

RESOLUTION NO. 16-17-19

A RESOLUTION OF THE BOARD OF EDUCATION OF THE IRVINE UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF THE SCHOOL FACILITIES IMPROVEMENT DISTRICT NO.1 OF THE IRVINE UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2016 ELECTION, SERIES 2016A, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$95,000,000 AND APPROVING VARIOUS ACTIONS RELATED THERETO

WHEREAS, a duly called election was held in School Facilities Improvement District No. 1 of the Irvine Unified School District (the "Improvement District"), County of Orange (the "County"), State of California, on June 7, 2016 (the "Election") and thereafter canvassed pursuant to law;

WHEREAS, at the Election there was submitted to and approved by the requisite fifty-five percent or more vote of the qualified electors of the Improvement District a question as to the issuance and sale of general obligation bonds of the Improvement District for the various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$319,000,000, payable from the levy of an ad valorem tax against the taxable property in the Improvement District (the "Authorization");

WHEREAS, at this time this Board of Education (the "Board") of the Irvine Unified School District (the "District") has determined that it is necessary and desirable to issue the first series of bonds under the Authorization in an aggregate principal amount not-to-exceed \$95,000,000, and to be designated "Bonds of the School Facilities Improvement District No. 1 of the Irvine Unified School District (General Obligation Bonds, 2016 Election, Series 2016A)" (the "Bonds");

WHEREAS, the District has not filed with nor received from the County Office of Education, which has jurisdiction over the District, a qualified or negative certification in its most recent interim financial report pursuant to Section 42131 of the California Education Code;

WHEREAS, the Bonds will be issued pursuant to Article 4.5, Chapter 3, Part 1, Division 2, Title 5 (commencing with Section 53506) of the Government Code, by the District, acting on behalf of the Improvement District, for purposes set forth in the ballot submitted to the voters at the Election;

WHEREAS, this Board, acting on behalf of the Improvement District, desires to authorize the issuance of the Bonds in one series of tax-exempt current interest bonds;

WHEREAS, this Board desires to appoint certain professionals to provide services related to the issuance of the Bonds; and

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

NOW, THEREFORE, be it resolved, determined and ordered by the Board of Education of the Irvine Unified School District as follows:

Section 1. Purpose of Bonds. To raise money for the purposes authorized by the voters of the Improvement District at the Election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Bonds on behalf of the Improvement District pursuant to Article 4.5, Chapter 3, Part 1, Division 2, Title 5 (commencing with Section 53506) of the Government Code in one series of tax-exempt current interest bonds. The Board further orders that the Bonds shall be dated as of a date to be determined by an Authorized Officer (defined herein), shall be payable upon such terms and provisions as shall be set forth in the Bonds, and shall be in an aggregate principal amount not-to-exceed \$95,000,000.

Section 2. Terms and Conditions of Sale. Pursuant to Government Code Section 53508.7 the Bonds shall be sold at a competitive sale in accordance with the terms of and as described in the Official Notice of Terms of Sale for the Bonds (the "Notice of Sale"), which shall be delivered to prospective bidders substantially in the form on file with the Clerk of the Board together with any changes therein or additions thereto approved by the District Superintendent or the Assistant Superintendent, Business Services upon consultation with Fieldman, Rolapp & Associates, the District's Financial Advisor (the "Financial Advisor"). The Board hereby approves the competitive sale of the Bonds and determines that a competitive sale contributes to the District's goal of achieving the lowest overall cost of funds. The Bonds shall be awarded to the responsible bidder (the "Purchaser") whose bid produces the lowest true interest cost ("TIC") on the Bonds determined by the Financial Advisor in accordance with the Notice of Sale so long as the principal amount of the Bonds does not exceed \$95,000,000, the TIC does not exceed 4.50%, and the Purchaser's discount does not exceed 1.5%. The Board estimates that the costs associated with the issuance and purchase of the Bonds and any such costs which the successful bidder or bidders agrees to pay pursuant to the Notice of Sale, will equal approximately 1.5% of the principal amount of the Bonds.

