

—SEPTEMBER 13, 2016 INFORMATION ITEM—  
BOARD CONSIDERATION AS ACTION ITEM ON SEPTEMBER 27, 2016

**RESOLUTION NO. 600**

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TWIN RIVERS  
UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE  
OF TWIN RIVERS UNIFIED SCHOOL DISTRICT (COUNTY OF  
SACRAMENTO AND COUNTY OF PLACER, CALIFORNIA) 2016  
GENERAL OBLIGATION REFUNDING BONDS IN ONE OR MORE  
SERIES, AND CERTAIN OTHER ACTIONS.

RECITALS:

WHEREAS, a duly called bond election was held in the Grant Joint Union High School District (which is a component district of the Twin Rivers Unified School District and which is hereinafter referred to as the “High School District”), on March 5, 2002 (the “2002 Grant Election”) and thereafter canvassed pursuant to law; and

WHEREAS, at the 2002 Grant Election there was submitted to and approved by the requisite 55% vote of the qualified electors of the High School District a measure as to the issuance and sale of general obligation bonds of the High School District for various purposes as set forth in the ballot submitted to the voters, in the maximum principal amount of \$74,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the High School District; and

WHEREAS, the High School District has previously issued an aggregate principal amount of \$22,592,608 of Grant Joint Union High School District (County of Sacramento and County of Placer, California) General Obligation Bonds, Election of 2002, Series 2002 (the “Series 2002 Grant Bonds”); and

WHEREAS, the High School District has previously issued an aggregate principal amount of \$18,793,106.80 of Grant Joint Union High School District (County of Sacramento and County of Placer, California) 2005 General Obligation Refunding Bonds (the “2005 Grant Refunding Bonds”) in order to refund a portion of the Series 2002 Grant Bonds; and

WHEREAS, a duly called bond election was held in the High School District on June 6, 2006 (the “2006 Grant Election”) and thereafter canvassed pursuant to law; and

WHEREAS, at the 2006 Grant Election there was submitted to and approved by the requisite 55% vote of the qualified electors of the High School District a measure as to the issuance and sale of general obligation bonds of the High School District for various purposes as set forth in the ballot submitted to the voters, in the maximum principal amount of \$230,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the High School District; and

WHEREAS, the High School District has previously issued an aggregate principal amount of \$55,000,000 of Grant Joint Union High School District (County of Sacramento and

County of Placer, California) General Obligation Bonds, Election of 2006, Series 2006 (the “Series 2006 Grant Bonds”); and

WHEREAS, the High School District has previously issued an aggregate principal amount of \$33,998,990.85 of Grant Joint Union High School District (County of Sacramento and County of Placer, California) General Obligation Bonds, Election of 2006, Series 2008 (the “Series 2008 Grant Bonds”); and

WHEREAS, on July 1, 2008, the Twin Rivers Unified School District (the “District”) was formed through the consolidation of the High School District and three elementary school districts; and

WHEREAS, the District has assumed all outstanding obligations of the High School District; and

WHEREAS, the District has previously issued an aggregate principal amount of \$38,999,241.55 of Twin Rivers Unified School District (County of Sacramento and County of Placer, California) General Obligation Bonds, Election of 2006, Series 2014A (the “Series 2014A District Bonds”); and

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”) and other applicable law, the District is authorized to issue refunding bonds (the “Refunding Bonds”) to refund all or a portion of the outstanding 2005 Grant Refunding Bonds, Series 2006 Grant Bonds, Series 2008 Grant Bonds, and Series 2014A District Bonds (collectively, the “Prior Bonds”), and to sell its refunding bonds on a negotiated sale basis; and

WHEREAS, at this time, this Board of Trustees (the “Board”) has determined that it is necessary and desirable to issue Twin Rivers Unified School District (County of Sacramento and County of Placer, California) 2016 General Obligation Refunding Bonds in one or more series in an aggregate principal amount not to exceed \$95,000,000 (the “Refunding Bonds”), in order to refund all or a portion of the Prior Bonds (such Prior Bonds being refunded by the Refunding Bonds hereinafter referred to as the “Refunded Bonds”) and to pay costs related thereto; and

