the Bonds, which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund of the District, be fully sufficient in the opinion of a certified public accountant licensed to practice in the State to pay and discharge the indebtedness on such Bonds (including all principal, interest, and redemption premiums, if any) at or before their respective maturity dates. In addition, a written opinion addressed to the District from bond counsel to the District that such defeasance will not cause interest on the Bonds to become includable in gross income for federal tax purposes shall be required.

ARTICLE V

COVENANTS OF THE DISTRICT

SECTION 5.01 Payment of Principal and Interest. On or prior to the date any payment is due in respect of the Bonds, the District will cause moneys to be deposited with the Paying Agent sufficient to pay the principal and the interest (and premium, if any) to become due in respect of all Bonds outstanding on such payment date. When and as paid in full, and following surrender thereof to the Paying Agent, all Bonds shall be cancelled by the Paying Agent, and thereafter they shall be destroyed. The Paying Agent hereby acknowledges that pursuant to the general laws of the State of California, the obligation to levy and collect taxes for the payment of the Bonds, and to pay principal and interest on the Bonds when due, are legal obligations of the County and the Director of Finance, and shall be performed by the Director of Finance.

SECTION 5.02 Obligation to Levy Taxes for Payment of Bonds. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District shall take all steps required by law and by the County to ensure that the Board of Supervisors shall annually levy a tax upon all taxable property in the District sufficient to redeem the Bonds, and to pay the principal, redemption premium, if any, and interest thereon, as and when the same become due. The District is not obligated to pledge and pledges no moneys hereunder other than as provided for and required by the Law.

SECTION 5.03 Validity of Bonds. The recital contained in the Bonds that the same are regularly issued pursuant to the Law shall be conclusive evidence of their validity and of compliance with the provisions of the Law in their issuance.

SECTION 5.04 Further Assurances. The District will promptly execute and deliver, or cause to be executed and delivered, all such other and further instruments, documents, or assurances, and promptly do, or cause to be done, all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Bondowners all rights, interest, powers, benefits, privileges, and advantages conferred or intended to be conferred upon them by this Paying Agent Agreement.

SECTION 5.05 Tax Covenants. (a) The District covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District covenants that it will comply with the requirements of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

(b) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Paying Agent on behalf of the District, the District shall so instruct the Paying Agent in writing.

(c) Notwithstanding any provision of this Section, if the District shall obtain and provide to the Paying Agent, an Opinion of Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Paying Agent may conclusively rely on such Opinion of Counsel in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

ARTICLE VI

THE PAYING AGENT

SECTION 6.01 Appointment; Acceptance; Principal Corporate Trust Office.
(a) Appointment and Acceptance of Duties. The County of Sacramento is hereby appointed Paying Agent, and hereby accepts and agrees to perform the duties and obligations of the Paying Agent, registrar, and transfer agent specifically imposed upon it by this Paying Agent Agreement. No implied duties shall be read into this Paying Agent Agreement against the Paying Agent.

The Paying Agent is hereby authorized and hereby agrees to pay or redeem the Bonds when duly presented for payment at maturity, or on prior redemption, and to cancel all Bonds upon payment thereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged.

(b) Office of the Paying Agent. The Paying Agent, and any successor Paying Agent, shall designate each place or places where it will conduct the functions of transfer, registration, exchange, payment, and surrender of the Bonds. If no office is so designated for a particular purpose, such functions shall be conducted at the office of the Director of Finance in Sacramento, California.

SECTION 6.02 Resignation, Removal, Replacement of Paying Agent. The Paying Agent may at any time resign by giving written notice to the District of such resignation, whereupon the District shall promptly appoint a successor Paying Agent by the resignation date. Resignation of the Paying Agent will be effective 45 days after notice of the resignation is given as stated above or upon appointment of a successor Paying Agent, whichever first occurs. The District may at any time remove the Paying Agent and any successor Paying Agent by an instrument given in writing, with copy to the District. After removal or receiving a notice of resignation of the Paying Agent, the District may appoint a temporary Paying Agent. Any such temporary Paying Agent so appointed by the District shall immediately and without further act be superseded by the successor Paying Agent upon the appointment of and acceptance thereof by such successor.

SECTION 6.03 Protection of Paying Agent. The Paying Agent hereby agrees, provided sufficient immediately available funds have been provided to it for such purpose by or on behalf of the District, to use the funds deposited with it solely for payment of the principal of and interest on the Bonds as the same shall become due or become subject to earlier redemption.

SECTION 6.04 Reliance on Documents, Etc.

(a) The Paying Agent may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Paying Agent by the District.

(b) The Paying Agent shall not be liable for any error of judgment made in good faith. The Paying Agent shall not be liable for other than its negligence or willful misconduct in connection with any act or omission hereunder.

(c) No provision of this Paying Agent Agreement shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(d) The Paying Agent may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent need not examine the ownership of any Bond, but is protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Bondowner or agent of the Bondowner.

(e) The Paying Agent may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and reliance thereon.

(f) The Paying Agent may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys.

SECTION 6.05 Recitals of District. The recitals contained herein and in the Bonds shall be taken as the statements of the District, and the Paying Agent assumes no responsibility for their correctness.

SECTION 6.06 Paying Agent May Own Bonds. The Paying Agent, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent for the Bonds.