Section 3. Notice of Sale. Each Authorized Officer, acting alone, is hereby authorized and directed to cause to be published a notice inviting sealed bids pursuant to the terms of the Notice of Sale in *The Bond Buyer* and in a newspaper of general circulation circulated within the boundaries of the District once at least ten (10) days prior to the date of the date of opening bids stated in said notice in satisfaction of the requirements of California Government Code Section 53692.

Section 4. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them, unless otherwise provided in the Official Statement:

(a) "*Act*" means Article 4.5, Chapter 3, Part 1, Division 2, Title 5 of the California Government Code.

(b) "*Authorization*" means the authorization received by the District to issue the Bonds on behalf of the Improvement District at the Election held on June 7, 2016.

(c) "*Board*" means the Board of Education of the District.

(d) "*Bond Insurer*" means any insurance company which issues a municipal bond insurance policy insuring the payment of the Principal of and interest on any Bonds.

(e) "*Bond Payment Date*" means March 1 and September 1 of each year commencing March 1, 2017, or such other dates as set forth in the Notice of Sale, with respect to the interest on the Bonds and, with respect to the principal payments on the Bonds, the stated maturity dates of Bonds with respect to payments of Principal of the Bonds.

(f) “*Bond Register*” means the listing of names and addresses of the current registered owners of the Bonds, as maintained by the Paying Agent in accordance with Section 7 hereof.

(g) “*Bonds*” means the “Bonds of the School Facilities Improvement District No. 1 of the Irvine Unified School District (General Obligation Bonds, 2016 Election, Series 2016A)” issued by the District hereunder on behalf of the Improvement District.

(h) “*Business Day*” means a day which is not a Saturday, Sunday or a day on which banking institutions in the State or the State of New York and the New York Stock Exchange are authorized or required to be closed.

(i) “*Code*” means the Internal Revenue Code of 1986, as amended.

(j) “*COI Custodian*” means U.S. Bank National Association, as custodian for the Costs of Issuance for the Bonds.

(k) “*COI Custodian Agreement*” means the Costs of Issuance Custodian Agreement, by and between the COI Custodian and the District, in substantially the form on file with the Clerk of the Board.

(l) “*Costs of Issuance*” means all of the costs of issuing the Bonds, including, but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds, the Notice of Sale and the Official Statement pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; financial advisory fees; underwriter’s fees; rating agency fees; auditor’s fees; legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Paying Agent; fees for credit enhancement relating to the Bonds; and other fees and expenses incurred in connection with the issuance of the Bonds, to the extent such fees and expenses are approved by the District.

(m) “*County*” means County of Orange, California.

(n) “*Date of Issuance*” means the date on which the Bonds are issued by the District.

(o) “*Depository*” means the securities depository acting as Depository pursuant to Section 5(c) hereof.

(p) “*District*” means the Irvine Unified School District.

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

(r) “*Improvement District*” means School Facilities Improvement District No. 1 of the Irvine Unified School District.

(s) “*Information Services*” means national information services that disseminate securities redemption notices; or, in accordance with then-current guidelines of the Securities and

Exchange Commission, such other services providing information with respect to called bonds as the District and the Paying Agent or as the Paying Agent may select.

(t) “*Nominee*” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 5(c) hereof.

(u) “*Official Statement*” means the Official Statement prepared by the District to be delivered to purchasers of the Bonds.

(v) “*Outstanding*,” when used with reference to the Bonds, means, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

(i) Bonds canceled at or prior to such date;

(ii) Bonds in lieu of or in substitution for which other bonds shall have been delivered pursuant to this Resolution; or

(iii) Bonds for the payment or redemption of which funds or United States Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 22 of this Resolution.

(w) “*Owner*” means the registered owner of a Bond as set forth on the registration books maintained by the Paying Agent pursuant to Section 7 hereof.

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

(y) “*Paying Agent*” means U.S. Bank National Association or such other institution that the Superintendent shall appoint to serve as paying agent for the Bonds.