WHEREAS, the Board desires to authorize the issuance of the Refunding Bonds as any combination of Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, to be issued as Tax-Exempt Bonds or Taxable Bonds or any combination thereof (as such terms are defined herein);

WHEREAS, it will be necessary for the Board to appoint certain professionals to provide services related to the issuance of the Refunding Bonds and to incur costs and expenses in preparing the proceedings for the issuance and sale of the Refunding 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 refunding bonds of the District, and the indebtedness of the District, including this proposed issue of bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TWIN RIVERS UNIFIED SCHOOL DISTRICT, AS FOLLOWS:

**Section 1. Purpose of the Refunding Bonds.** The Board authorizes the issuance of one or more series of Taxable Refunding Bonds or Tax-Exempt Refunding Bonds or combination thereof, as any combination of Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, which shall be issued for the purpose of providing funds to pay, redeem and/or defease the Refunded Bonds, and to pay all necessary legal, financial, and contingent costs incurred in connection with the issuance, sale and delivery of the Refunding Bonds. The Refunding Bonds shall be issued by the District under and subject to the terms of this Resolution and the Act, and shall be designated as the “Twin Rivers Unified School District (Sacramento County and Placer County, California) 2016 General Obligation Refunding Bonds,” with such series and other designations thereto as the Superintendent or the Deputy Superintendent, Administrative Services of the District (each an “Authorized Officer”) may designate, and shall be in the aggregate principal amount of not to exceed \$95,000,000. Additional costs authorized to be paid from the proceeds of the Refunding Bonds are all of the authorized costs of issuance set forth in Section 53550(e) and (f) and Section 53587 of the Government Code of the State of California. If the District determines that it will not be necessary and/or desirable to issue Refunding Bonds for the purposes set forth herein, the Board hereby authorizes the District to exercise discretion in not issuing such Refunding Bonds.

**Section 2. Terms and Conditions of Sale.** Because of the need for flexibility in timing the sale of the Refunding Bonds in order to achieve maximum interest cost savings, the Board hereby determines to sell the Refunding Bonds in one or more series pursuant to a negotiated sale pursuant to the terms and conditions set forth in the Purchase Contract as described below.

**Section 3. Approval of Purchase Contract.** The form of Contract of Purchase (the “Purchase Contract”) by and between the District and Stifel, Nicolaus & Company, Incorporated, and Morgan Stanley & Co. LLC (collectively, the “Underwriter”), for the purchase and sale of the Refunding Bonds, substantially in the form on file with the Secretary of the Board, is hereby approved and each Authorized Officer is hereby individually authorized and requested to execute and deliver such Purchase Contract, but with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing such Purchase Contract may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the average interest rate on the Refunding Bonds shall not exceed the maximum interest rate permitted by law and the Underwriter’s discount, excluding original issue discount therein, shall not exceed 0.34% of the aggregate of principal amount of the Refunding Bonds issued. The Authorized Officer executing the Purchase Contract is further authorized to determine the principal amount of the Refunding Bonds to be specified in the Purchase Contract for sale up to \$95,000,000 in the aggregate and to enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied.

**Section 4. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them.

“*Accreted Interest*” means, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds prior to the Conversion Date, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

“*Accretion Rate*” means, unless otherwise provided by the Purchase Contract, that rate which, when applied to the Denominational Amount of a Capital Appreciation Bond or a Convertible Capital Appreciation Bond prior to the Conversion Date, and compounded semiannually on each February 1 and August 1, commencing February 1, 2017 (unless otherwise provided in the Purchase Contract), produces the Maturity Value on the maturity date (with respect to Capital Appreciation Bonds) and the Conversion Value on the Conversion Date (with respect to Convertible Capital Appreciation Bonds).

“*Accreted Value*” means, as of the date of calculation, with respect to Capital Appreciation Bonds, and Convertible Capital Appreciation Bonds prior to the Conversion Date, the Denominational Amount thereof plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1, commencing February 1, 2017 (unless otherwise provided in the Purchase Contract) at the stated Accretion Rate to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

“*Act*” means Section 53550 *et seq.* of the California Government Code.

“*Bond Insurer*” means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal, Accreted Value, Conversion Value and Maturity Value of and interest or accretion on all or any portion of the Refunding Bonds.