SECTION 6.07 Money Held by Paying Agent; Unclaimed Moneys. Money held by the Paying Agent hereunder may be commingled with other funds held by the Paying Agent, but shall be separately accounted for. Except as otherwise provided herein, the Paying Agent shall have no duties with respect to investment of funds deposited with it and shall be under no obligation to pay interest on any money received by it hereunder.

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

SECTION 6.08 Other Transactions. The Paying Agent may engage in or be interested in any financial or other transaction with the District.

SECTION 6.09 Interpleader. The Paying Agent may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in a court of competent jurisdiction. The Paying Agent has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

SECTION 6.10 Indemnification. The District shall indemnify the Paying Agent, its officers, directors, employees, and agents (“Indemnified Parties”) for, and hold them harmless against any loss, cost, claim, liability, or expense arising out of or in connection with the Paying Agent’s acceptance or administration of the Paying Agent’s duties hereunder or under the Bonds (except any loss, liability, or expense as may be adjudicated by a court of competent jurisdiction to be attributable to the Paying Agent’s negligence or willful misconduct), including, without limitation, the cost and expense (including its counsel fees and disbursements, including the allocated costs and disbursements of internal counsel) of defending itself against any claim or liability (except such action as may be brought against the Paying Agent by the District) in connection with the exercise or performance of any of its powers or duties under this Paying Agent Agreement. The provisions of this Section 6.10 shall survive termination of this Paying Agent Agreement and shall continue for the benefit of any Paying Agent after its resignation as Paying Agent hereunder.

SECTION 6.11 Instructions to Paying Agent. The Paying Agent agrees to accept and act upon instructions or directions pursuant to this Paying Agent Agreement sent by

unsecured email, facsimile transmission, or other similar unsecured electronic methods, provided, however, that the District shall provide to the Paying Agent an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the District elects to give the Paying Agent email or facsimile instructions (or instructions by a similar electronic method), and the Paying Agent in its discretion elects to act upon such instructions, the Paying Agent's understanding of such instructions shall be deemed controlling. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized instruction, and the risk of interception and misuse by third parties.

ARTICLE VII

MISCELLANEOUS

SECTION 7.01 Counterparts. This Paying Agent Agreement may be signed in several counterparts, each of which will constitute an original, but all of which shall constitute one and the same instrument.

SECTION 7.02 Notices. Unless otherwise specified herein, all notices, statements, orders, requests or other communications hereunder by any party to another shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, or if given by fax, electronically, or other means of written communication and confirmed by mail:

If to the District:

Sacramento City Unified School District
5735 47th Avenue
Sacramento, CA 95824
Attn: Chief Business Officer

If to the Paying Agent:

County of Sacramento
700 H Street, Suite 1710
Sacramento, CA 95814
Attn: Director of Finance

SECTION 7.03 Governing Law. This Paying Agent Agreement shall be governed by the laws of the State of California.

SECTION 7.04 Intended Third-Party Beneficiaries. The Bondholders are intended third-party beneficiaries of the covenants and agreements set forth herein.

SECTION 7.05 Severability. If any one or more of the provisions contained in this Paying Agent Agreement or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Paying Agent Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Paying Agent Agreement, and this Paying Agent Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have entered into this Paying Agent Agreement and each and every other Section, subsection, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, subsections, paragraphs, sentences, clauses or phrases of this Paying Agent Agreement may be held illegal, invalid or unenforceable.

IN WITNESS WHEREOF, the parties hereto have caused this Paying Agent Agreement, relating to the Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F, to be duly executed by their officers duly authorized as of the date first written above.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By _____
Gerardo Castillo, CPA, Chief Business Officer
Authorized District Representative

COUNTY OF SACRAMENTO, as Paying Agent

By _____
Authorized Officer

APPROVED AS TO FORM:

Assistant County Counsel

EXHIBIT A

[FORM OF BOND]

Number	UNITED STATES OF AMERICA	Amount
R-1	STATE OF CALIFORNIA	\$10,000,000
	SACRAMENTO COUNTY	

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2012
(MEASURE Q), 2018 SERIES F

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated</u>
____%	[August 1, 2024]	[Closing Date]

Registered Owner: [PURCHASER]

Principal Sum: TEN MILLION DOLLARS

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT of Sacramento County, State of California (herein called the “District”), acknowledges itself obligated to and promises to pay to the registered owner identified above or registered assigns, but only from taxes collected by the County of Sacramento (the “County”) for such purpose pursuant to Section 15250 of the Education Code of the State of California, on the maturity date set forth above, the principal sum specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money at the interest rate per annum stated above, computed on the basis of a 360-day year of twelve 30-day months, payable on February 1 and August 1 of each year, commencing February 1, 2019, until payment of said principal sum. If this Bond (hereinafter defined) is authenticated and registered on any date prior to the close of business on January 15, 2019, it shall bear interest from the date hereof. If authenticated during the period between any Record Date (defined as the 15th day of the month preceding an interest payment date) and the close of business on its corresponding interest payment date, it shall bear interest from such interest payment date. Otherwise, this Bond shall bear interest from the interest payment date immediately preceding the date of its authentication.

The principal hereof is payable to the registered owner hereof upon the surrender hereof at the place or places designated for the purpose by the paying agent/registrar and transfer agent of the District (herein called the “Paying Agent”), initially, the Director of Finance of the County of Sacramento. Payments of principal and interest made prior to maturity shall not require presentation and surrender of the Bond. The Owner of the Bond shall be required to surrender the Bond at maturity. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the registered owner hereof as of the close of business on the Record Date preceding each interest payment date, whether or not such day is a business day, such interest to be paid by check mailed to such registered owner at the owner’s address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an

interest payment date, of the owner of the Bond, interest will be paid by wire transfer to an account maintained in the United States as specified by the owner in such request.