(z) “*Principal*” or “*Principal Amount*” means, with respect to any Bond, the principal or principal amount thereof.

(aa) “*Purchaser*” means, if the Bonds are sold at a competitive sale in accordance with Section 2 above, the entity purchasing the Bonds at the competitive sale.

(bb) “*Record Date*” means, with respect to the Bonds, the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(cc) “*Securities Depositories*” means The Depository Trust Company, 55 Water Street, New York, New York 10041, Attn: Redemption Area, Facsimile transmission: (212) 855-7232, (212) 855-7233, or such other securities depositories as are designated by the District or the Paying Agent and whose business is to perform the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of the Securities Exchange Act of 1934, and who is registered as a clearing agency under Section 17A of the Act;

(dd) “*Tax Certificate*” means the certificate by that name executed by the District on the Date of Issuance.

(ee) “*Term Bonds*” means those Bonds for which mandatory sinking fund redemption dates have been established in accordance with the Notice of Sale.

(ff) “*United States Obligations*” means obligations of the United States of America or obligations fully and unconditionally guaranteed by the United States of America as described in Section 22 hereof.

Section 5. Terms of the Bonds.

(a) Denomination, Interest, Dated Dates. The Bonds shall be issued in fully registered form as to both principal and interest, in the denominations of \$5,000 Principal Amount or any integral multiple thereof.

Each Bond shall mature in the years, be issued in the amounts and bear interest at the rates set forth in the Official Statement. Interest on Bonds shall be computed on the basis of a 360 day year consisting of twelve 30 day months. Each Bond shall be dated its Date of Issuance (or such other date designated in the Notice of Sale) and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the Date of Issuance (or such other date designated in the Notice of Sale) provided, however, that, if at the time of registration of any Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Bond Payment Date to which interest has previously been paid or made available for payment.

Principal and interest on the Bonds shall be paid in accordance with Section 8 below.

The Bonds shall mature not later than September 1, 2046.

(b) Redemption.

(i) Terms of Redemption. The Bonds shall be subject to redemption prior to maturity as provided in the Notice of Sale.

(ii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption in accordance with such written instructions. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof.

(iii) Notice of Redemption. When redemption is authorized or required pursuant to Section 5(b)(i) hereof, the Paying Agent shall give notice (a “Redemption Notice”) of the redemption of the Bonds by first class mail, postage prepaid to each Owner of the Bonds at the addresses appearing on the Bond registration books at least 30 but not more than 60 days prior to the redemption date; provided, however, as long as all of the Outstanding Bonds are held in book-entry form, the Redemption Notice may be delivered in such manner as provided for or agreed to by the

Depository. In the case of any optional redemption, the Paying Agent shall mail a notice of redemption only following receipt of written instructions from the District to mail such notice. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price thereof, together with the interest accrued to the redemption date in the case of the Bonds, and that from and after the redemption date, interest with respect thereto shall cease to accrue. Such Redemption Notice (and related notices) may state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed thereon or on the Bonds.

In case of the redemption as permitted herein of all the Bonds of any one maturity then Outstanding, notice of redemption shall be given by mailing as herein provided, except that the Redemption Notice need not specify the serial numbers of the Bonds of such maturity.

Any Redemption Notice for an optional redemption of the Bonds delivered in accordance with this section may be conditional, and, if any condition stated in the Redemption Notice shall not have been satisfied on or prior to the redemption date: (i) the Redemption Notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional Redemption Notice was given that such condition or conditions were not met and that the redemption was canceled.

Neither failure to receive nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

(iv) Additional Notice. In addition to the Redemption Notice given pursuant to Section 5(b)(iii), further notice shall be giving by the Paying Agent as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption shall be sent at least thirty (30) days before the redemption date by registered or certified mail or overnight delivery service, or in such other manner as is approved by the recipient of such notice, to each of the Securities Depositories which are then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more of the Information Services that disseminate notice of redemption of obligations similar to the Bonds or, alternatively, such notice may be delivered in accordance with the then-current guidelines of the Securities and Exchange Commission, or to such other securities depositories and services providing information on called bonds, or such securities depositories and services, as the District may designate in a certificate delivered to the Paying Agent.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

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

(vi) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 5(b) hereof, together with interest accrued to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 5 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

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

(c) Book-Entry System.