“*Bond Payment Date*” means, as applicable (and unless otherwise provided by the Purchase Contract), (i) with respect to the Current Interest Bonds, February 1 and August 1 of each year commencing February 1, 2017 with respect to interest thereon, and the stated maturity dates thereof with respect to the Principal payments on the Current Interest Bonds, (ii) with respect to interest on the Convertible Capital Appreciation Bonds, February 1 and August 1 of each year, commencing the first February 1 or August 1 following the respective Conversion Dates thereof, and the stated maturity dates thereof (or, if applicable, earlier redemption dates) with respect to the Conversion Value of the Convertible Capital Appreciation Bonds, and (iii) with respect to the Capital Appreciation Bonds, the stated maturity dates thereof (or, if applicable, earlier redemption dates).

“*Capital Appreciation Bonds*” means those Refunding Bonds the interest component of which is compounded semiannually on each February 1 and August 1, commencing February 1, 2017 (unless otherwise provided in the Purchase Contract) to maturity as shown in the table of Accreted Value for such Refunding Bonds in the Official Statement or Purchase Contract, as the case may be.

“*Conversion Date*” means, with respect to Convertible Capital Appreciation Bonds, the date from which such Refunding Bonds bear interest on a current, periodic basis.

“*Conversion Value*” means, with respect to Convertible Capital Appreciation Bonds, the Accreted Value as of the Conversion Date.

*“Convertible Capital Appreciation Bonds”* means those Refunding Bonds the interest component of which is compounded semiannually to the respective Conversion Dates thereof as shown in the table of Accreted Values for the Refunding Bonds in the Official Statement or Purchase Contract, as the case may be, and which bear interest from such respective Conversion Dates on the Conversion Value thereof, payable semiannually on each Bond Payment Date.

*“Costs of Issuance Fund”* means the fund by that name established and maintained by the Paying Agent pursuant to the Paying Agent Agreement.

*“County”* means the County of Sacramento, California.

*“Current Interest Bonds”* means those Refunding Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Refunding Bond and maturing in the years and in the amounts set forth in the Purchase Contract.

*“Denominational Amount”* means the initial Principal Amount of any Capital Appreciation Bond or Convertible Capital Appreciation Bond.

*“Depository”* means the entity acting as securities depository for the Refunding Bonds pursuant to Section 5(c) hereof.

*“Director of Finance”* means the Director of Finance of the County.

*“DTC”* means The Depository Trust Company, New York, New York, 55 Water Street, New York, New York 10041, Tel: (212) 855-1000 or Fax: (212) 855-7320, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for the Refunding Bonds.

*“Escrow Agent”* means U.S. Bank National Association.

*“Escrow Agreement”* means the Escrow Agreement governing the deposit of funds to refund the Refunded Bonds, by and between the District and the Escrow Agent.

*“Federal Securities”* means direct or indirect noncallable obligations of, or noncallable nonprepayable obligations unconditionally guaranteed as to full and timely payment of principal and interest by, the United States of America, but excluding investments in mutual funds or unit investment trusts.

*“Informational Services”* means Financial Information, Inc.’s Daily Called Bond Service; Standard & Poor’s J.J. Kenny Information Service’s Called Bond Service; Mergent Inc.’s Called Bond Department.

*“Maturity Value”* means the Accreted Value of any Capital Appreciation Bond on its maturity date.

*“Paying Agent”* means U.S. Bank National Association.

“*Paying Agent Agreement*” means the Paying Agent Agreement by and between the District and the Paying Agent.

“*Principal*” or “*Principal Amount*” means, with respect to any Current Interest Bond, the Principal Amount thereof, and with respect to any Capital Appreciation Bond or Convertible Capital Appreciation Bond, the Denominational Amount thereof.

“*Record Date*” means the close of business on the fifteenth day of the month preceding each Bond Payment Date.

“*Securities Depository*” means The Depository Trust Company, 55 Water Street, New York, New York 10041, Facsimile transmission: (212) 855-1000 or (212) 855-7320 with Cede & Co. as its nominee.