This Bond is issued as one installment bond in the aggregate to \$10,000,000 designated as “Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F” (the “Bonds”). The outstanding principal amount will be reduced in the amount of each installment payment when paid. The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 6, 2012. The Bonds are issued and sold by the Board of Education of the District pursuant to and in strict conformity with the provisions of the Constitution and laws of the State of California, a resolution approved by the Board of Education of the District (the “Board”) on June 21, 2018, and the Paying Agent Agreement, dated as of July 1, 2018 (the “Paying Agent Agreement”), by and between the District and the Paying Agent. Capitalized undefined terms used herein have the meanings ascribed thereto in the Paying Agent Agreement.

This Bond is transferable solely in accordance with the terms of the Paying Agent Agreement. The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The Bond is not subject to optional redemption prior to maturity.

The Board hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this Bond, is within the limit provided by law, that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this Bond has been done and performed in strict conformity with the laws authorizing the issuance of this Bond, that this Bond is in the form prescribed by order of this Board duly made and entered on its minutes and shall be payable out of the Interest and Sinking Fund of the District, and the money for the payment of the principal of this Bond, premium, if any, and the payment of interest hereon, shall be raised by taxation upon the taxable property of said District.

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

IN WITNESS WHEREOF the Board of Education of the Sacramento City Unified School District has caused this Sacramento City Unified School District General Obligation Bond, Election of 2012 (Measure Q), 2018 Series F to be signed by manual or facsimile signatures of its President and of the Secretary of the Board.

Jessie Ryan, President, Board of Education of the
Sacramento City Unified School District

Jorge A. Aguilar, Secretary, Board of Education of
the Sacramento City Unified School District

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F described in the within-mentioned Paying Agent Agreement authenticated and registered on [Closing Date].

County of Sacramento, as Paying Agent/Registrar
and Transfer Agent

By _____
Authorized Officer

ASSIGNMENT

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

I.D. Number

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

Dated: _____

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

INSTALLMENT PAYMENT SCHEDULE

(a) Installment Payments. The Bond is subject to installment payments on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule:

Installment Payment Date	Principal Amount
-----------------------------	---------------------

\$

†

† Maturity

EXHIBIT B

FORM OF INVESTOR LETTER

Raymond James & Associates, Inc.
San Francisco, California

_____ (“Purchaser”) has agreed to purchase the Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F (the “Bonds”) in the amount of \$_____ which were issued in the original aggregate principal amount of \$10,000,000 by the Sacramento City Unified School District (the “District”). The Purchaser hereby represents that:

1. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to, without reliance upon others, evaluate the risks and merits represented by the purchase of the Bonds.

2. The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

3. The Purchaser is able to bear the economic risks of purchasing the Bonds. The Purchaser is a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933 or an “accredited investor” as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended. The Purchaser is not acting as a broker, dealer or municipal securities Purchaser in connection with its purchase of the Bonds.

4. The Purchaser understands that an official statement, prospectus, offering circular, or other comprehensive offering statement has not been provided with respect to the Bonds. The Purchaser has, without reliance upon others, made its own inquiry and analysis with respect to the District and Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds.

5. The Purchaser acknowledges that it has reviewed information, including financial statements and other financial information, regarding the District, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the District and the Bonds and the security therefor, so that, without reliance upon others, it has been able to make an informed decision to purchase the Bonds; provided, however, that this letter shall not constitute a waiver of any rights or remedies the Purchaser may have with respect to any material untrue information it may have received or any material information which was intentionally withheld from its review.

6. The Purchaser understands that the Bonds: (a) are not registered under the 1933 Act and are not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) are not listed on any stock or other securities exchange, and (c) have not been rated by any credit rating agency.

7. The Bonds are being acquired by the Purchaser for its own account and not with a

present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be made in accordance with the Paying Agent Agreement and applicable securities laws to a person or entity that executes a letter substantially in the form of this letter.

DATED this ____ day of _____ 2018.

[PURCHASER]

By: _____

Name: _____

Title: _____

BOND PURCHASE AGREEMENT

\$10,000,000

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2012
(MEASURE Q), 2018 SERIES F**

[July 18], 2018

Board of Education
Sacramento City Unified School District
Sacramento, California

Members of the Board of Education:

The undersigned, [Purchaser] (the “Purchaser”), acting solely as a principal and not as fiduciary or agent for the District (as hereinafter defined) or advisor (including, without limitation, a “Municipal Advisor” (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), hereby offers to enter into this Bond Purchase Agreement (the “Purchase Contract”) with the Board of Education (the “Board”) of the Sacramento City Unified School District (the “District”), acting through its Superintendent or Authorized District Representative. The offer made hereby is subject to acceptance by the District by execution and delivery of this Purchase Contract to the Purchaser at or prior to 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Purchaser upon written notice to the District at any time prior to acceptance hereof by the District. Upon acceptance of this offer by the District in accordance with the terms hereof, this Purchase Contract will be binding upon the District and upon the Purchaser.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, covenants, and agreements hereinafter set forth, the Purchaser hereby agrees to purchase from the District, and the District hereby agrees to sell to the Purchaser, all (but not less than all) of the \$10,000,000 aggregate principal amount of the Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F (the “Bonds”), as a single installment payment bond in accordance with the installment schedule set forth in Appendix A hereto at the purchase price of par. The Bonds shall bear interest at the fixed rate of [_.__]%. Interest on the Bonds shall be calculated on the basis of a month of 30 days and a year of 360 days.