(i) Except as provided below, the owner of all of the Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Bonds shall be initially executed and delivered in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial execution and delivery, as provided for herein, the ownership of such Bond shall be registered in the Bond Register in the name of the Nominee identified below as nominee of The Depository Trust Company, New York, New York, and its successors and assigns. Except as hereinafter provided, all of the outstanding Bonds shall be registered in the Bond Register in the name of the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Section

(the "Nominee"). Each Bond certificate shall bear a legend substantially to the following effect: "UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither the District nor the Paying Agent shall have any responsibility or obligation to any broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository (the "Participant") or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the District nor the Paying Agent shall have any responsibility or obligation (unless the District is at such time the Depository) with respect to (a) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, (c) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the District redeems the Bonds in part, or (d) the payment to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any amount with respect to Principal of or interest on the Bonds. The District and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of Principal and interest with respect to such Bond, for the purpose of giving notices of redemption, if applicable, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Principal of and interest on the Bonds only to or upon the order of the respective Owner of the Bond, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as shown in the Bond Register, shall receive a Bond evidencing the obligation of the District to make payments of Principal and interest on the Bonds. Upon delivery by the Depository to the Owners of the Bonds, and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Resolution shall refer to such nominee of the Depository.

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

(iii) If at any time the Depository notifies the District that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is not appointed by the District within 90 days after the District receives notice or become aware of such condition, as the case may be, subsection (a) hereof shall no longer be applicable and the District shall issue certificated securities representing the Bonds as provided below. In addition, the District may determine at any time that the Bonds shall no longer be represented by book-entry securities and that the provisions of subsection (a) hereof shall no longer apply to the Bonds. In any such event, the District shall execute and deliver certificates representing the Bonds as provided below. Bonds issued in exchange for book-entry securities pursuant to this subsection (c) shall be registered in such names and delivered in such denominations as the Depository shall instruct the District. The District shall deliver such certificated securities representing the Bonds to the persons in whose names such Bonds are so registered.

If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or cause to be prepared new fully-registered book-entry securities for each of the maturities of the Bonds, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the District and such securities depository and not inconsistent with the terms of this Resolution.

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

(d) The initial Depository under Section 5(c) shall be DTC. The initial Nominee shall be Cede & Co., as Nominee of DTC.

Section 6. Execution of Bonds. The Bonds shall be signed by the President of the Board of Education of the District and the Clerk of such Board of Education by their manual or facsimile signatures each in their official capacities. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been issued by the District, such Bonds may, nevertheless, be issued, as herein provided, as if the persons who signed such Bonds had not ceased to hold such offices. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

Section 7. Paying Agent; Transfer and Exchange. The Board does hereby appoint U.S. Bank National Association to act as the authenticating agent, paying agent and transfer agent for the Bonds. The District may at any time, with or without cause, remove the current Paying Agent and appoint a replacement.

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions below, the person in

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

Any Bond may be exchanged for Bonds of like tenor, maturity and Principal Amount upon presentation and surrender at the principal office of the Paying Agent designated for such purpose, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the principal office of the Paying Agent designated for such purpose together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Principal Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made to the District by the Paying Agent at least twice each calendar year. The cancelled Bonds shall be retained for a period of time and then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th business day next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

In case any Bond secured hereby shall become mutilated or destroyed, stolen or lost, the Paying Agent shall cause to be executed and authenticated a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond mutilated, destroyed, stolen or lost, upon the Owner's paying the reasonable expenses and charges in connection therewith, and, in the case of a Bond destroyed, stolen or lost, such Owner's filing with the Paying Agent and the District of evidence satisfactory to them that such Bond was

destroyed, stolen or lost, and/or such Owner's ownership thereof in furnishing the Paying Agent and District with indemnity satisfactory to each of them.