“*Taxable Refunding Bonds*” means any Refunding Bonds the interest on which is not excludable from gross income for federal income tax purposes.

“*Tax-Exempt Refunding Bonds*” means any Refunding Bonds the interest on which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of bond counsel supplied to the original purchasers of such Refunding Bonds.

“*Term Bonds*” means those Refunding Bonds for which mandatory redemption dates have been established in the Purchase Contract.

## **Section 5. Terms of the Refunding Bonds.**

(a) ***Denominations, Interest, Dated Dates.*** The Refunding Bonds shall be issued as fully registered bonds registered as to both principal and interest, in the following denominations: (i) with respect to the Current Interest Bonds, \$5,000 Principal Amount or any integral multiple thereof, (ii) with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value, or any integral multiple thereof (except for one odd denomination, if necessary), and (iii) with respect to Convertible Capital Appreciation Bonds, \$5,000 Conversion Value or any integral multiple thereof. The Refunding Bonds will be initially registered in the name of “Cede & Co.,” as the Nominee of DTC.

Each Current Interest Bond shall be dated as of the date of its delivery or such other date as shall appear in the Purchase Contract (the “Date of Delivery”) and shall bear interest at the rates set forth in the Purchase Contract 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 15th 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 January 15, 2017, or such other date as set forth in the Purchase Contract in which event it shall bear interest from the Date of Delivery. Each Current Interest Bond shall bear interest at a rate or rates such that the average interest rates and the maximum interest rate shall not exceed maximum rate permitted by law. Interest shall be payable on the respective Bond Payment Dates.

Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Capital Appreciation Bonds shall mature in the years, shall be issued in aggregate Principal Amounts, and shall have Accretion Rates and denominations per each \$5,000 in Maturity Value (except for one odd denomination, if necessary) as shown in the Accreted Value table attached to the Official Statement or Purchase Contract. The Convertible Capital Appreciation Bonds shall mature in the years, shall be issued in the aggregate Principal Amounts, and shall have Accretion Rates and denominations per each \$5,000 in Conversion Value as shown in such Accreted Value table; provided, however, that in the event that the amount shown in such Accreted Value table and the Accreted Value caused to be calculated by the District and approved by the Bond Insurer, if any, by application of the definition of Accreted Value set forth in Section 4 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond or Convertible Capital Appreciation Bond, as applicable.

Each Capital Appreciation Bond shall be dated, and shall accrete interest from, its date of initial delivery. Capital Appreciation Bonds will not bear interest on a current or periodic basis.

No Refunding Bonds attributable to the refunding of the Prior Bonds shall mature later than the latest maturity date of the Refunded Bonds.

*(b) Redemption.*

(i) *Redemption Generally.* The Refunding Bonds shall be subject to optional redemption prior to maturity as provided in the Purchase Contract or the Official Statement. Notwithstanding the foregoing, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds maturing more than ten years after the date of issuance thereof shall be subject to optional redemption before its fixed maturity date, with or without premium, at any time, or from time to time, at the option of the District, beginning no later than the 10th anniversary of the date such Capital Appreciation Bonds and Convertible Capital Appreciation Bonds were issued. Any Refunding Bonds issued as Term Bonds shall be subject to mandatory sinking fund redemption as provided in the Purchase Contract or the Official Statement.

(ii) *Selection of Refunding Bonds for Redemption.* Whenever provision is made in this Resolution for the redemption of Refunding Bonds and less than all Outstanding Refunding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Refunding Bonds for redemption as directed by the District and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Refunding Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that (A) the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof, (B) the portion of any Capital Appreciation Bond to

be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof, and (C) the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Conversion Value thereof.