2. The Bonds. The District represents to the Purchaser that the Bonds shall be issued pursuant to Articles 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California and other applicable law, and in accordance with Resolution No. 3017 of the Board of Education of the District, adopted on June 21, 2018 (the “Resolution”),

and pursuant to the terms of that certain Paying Agent Agreement dated as of July 1, 2018 (the “Paying Agent Agreement”), to be entered into by and between the District and the Director of Finance of the County of Sacramento, as paying agent (the “Paying Agent”) with respect to the Bonds. The Bonds shall conform in all respects to the terms and provisions set forth in the Resolution, the Paying Agent Agreement, and in this Purchase Contract, including in Appendix A hereto.

The Bonds shall be dated the date of delivery, expected to be [Closing Date], shall mature on August 1 in the year, in the principal amount, and pay interest at the rate shown in Appendix A. Interest on the Bonds shall be payable on February 1, 2019, and thereafter on February 1 and August 1 in each year until maturity. Final maturity for the Bonds shall be August 1, 2024.

The Bonds shall not be subject to optional redemption prior to maturity.

3. Representations and Agreements of the District. The District represents and covenants to the Purchaser that, as of the date hereof and as of the date of the Closing:

(a) The District is a school district duly organized and validly existing under the Constitution and general laws of the State of California.

(b) The District has full legal right, power, and authority to enter into this Purchase Contract, to adopt the Resolution, to enter into the Paying Agent Agreement, and to observe and perform the District’s covenants and agreements contained herein and therein.

(c) The Board of the District has duly adopted the Resolution in accordance with the laws of the State of California; the Resolution is in full force and effect and has not been amended, modified, or rescinded, and all representations of the District set forth in the Resolution are true and correct; the District has duly authorized and approved the execution and delivery of, and the observance and performance by the District of its covenants and agreements contained in, the Bonds and this Purchase Contract; the District has duly authorized and approved the consummation by it through its officers and agents of all other transactions contemplated therein to have been performed or consummated at or prior to the Closing Date; and the District has complied, and will at the Closing be in compliance in all respects, with its obligations in connection with the issuance of the Bonds contained in this Purchase Contract, the Resolution, the Paying Agent Agreement and the Bonds.

(d) The District will maintain a standard system of accounting in accordance with GAAP and will furnish to the Purchaser (a) a copy of its certified public accountant audited full-year financial statements to the Purchaser within 180 days of fiscal year end, commencing with its audited financial statements for the fiscal year ending June 30, 2018; provided that the District shall have an additional 90 days for submission of said financial statements, so long as the District is diligently pursuing the completion of such financial statements; (b) a copy of the District’s budget for each fiscal year promptly after it is adopted by the District; and (c) such other information as Purchaser may from time to time reasonably request.

(e) The District has, and has had, no financial advisory relationship with the Purchaser with respect to the Bonds, nor with any investment firm controlling, controlled by, or under common control with the Purchaser.

(f) The execution, sale and delivery by the District of the Bonds and the execution and delivery of this Purchase Contract, the compliance by it with the terms, conditions or provisions hereof and thereof, and the consummation on its part of the transactions herein and therein contemplated do not and will not, in any respect material for the performance by the District of its obligations under the Bonds or this Purchase Contract, conflict with or constitute a breach of or a default under nor contravene any law, administrative regulation, judgement, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under any such law, administrative regulation, judgement, decree, loan agreement, indenture, bond, note, deed of trust, resolution, agreement or other instrument in any respect material to the performance by the District of its obligations under the Bonds or this Purchase Contract.

(g) There is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the District required for the execution, delivery and sale of the Bonds or the consummation by the District of the transactions contemplated by this Purchase Contract, which has not been duly obtained or made and each such matter is in full force and effect.

(h) To the best knowledge of the District, none of the matters referred to in Section 9 hereof has occurred or is pending.

(i) The financial statements of the District for the fiscal year ended June 30, 2017, and audited by Crowe Horwath LLP, were prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) consistently applied and present fairly the financial position of the District at the date thereof and the changes in financial position for the fiscal year ended on such date. Except as previously disclosed to the Purchaser, since June 30, 2017, there has been no material adverse change in such position or in the operation, properties or condition (financial or otherwise) of the District.

(j) There is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending against or, to the best knowledge of the District, threatened against or affecting the District wherein an unfavorable decision, ruling or finding would adversely affect (i) the validity or enforceability of, or the authority or ability of the District to perform its obligations under, the Bonds and this Purchase Contract or (ii) the transactions contemplated to be performed by it under the Bonds and this Purchase Contract.

(k) The District is not in default as to the payment of principal or interest with respect to an obligation issued or incurred by the District.

(l) The District covenants that it will not take any action which would cause interest payable with respect to the Bonds to become includable in gross income for federal income tax purposes or subject to State of California personal income taxes.

5. Representations and Agreements of the Purchaser. The Purchaser represents and covenants to the District that, as of the date hereof and as of the date of the Closing:

(a) The Purchaser has sufficient knowledge and experience in financial and business matters, including lending to governments and the purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits represented by the purchase of the Bonds.