Any new Bonds issued pursuant to this Section 7 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Bonds so alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Bonds.

Section 8. Payment. Payment of interest on any Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner of Bonds in an aggregate Principal Amount of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The Principal, and redemption premiums, if any, payable on the Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest, Principal and redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof.

Section 9. Form of Bonds. The Bonds shall be in substantially the following form, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution, the Notice of Sale and the Official Statement and to correct any defect inconsistent or provision therein or to cure any ambiguity or omission therein.

(Form of Face of Bond)

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

REGISTERED
NO.

REGISTERED
\$

BONDS OF THE SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
OF THE IRVINE UNIFIED SCHOOL DISTRICT
(GENERAL OBLIGATION BONDS, 2016 ELECTION, SERIES 2016A)

INTEREST RATE: MATURITY DATE: DATED AS OF: CUSIP:
_____ % September 1, _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Irvine Unified School District (the "District") in County of Orange, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on March 1 and September 1 of each year (the "Bond Payment Dates"), commencing March 1, 2017. This bond is a bond of the School Facilities Improvement District No. 1 of the Irvine Unified School District (the "Improvement District") and will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before February 15, 2017, in which event it shall bear interest from the Date of Issuance. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the register (the "Register") maintained by the Paying Agent, initially U.S. Bank National Association. Principal is payable upon presentation and surrender of this bond at the designated office of the Paying Agent. Interest is payable by check mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Bonds in the aggregate principal amount of \$1,000,000 or more may request in writing to the Paying Agent that

the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of \$319,000,000 of bonds of the Improvement District authorized by voters of the Improvement District at the June 7, 2016 election (the "Election") for the purpose of financing improvements to various schools as described in the proposition submitted to the voters and to pay all necessary legal, financial, engineering and contingent costs in connection therewith. The bonds of this series are being issued under authority of and pursuant to the Election, the laws of the State of California, and the resolution of the Board of Education of the District, acting on behalf of the Improvement District, adopted on September 13, 2016 (the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5, Chapter 3, Part 1, Division 2, Title 5 of the Government Code. This bond and the issue of which this bond is one are payable as to both principal and interest solely from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the Improvement District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Principal Amount and in authorized denominations at the designated office of the Paying Agent in Los Angeles, California, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 16th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Bonds maturing on or before September 1, 2026 are not subject to redemption prior to their fixed maturity dates. The Bonds maturing on or after September 1, 2027 are subject to redemption at the option of the District, from any source of funds, as a whole or in part, on any date on or after September 1, 2026 at a redemption price equal to the principal amount of the Bonds to be redeemed, plus interest thereon to the date fixed for redemption, without premium.

The Bonds maturing on September 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on September 1 of each year, on and after September 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

<i>Redemption Dates</i>	<i>Principal Amounts</i>
September 1, 20__	\$

TOTAL

Whenever provision is made for the optional redemption of bonds and less than all bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select bonds for redemption from one or more maturities as directed by the District. Within a maturity, the Paying Agent shall select bonds for redemption by lot in such manner as the Paying Agent shall determine; provided that the portion of any bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.

Reference is made to the Bond Resolution for a more complete description of certain defined terms used herein, as well as the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the Improvement District in an amount sufficient to pay principal and interest when due.

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

IN WITNESS WHEREOF, the Irvine Unified School District, County of Orange, California, has caused this bond to be executed on behalf of the Improvement District and in their official capacities by the facsimile signature of the President of the Board of Education of the District, and to be countersigned by the facsimile signature of the Clerk of the Board of Education of the District, all as of the date stated above.

IRVINE UNIFIED SCHOOL DISTRICT

By: (Facsimile Signature)
President of the Board of Education

COUNTERSIGNED:

(Facsimile Signature)
Clerk of the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____.

U.S. BANK NATIONAL ASSOCIATION,
Paying Agent

Its: Authorized Officer

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

(Facsimile)

Clerk of the Board of Education

* * * * *

Section 10. Delivery of Bonds. The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Purchaser upon payment of the purchase price therefor in immediately available funds.

Section 11. Deposit of Proceeds of Bonds. The purchase price received from the Purchaser, to the extent of the Principal Amount thereof, shall be paid to the County treasury to the credit of the fund hereby authorized to be created to be known as the “School Facilities Improvement District No. 1 of the Irvine Unified School District General Obligation Bonds Building Fund” (the “Building Fund”), which shall be kept separate and distinct from all other District and County funds. The proceeds in the Building Fund shall be used solely for the purposes authorized by the voters of the Improvement District at the Election. The County shall have no responsibility for assuring the proper use of the Bond proceeds by the District. The purchase price received from the Purchaser, to the extent of any net original issue premium, shall be kept separate and apart in the interest and sinking fund of the District established pursuant to Education Code Section 15251 in a fund hereby authorized to be created and to be known as the “School Facilities Improvement District No. 1 of the Irvine Unified School District General Obligation Bonds, 2016 Election, Series 2016A Debt Service Fund” (the “Debt Service Fund”). Amounts in the Debt Service Fund shall be used for payment of Principal of and interest on the Bonds, and for no other purpose. Interest earnings on monies held in the Building Fund shall be retained in the Building Fund. Interest earnings on monies held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued, upon written notice from the District, shall be transferred from the Building Fund to the Debt Service Fund and applied to the payment of Principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

Costs of Issuance are hereby authorized to be paid either from premium withheld by the Purchaser upon the sale of the Bonds, or from the Principal amount of the Bonds. To the extent Costs of Issuance are paid from such proceeds, the District may direct that a portion of the proceeds of the Bonds received from the Purchaser, in an amount not to exceed 1.5% of the Principal amount of the Bonds, in lieu of being deposited into the Building Fund, be deposited with the COI Custodian to be held and distributed by the COI Custodian in accordance with the COI Custodian Agreement.

Notwithstanding any of the foregoing, the provisions of this Section 11 as they relate to the application of any proceeds from the sale of the Bonds may be amended by the Notice of Sale so long as the transactions contemplated by such amendment are in compliance with the provisions of the Act and other laws applicable to the Bonds.

Section 12. Rebate Fund.

(a) General. There shall be created and established a special fund designated the “School Facilities Improvement District No. 1 of the Irvine Unified School District General Obligation Bonds, 2016 Election, Series 2016A Rebate Fund” (the “Rebate Fund”). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the “Rebate Requirement”) pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”) and the Treasury Regulations promulgated thereunder (the “Rebate Regulations”). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section, Section 14 and the Tax Certificate to be executed by the District.

(b) Deposits.

(i) Within forty-five (45) days of the end of each fifth year ending September 1 (or such other date as is referred to in the Tax Certificate) (each, a “Bond Year”), (1) the District shall calculate or cause to be calculated with respect to the Bonds the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Rebate Regulations, using as the “computation date” for this purpose the end of such five Bond Years, and (2) the District shall cause to be deposited to the Rebate Fund from deposits from the District or from amounts on deposit in the other funds established hereunder, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated.

(ii) The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section.

(iii) The District shall not be required to calculate the “rebate amount” and the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Bonds (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148 (f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to pay rebate pursuant to whichever of said sections is applicable, or (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Withdrawal Following Payment of Bonds. Any funds remaining in the Rebate Fund after payment of all the Bonds and any amounts described in subsection (d) of this Section, or provision having been made therefor satisfactory to the District, shall be remitted to the District.

(d) Withdrawal for Payment of Rebate. Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(i) not later than sixty (60) days after the end of (i) the fifth (5th) Bond Year, and (ii) each fifth (5th) Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Rebate Regulations; and

(ii) not later than sixty (60) days after the payment of all Bonds, an amount equal to one hundred percent (100%) of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Rebate Regulations.

(e) Deficiencies in the Rebate Fund. In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Rebate Payments. Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) Withdrawal of Excess Amounts in the Rebate Fund. In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) Records. The District shall retain records of all determinations made hereunder until six years after the retirement of the last obligations of the Bonds.