(b) The Purchaser has authority to purchase the Bonds and to execute this Purchase Contract and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

(c) The Purchaser is able to bear the economic risks of purchasing the Bonds. The Purchaser is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended. The Purchaser is not acting as a broker, dealer or municipal securities Purchaser in connection with its purchase of the Bonds.

(d) The Purchaser understands that an official statement, prospectus, offering circular, or other comprehensive offering statement has not been provided with respect to the Bonds. The Purchaser has made its own inquiry and analysis with respect to the District and Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds.

(e) The Purchaser acknowledges that it has reviewed information, including financial statements and other financial information, regarding the District, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the District and the Bonds and the security therefor, so that it has been able to make an informed decision to purchase the Bonds; provided, however, that this Purchase Contract shall not constitute a waiver of any rights or remedies the Purchaser may have with respect to any untrue information it may have received or any material information which was withheld from its review.

(f) The Purchaser understands that the Bonds: (i) are not registered under the 1933 Act and are not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) are not listed on any stock or other securities exchange, and (iii) have not been rated by any credit rating agency.

(g) The Bonds are being acquired by the Purchaser for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be made in accordance with the Paying Agent Agreement and applicable securities laws to a person or entity:

- i. that is an affiliate of the Purchaser;

- ii. that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers or accredited investors; or
- iii. that executes the Investor Letter in the form substantially attached hereto as Appendix B.

5. Conditions to Closing.

(a) At the time of the Closing, (i) the District Resolution and this Purchase Contract shall be in full force and effect and shall not have been rescinded, amended, modified or supplemented, except as may have been agreed to by the Purchaser, and the District shall have adopted or executed and delivered, as the case may be, and there shall be in full force and effect such additional resolutions, agreements, opinions and certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax-exempt character of interest evidenced by the Bonds), which resolutions, agreements, opinions and certificates shall be reasonably satisfactory in form and substance to the Purchaser, and there shall have been taken in connection therewith and in connection with the issuance of the Bonds all such action as shall, in the opinion of the Purchaser, be necessary in connection with the transactions contemplated hereby, (ii) the Bonds shall have been duly issued, authenticated and delivered, (iii) the District shall perform or have performed all of its obligations under or specified in this Purchase Contract to be performed by the District at or prior to the Closing and all representations and warranties by the District contained herein shall be true and correct in all material respects, and (iv) none of the conditions set forth in Section 9 hereof shall have occurred.

(b) At or before Closing, and contemporaneously with the acceptance of delivery of the Bonds, the District will provide to the Purchaser, in form and substance satisfactory to the Purchaser:

(1) a certificate or certificates, signed by appropriate officials of the District, confirming to the Purchaser that, as of the date of this Purchase Contract and at the time of Closing, to the best of the knowledge of said official or officials, there is no litigation pending, with service of process completed, or, to the best of the knowledge of such person, threatened, (i) concerning the validity of the Bonds, the corporate existence of the District, or the entitlement of the officers of the District who have signed the Bonds, and the various certificates and agreements of the District relating to the issuance and sale of Bonds, to their respective offices, or (ii) in which the District is named as defendant.

(2) a certificate or certificates, signed by an appropriate official of the District, confirming to the Purchaser that as of the Closing Date all of the representations of the District contained in this Purchase Contract are true, and that the District Resolution is in full force and effect and has not been amended, modified or rescinded.

(3) the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel with respect to the issuance of the Bonds (“Bond Counsel”), addressed to the District, approving the validity of the Bonds attached hereto as Appendix C, including a reliance letter addressed to Purchaser allowing Purchaser to rely on such opinion.

(4) the duly executed Tax Certificate of the District, dated the date of Closing, in form satisfactory to Bond Counsel.

(5) the receipt of the Paying Agent confirming payment by the Purchaser of the Purchase Price of the Bonds.

(6) a certified copy of the adopted District Resolution.

(7) an executed copy of the Paying Agent Agreement.

(8) an executed copy of this Purchase Contract.

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

(c) At or before Closing, and contemporaneously with the acceptance of delivery of the Bonds and the payment of the Purchase Price thereof, the Purchaser will provide to the District:

(1) the receipt of the Purchaser, in form satisfactory to the District and signed by an authorized officer of the Purchaser, confirming delivery of the Bonds to the Purchaser and the satisfaction or waiver of all conditions and terms of this Purchase Contract by the District.

(2) the Investor Letter in the form substantially attached hereto as Appendix B.

6. Closing. At or before 11:00 a.m., California time, on [Closing Date], or at such other date and time as shall have been mutually agreed upon by the District and the Purchaser, the District shall deliver or cause to be delivered to the Purchaser the Bonds duly executed by the District, together with the other documents described in Section 5(a) and (b) hereof; and the Purchaser will accept such delivery and pay the Purchase Price of the Bonds as set forth in Section 1 hereof in immediately available funds by federal funds wire, in an aggregate amount equal to such Purchase Price, plus accrued interest, if any, on the Bonds from the date thereof to the date of such payment, and shall deliver to the District the other documents described in Section 5(b) hereof, as well as any other documents or certificates Bond Counsel shall reasonably require.