(i) Survival of Defeasance. Notwithstanding anything in this Resolution to the contrary, the District’s obligations to pay the “rebate amount” shall survive the payment in full or defeasance of the Bonds.

(j) Modification. Notwithstanding the foregoing provisions of this Section 12, to the extent that any provision of this Section 12 is inconsistent with the Tax Certificate, the provisions of the Tax Certificate shall govern. The District shall comply with all provisions of the Tax Certificate. The District need not comply with any provision of this Section 12 if it delivers to the Paying Agent an opinion of nationally recognized bond counsel to the effect that such noncompliance will not adversely affect the exclusion from gross income of interest on the Bonds.

Section 13. Security for the Bonds. There shall be levied on all the taxable property in the Improvement District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are Outstanding in an amount sufficient to pay the Principal of and interest on the Bonds when due, which *ad valorem* taxes when collected will be placed in the Debt Service Fund, and which *ad valorem* taxes, together with all amounts on deposit in the Debt Service Fund, are irrevocably pledged for the payment of the Principal of and interest on the Bonds when and as the same fall due, and for no other purpose. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* tax and to cause the proceeds from such levy to be deposited in the Debt Service Fund to pay the Principal of and interest on the Bonds when and as the same fall due.

The moneys in the Debt Service Fund, to the extent necessary to pay the Principal of and interest on the Bonds as the same become due and payable, shall be transferred to the Paying Agent which shall pay such moneys to DTC to pay such Principal and interest. DTC will thereupon make payments of Principal of and interest on the Bonds to the DTC Participants who will thereupon make payments of such Principal and interest to the Beneficial Owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District, pursuant to the Education Code Section 15234.

Section 14. Tax Covenants.

(a) The District covenants for and on behalf of the Owners 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.

(b) The District covenants to restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section.

Section 15. Official Statement. The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to use such Preliminary Official Statement in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement “final” pursuant to 15c2-12 of the Securities Exchange Act of 1934 by execution of a certificate, prior to its distribution and to execute and deliver to the Purchaser a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. Execution of the Official Statement shall conclusively evidence the District’s approval of the Official Statement.

Section 16. Nonliability of County. Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither the County, nor its officials, officers, employees or agents shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby. The Bonds are not a debt of the County or a pledge of the County’s full faith and credit, and the Bonds and any liability in connection therewith shall be paid solely from the *ad valorem* taxes lawfully levied to pay the Principal of or interest on the Bonds.

Section 17. Reimbursement of County Costs. The District shall reimburse the County for all costs and expenses incurred by the County, its officials, officers, agents and employees in connection with the issuance of the Bonds.

Section 18. Request to County to Levy Taxes. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of *ad valorem* property taxes in each year sufficient to pay all Principal of and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors annually to levy a tax upon all taxable property in the Improvement District sufficient to pay all such Principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds.

Section 19. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated as of the date the Bonds are issued, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance

with this Section shall not result in a default hereunder or on the Bonds or in any acceleration of the Principal due on the Bonds.

Section 20. Conditions Precedent. This Board determines that all acts and conditions necessary to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds. Furthermore, the Board finds and determines pursuant to Section 53552 of the Act that the prudent management of the fiscal affairs of the District requires that it issue the Bonds without submitting the question of the issuance of the Bonds to a vote of the qualified electors of the District.

Section 21. Insurance. Each of the Authorized Officers, acting alone, is hereby authorized to enter into negotiations to procure bond insurance for the Bonds and to purchase bond insurance if it will result in net debt service savings to the District. In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the Principal or interest on the Bonds, it shall become the owner of such Bonds with the right to payment of Principal and interest on the Bonds with respect to which it has made payment, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the registration books for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

Section 22. Defeasance. All or any of the Bonds may be defeased prior to maturity in the following ways:

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

(b) United States Obligations: by irrevocably depositing in the Debt Service Fund or with an escrow bank noncallable United States Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge any or all Bonds (including all Principal and interest represented thereby and redemption premiums, if any) at or before their maturity date; then, notwithstanding that any Bonds so defeased shall not have been surrendered for payment, all obligations of the District with respect to the Bonds so defeased shall cease and terminate, except only the obligation of the District and the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the owners of such Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, United States Obligations shall mean direct and general obligations of the United States of America, or obligations that are fully and unconditionally

guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidence of direct ownership or proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; and (c) the underlying United States Obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claims of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated the same as the underlying United States Obligations.

Section 23. Other Actions, Determinations and Approvals.

(a) Officers of the Board and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby finds and determines that the prudent management of the fiscal affairs of the District requires that it issue the Bonds for the purposes set forth herein.

(c) Each of the Authorized Officers, acting alone, is hereby authorized to take any and all actions necessary or desirable to allow the Purchaser to comply with Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, as amended.

Section 24. Resolution to Treasurer – Tax Collector. Each of the Authorized Officers is hereby directed to provide a certified copy of this Resolution to the Treasurer-Tax Collector of the County immediately following its adoption.

Section 25. Engagement of Professional Services. The Board of Education has engaged the firm of Stradling Yocca Carlson & Rauth, a Professional Corporation to serve as bond counsel to the District in accordance with that certain Bond Counsel Agreement dated July 13, 2016, and has engaged the firm of Fieldman, Rolapp & Associates, to act as the financial advisor for the District, in connection with the issuance of the Bonds. All fees and expenses payable to such firms shall be contingent upon and be payable only from proceeds of the Bonds.

Section 26. Supplemental Resolutions.

(a) This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of Owners owning at least 60% in aggregate Principal Amount of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such

Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

(b) This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a supplemental resolution adopted by the District without the written consent of the Owners:

(i) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(ii) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(iii) To confirm as further assurance any pledge under, and the subjection to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(iv) To cure any ambiguity, supply any omission, or cure to correct any defect or inconsistent provision in this Resolution; or

(v) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not adversely affect the interests of the Owners.

(c) Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the District or any officer or agent of either from taking any action pursuant thereto.

Section 27. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the District and the Owners from time to time of the Bonds; and the pledge made in this Resolution shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

Section 28. Unclaimed Moneys. Anything in this Resolution to the contrary notwithstanding, any moneys held by the Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for one (1) year after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Paying Agent at such date, or for one (1) year after the date of deposit of such moneys if deposited with the Paying Agent after said date when such Bonds become due and payable, shall be

repaid by the Paying Agent to the District, as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the owners of such Bonds shall look only to the District for the payment of such Bonds; provided, however, that before being required to make such payment to the District, the Paying Agent shall, at the expense of District, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the registration books, a notice that said moneys remain unclaimed and that, after a date in said notice, which date shall not be less than thirty (30) days after the date of mailing such notice, the balance of such moneys then unclaimed will be returned to the District.

Section 29. Permitted Investments.

(a) All amounts held in the funds and accounts established hereunder and held by the County shall be invested by the Treasurer-Tax Collector of the County in any instrument which is a lawful investment for funds of the District. Unless otherwise instructed by the District in writing, amounts held hereunder shall be invested in the County of Orange Treasurer's Investment Pool. If invested in other than the Investment Pool, amounts in the Debt Service Fund shall be invested in investments maturing not later than the date on which such amounts will be needed to pay the Principal of and interest on the Bonds.

(b) Obligations purchased as an investment of moneys in any fund or account shall be deemed at all times to be a part of such fund or account. Profits or losses attributable to any fund or account shall be credited or charged to such fund or account. In computing the amount in any fund or account created under the provisions of this Resolution for any purpose provided in this Resolution, obligations purchased as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued interest.

Section 30. Effective Date. This Resolution shall take effect immediately upon its adoption.

APPROVED and ADOPTED by the Board of Education of the Irvine Unified School District
on September 13, 2016, by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING

President of the Board of Education of the
Irvine Unified School District

ATTEST:

Clerk of the Board of Education of the
Irvine Unified School District