Payment for the delivery of the Bonds as described herein shall be made to the Paying Agent on behalf of the District in San Francisco, California, or at such other place or by other means as shall have been mutually agreed upon by the District and the Purchaser. The Bonds will be delivered at such other place as shall have been mutually agreed upon by the District and the Purchaser. All other documents to be delivered in connection with the delivery of the Bonds shall be delivered at the offices of Orrick, Herrington & Sutcliffe LLP, 405 Howard Street, San

Francisco, California. Such payment and delivery is herein called the “Closing” and the date thereof the “Closing Date.”

7. Expenses. [The Purchaser shall be under no obligation to pay and the District shall pay any expenses incident to, or in connection with, the offering, issuance and sale of the Bonds, including, but not limited to: (i) the cost of the preparation and reproduction of the documents to be delivered by the District hereunder; (ii) the fees and disbursements of Bond Counsel; (iii) the costs of the preparation, printing and delivery of the Bonds; (iv) fees required to be paid to the California Debt and Investment Advisory Commission (“CDIAC”), (v) fees and expenses of the Paying Agent for the Bonds; (vi) fees and disbursements of Raymond James & Associates, Inc. (the “Placement Agent”); and (vii) fees and disbursements of any counsel to the Purchaser in an amount not to exceed \$7,500. The foregoing costs and expenses shall be paid out of the proceeds of the sale of Bonds or by the District. If either the District or the Purchaser shall have paid obligations of the other as set forth in this Section, adjustment shall be made at the Closing or as soon thereafter as practicable.

All other costs and expenses incurred by the Purchaser as a result of or in connection with the purchase of the Bonds shall be borne by the Purchaser, including, but not limited to CUSIP fees.]

8. Purchaser’s Right to Terminate. Notwithstanding anything contained herein, the Purchaser may terminate its obligations hereunder by written notice to the District if, at any time subsequent to the date hereof on or prior to the Closing:

(a) Legislation shall have been enacted or any action shall have been taken by the Securities and Exchange Commission that, in the reasonable judgment of the Purchaser, has the effect of requiring either (A) the offer or sale of the Bonds to be registered under the Securities Act of 1933, as amended (the “Securities Act”), or any other “security,” as defined in the Securities Act, issued in connection with or as part of the issuance of the Bonds to be so registered, or (B) the Paying Agent Agreement to be qualified under the Trust Indenture Act of 1939, as amended;

(b) Any litigation shall be pending or shall have been threatened in writing (i) affecting the existence of the District or the titles of its officers to their respective offices; (ii) seeking to prohibit, restrain or enjoin the issuance, sale, execution or delivery of the Bonds or payment, collection or application of the proceeds thereof; (iii) in any way contesting or affecting any authority for of the validity or enforceability of the Bonds, the Paying Agent Agreement or this Purchase Contract or the transactions contemplated hereby or thereby; (iv) in any way contesting the powers of the District or any authority for the issuance of the Bonds, the adoption by the Board of Education of the District of the District Resolution or the performance by the District of its obligations under the Bonds, the Paying Agent Agreement or this Purchase Contract, or the execution and delivery by the District or the performance by the District of its obligations under the Paying Agent Agreement or this Purchase Contract; or (v) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the District or the Bonds or the transactions contemplated herein;

(c) There shall have occurred any material adverse change in the financial condition or general affairs of the District that, in the reasonable judgment of the Purchaser, materially adversely affects the District or the Bonds or the transactions contemplated herein;

(d) There shall have occurred an escalation of any current international or national crisis or another international or national crisis, a suspension of stock exchange trading, or a banking moratorium that, in the reasonable judgment of the Purchaser, materially adversely affects the market price of the Bonds;

(e) The federal or state constitution shall have been amended, or any federal or state court, legislative body, regulatory body, or other authority shall issue a decision, ruling, order, rule or regulation, that adversely affects the validity or enforceability of the Bonds or the Paying Agent Agreement; or

(f) Any representation or warranty contained herein or any other document or certificate furnished to the Purchaser by or on behalf of the District in connection herewith or with the Bonds is or becomes untrue or incorrect or the District fails to perform any covenant or condition required to be performed by it pursuant hereto.

10. Notices. Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the introductory paragraph hereof) may be given to the District by delivering the same in writing to the District at the address given below, and may be given to the Purchaser by delivering the same in writing to the address of the Purchaser set forth below, or such other address as the District or the Purchaser may designate by notice to the other party.

To the District: Sacramento City Unified School District
5735 47th Avenue
Sacramento, California 95824
Attn: Chief Business Officer

To the Purchaser: [Purchaser
Address Line 1
Address Line 2
Address Line 3]

11. Governing Law. The validity, interpretation, and performance of this Purchase Contract shall be governed by the laws of the State of California.

13. Patriot Act Notice. The District agrees upon a written notice from the Purchaser that pursuant to the requirements of the Patriot Act that the Purchaser is required to obtain, verify and record information that identifies the District, which information includes the name and address of the District and other information that will allow the Purchaser to identify the District in accordance with the Patriot Act, that the District shall promptly provide such information to the Purchaser.

14. Disclosures. The Purchaser is purchasing the bond on the Closing Date subject to the additional following terms: (i) the Bonds are not being registered under the Securities

Act of 1933 and are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state; (ii) the Purchaser will hold the Bonds as one single debt instrument; (iii) no CUSIP numbers will be obtained for the Bonds; (iv) no final official statement has been prepared in connection with the private placement of the Bonds; (v) the Bonds will not close through The Depository Trust Company or any similar repository and will not be in book entry form; (vi) the Bonds shall not be rated by any rating agency; and (vii) the Bonds are not listed on any stock or other securities exchange.

15. Parties in Interest. This Purchase Contract, when accepted by the District in writing as heretofore specified, shall constitute the entire agreement between the District and the Purchaser, and is solely for the benefit of the District and the Purchaser (including the successors or assigns thereof). No other person shall acquire or have any rights hereunder or by virtue hereof. All representations and agreements in this Purchase Contract of each of the parties hereto shall remain operative and in full force and effect, regardless of (a) delivery of and payment for the Bonds hereunder, or (b) any termination of this Purchase Contract.

16. Headings. The headings of the paragraphs and Sections of this Purchase Contract are inserted for convenience of reference only and shall not be deemed to be a part hereof.

17. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance hereof by the Authorized District Representative, and shall be valid and enforceable at the time of such acceptance.

18. Counterparts. This Purchase Contract, for the purchase and sale of the Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F, may be executed in several counterparts, which together shall constitute one and the same instrument.

Respectfully submitted,

[PURCHASER]

By: _____
Authorized Officer

Accepted: [July 18], 2018

Time: _____ (PDT)

SACRAMENTO CITY UNIFIED SCHOOL
DISTRICT

By: _____
Gerardo Castillo, CPA, Chief Business Officer

APPENDIX A

**TERMS OF THE
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2012
(MEASURE Q), 2018 SERIES F**

I. Payment Provisions

Interest Rates: See attached Bond Installment Payment Schedule as Schedule A.

Principal Installment Payments: See attached Bond Installment Payment Schedule as Schedule A.

SCHEDULE A

**Bond Installment Payment Schedule
Sacramento City Unified School District
(Sacramento County, California)
General Obligation Bonds, Election of 2012
(Measure Q), 2018 Series F**

[To come]

APPENDIX B

FORM OF INVESTOR LETTER

[Raymond James & Associates, Inc.
San Francisco, California]

_____ (“Purchaser”) has agreed to purchase the Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F (the “Bonds”) in the amount of \$_____ which were issued in the original aggregate principal amount of \$10,000,000 by the Sacramento City Unified School District (the “District”). The Purchaser hereby represents that:

1. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to, without reliance upon others, evaluate the risks and merits represented by the purchase of the Bonds.

2. The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

3. The Purchaser is able to bear the economic risks of purchasing the Bonds. The Purchaser is a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933 or an “accredited investor” as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended. The Purchaser is not acting as a broker, dealer or municipal securities Purchaser in connection with its purchase of the Bonds.

4. The Purchaser understands that an official statement, prospectus, offering circular, or other comprehensive offering statement has not been provided with respect to the Bonds. The Purchaser has, without reliance upon others, made its own inquiry and analysis with respect to the District and Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds.

5. The Purchaser acknowledges that it has reviewed information, including financial statements and other financial information, regarding the District, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the District and the Bonds and the security therefor, so that, without reliance upon others, it has been able to make an informed decision to purchase the Bonds; provided, however, that this letter shall not constitute a waiver of any rights or remedies the Purchaser may have with respect to any material untrue information it may have received or any material information which was intentionally withheld from its review.

6. The Purchaser understands that the Bonds: (a) are not registered under the 1933 Act and are not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) are not listed on any stock or other securities exchange, and (c) have not been rated by any credit rating agency.

7. The Bonds are being acquired by the Purchaser for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be made in accordance with the Paying Agent Agreement and applicable securities laws to a person or entity that executes a letter substantially in the form of this letter.

DATED this ____ day of _____ 2018.

[PURCHASER]

By: _____
Name: _____
Title: _____

APPENDIX C

FORM OF FINAL OPINION OF BOND COUNSEL

[Subject to revision]

[Delivery Date]

Board of Education
Sacramento City Unified School District
Sacramento, California

Sacramento City Unified School District
General Obligation Bonds, Election of 2012
(Measure Q), 2018 Series F
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Sacramento City Unified School District (the “District”), which is located in the County of Sacramento, California (the “County”), in connection with the issuance by the District of \$10,000,000 aggregate principal amount of bonds designated as “Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F” (the “Bonds”). The Bonds are authorized by a resolution adopted by the Board of Education of the District on June 21, 2018 (the “Resolution”), and issued pursuant to a paying agent agreement, dated as of July 1, 2018 (the “Paying Agent Agreement”), between the District and the Director of Finance of the County, as paying agent (the “Paying Agent”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Paying Agent Agreement.

In such connection, we have reviewed the Resolution, the Paying Agent Agreement, the tax certificate of the District dated the date hereof (the “Tax Certificate”), certificates of the District, the Paying Agent, the County, and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof.

Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution, the Paying Agent Agreement, and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Resolution, the Paying Agent Agreement, and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against school districts and counties in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Resolution or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of any offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding obligations of the District.
2. The Board of Supervisors of the County has power and is obligated to levy *ad valorem* taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the Bonds and the interest thereon.
3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

PLACEMENT AGENT AGREEMENT

July 1, 2018

Sacramento City Unified School District
Sacramento, California

The undersigned, Raymond James & Associates, Inc. (the "Placement Agent"), offers to enter into the following agreement (this "Agreement") with the Sacramento City Unified School District (the "District"), which, upon acceptance by the District, will be binding upon the District and the Placement Agent.

Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Placement Agent and District hereby agree as follows:

1. Appointment of Placement Agent; Placement of Bonds. (a) The District hereby appoints the Placement Agent to act as the exclusive placement agent for the District in connection with the private sale and issuance of its General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F (the "Bonds"), and the Placement Agent hereby accepts such appointment. As compensation for its services hereunder, the Placement Agent shall charge a fee equal to \$25,000. At the closing of any such sale, the District shall pay or cause to be paid such fee to the Placement Agent by wire transfer or immediately available funds. The above fee does not include any services the Placement Agent may render in the future to the District with respect to any offering or placement of municipal securities other than the Bonds.

(b) The District will provide the purchaser of the Bonds with the opportunity to ask questions and receive answers. The District shall (i) allow the purchaser an opportunity to conduct its own independent examination of, and ask questions and receive answers concerning, the District, the Paying Agent, the Paying Agent Agreement, the Bonds, and the security therefor, and the transactions and documents related to or contemplated by the foregoing, and (ii) furnish the purchaser with all documents and information regarding the District, the Paying Agent, the Paying Agent Agreement, the Bonds, and the security therefor, and the transactions and documents related to or contemplated by the foregoing, and all matters related thereto, that the purchaser requests.

(c) The District understands that the Placement Agent will be acting as the agent of the District in the offering and sale of the Bonds and agrees that, in connection therewith, the Placement Agent will use its "best efforts" to place the Bonds. This Agreement shall not give rise to any expressed or implied commitment by the Placement Agent to purchase or place any of the Bonds.

(d) The District acknowledges and agrees that (i) arranging for buyers to purchase the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the District and the Placement Agent, (ii) in connection with such transaction, the Placement Agent is acting solely as a principal and not as an agent or a fiduciary of the District, (iii) the Placement Agent has not assumed (individually or collectively) a fiduciary responsibility in favor of the District with respect to (A) the placement of the Bonds or the process leading thereto (whether or

not the Placement Agent has advised or is currently advising the District on other matters), or (B) any other obligation to the District except the obligations expressly set forth in this Agreement, and (iv) the District has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the placement of the Bonds. The District agrees that it will not claim that the Placement Agent has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the District in connection with such transaction or the process leading thereto. The Placement Agent is not acting as a municipal advisor as defined in Section 15B of the Securities Exchange Act of 1934, as amended, in connection with the matters contemplated by this Agreement. The District acknowledges that it has previously provided the Placement Agent with an acknowledgement of receipt of the required disclosure of the Placement Agent's role under Rule G-17 of the Municipal Securities Rulemaking Board.

2. Covenants, Representations and Warranties of the District. The District represents, warrants and agrees as follows:

(a) the District is, and will be at the Closing Date, a duly organized, validly existing and operating school district pursuant to the laws of the State of California (the "State") with full power and authority to observe and perform the covenants and agreements set forth in this Agreement;

(b) by official action of the District, prior to or concurrently with the acceptance hereof, the District (i) has duly adopted a resolution authorizing and approving the execution and delivery of this Agreement, and the performance of its obligations contained herein, and (ii) such resolution is in full force and effect and has not been amended or supplemented as of the date hereof;

(c) the execution and delivery of this Agreement and compliance with the provisions on the District's part contained therein do not and will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, statute, indenture, mortgage, deed of trust, bond, note, resolution, agreement or other instrument to which the District is a party or by which the District is bound; and

(d) any certificate signed by an authorized officer of the District and delivered to the Placement Agent shall be deemed a representation and warranty by the District in connection with this Agreement to the Placement Agent as to the statements made therein for the purposes for which such statements are made.

3. Reliance. The District recognizes that, in providing services under this Agreement, the Placement Agent will rely upon and assume the accuracy and completeness of the financial, accounting, tax and other information discussed with or reviewed by the Placement Agent for such purpose, and the Placement Agent does not assume responsibility for the accuracy and completeness thereof. The Placement Agent will have no obligation to conduct any independent evaluation or appraisal of the assets or the liabilities of the District or any other party or to advise or opine on related solvency issues. Nothing in this Agreement is intended to confer upon any other person (including creditors, employees or other constituencies of the District) any rights or remedies hereunder or by reason hereof.

4. Termination. The Placement Agent's authorization to carry out its duties hereunder may be terminated by the District or the Placement Agent at any time with or without cause, effective upon receipt of written notice to that effect by the other party.

5. Notices. Any notice or other communication to be given to any of the parties to this Agreement may be given by delivering the same in writing to the District at: Sacramento City Unified School District, 5735 47th Avenue, Sacramento, CA 95824, Attention: Chief Business Officer; and to the Placement Agent at: Raymond James & Associates, Inc., One Embarcadero Center, Suite 650, San Francisco, CA 94111.

6. Survival of Representations, Warranties and Agreements. This Agreement is made solely for the benefit of the District and the Placement Agent, and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the District contained in this Agreement shall remain operative and in full force and effect regardless of delivery of any payment for the Bonds.

7. Effectiveness. This Agreement shall become effective upon the execution of the acceptance hereof by a duly authorized signatory of the District, which acceptance hereof shall be indicated on the signature page hereof, and shall be valid and enforceable as of the time of such acceptance. This Agreement may be executed by facsimile transmission and in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Authorized Representative

Accepted and Agreed:

**SACRAMENTO CITY UNIFIED SCHOOL
DISTRICT**

By: _____
Gerardo Castillo, CPA, Chief Business Officer