(iii) *Notice of Redemption.* When optional redemption is authorized or required pursuant to Section 5(b) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a “Redemption Notice”) of the redemption of the Refunding Bonds. Such Redemption Notice shall specify: (1) the Refunding Bonds or designated portions thereof (in the case of redemption of the Refunding Bonds in part but not in whole) which are to be redeemed; (2) the date of redemption; (3) the place or places where the redemption will be made, including the name and address of the Paying Agent; (4) the redemption price; (5) the CUSIP numbers, if any, assigned to the Refunding Bonds to be redeemed; (6) the Bond numbers of the Refunding Bonds to be redeemed in whole or in part and, in the case of any Refunding Bond to be redeemed in part only, the Principal Amount, Maturity Value, Conversion Value or Accreted Value of such Refunding Bond to be redeemed; and (7) the original issue date, interest rate or Accretion Rate and stated maturity date of each Refunding 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 Refunding Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date thereon, and that from and after such date, interest with respect thereto shall cease to accrue.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(A) at least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Refunding Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses’ appearing on the Bond Register;

(B) at least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (x) registered or certified mail, postage prepaid; (y) telephonically confirmed facsimile transmission; or (z) overnight delivery service, to the Securities Depository.

(C) at least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (x) registered or certified mail, postage prepaid; or (y) overnight delivery service, to one of the Information Services.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings

for the redemption of the affected Refunding Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Refunding Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Refunding Bonds being redeemed with the proceeds of such check or other transfer.

(iv) *Partial Redemption of Refunding Bonds.* Upon the surrender of any Refunding Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Refunding Bond or Refunding Bonds of like tenor and maturity and of authorized denominations equal in transfer amounts to the unredeemed portion of the Refunding 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.

(v) *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 applicable Debt Service Fund or otherwise held in trust for such purpose, the Refunding 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 Refunding Bonds to be redeemed as provided in Section 5(b) hereof, together with interest 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 Refunding 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 Refunding Bonds shall be held in trust for the account of the Owners of the Refunding Bonds so to be redeemed.

All Refunding 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 Refunding Bond purchased by the District shall be cancelled by the Paying Agent.

(vi) *Right To Rescind Notice.* The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the applicable Debt Service Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the Principal, Accreted Value, Conversion Value and Maturity Value of and interest or accretion on, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of

redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(vii) *Conditional Notice.* Any notice of optional redemption delivered hereunder may be conditioned on any fact or circumstance stated therein, and if such condition shall not have been satisfied on or prior to the redemption date stated in such notice, said notice shall be of no force and effect on and as of the stated redemption date, the redemption shall be cancelled, and the District shall not be required to redeem the Bonds that were the subject of the notice. The Paying Agent shall give notice of such cancellation and the reason therefor in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such cancellation shall not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice shall not affect the validity of the cancellation.

(viii) *Refunding Bonds No Longer Outstanding.* When any Refunding 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 Refunding Bonds or portions thereof, and, in the case of Current Interest Bonds and Convertible Capital Appreciation Bonds after the Conversion Date, accrued interest thereon to the date fixed for redemption, all as provided in this Resolution, then such Refunding Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

(c) ***Book-Entry System.***

(i) **Definitions.** As used in this section, the terms set forth below shall have the meanings ascribed thereto.

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

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

(ii) **Election of Book Entry System.** The Refunding Bonds shall initially be delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity date of such Refunding Bonds in an authorized denomination. The ownership of each such Bond shall be registered in

the Bond Register maintained by the Paying Agent in the name of the Nominee, as nominee of the Depository and ownership of the Refunding Bonds, or any portion thereof, may not thereafter be transferred except as provided in Section 5(c)(ii)(D).

The District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such Refunding Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Refunding Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to the Refunding Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Refunding Bonds to be prepaid in the event the District redeems the Refunding Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Principal, Maturity Value, Accreted Value, Conversion Value and premium, if any, or interest or accretion on the Refunding Bonds. The District and the Paying Agent may treat and consider the person in whose name each Refunding Bond is registered in the Bond Register as the absolute owner (the "Registered Owner" or "Owner") of such Refunding Bond for the purpose of payment of Principal, Maturity Value, Accreted Value, Conversion Value of and premium and interest or accretion on and to such Refunding Bond, for the purpose of giving notices of redemption and other matters with respect to such Refunding Bond, for the purpose of registering transfers with respect to such Refunding Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Principal, Maturity Value, Accreted Value, Conversion Value of and premium, if any, and interest or accretion on the Refunding Bonds only to or upon the order of the respective Owner, 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, Maturity Value, Accreted Value, Conversion Value of and premium, if any, and interest or accretion on the Refunding Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Principal, Maturity Value, Accreted Value, Conversion Value of and premium, if any, and interest or accretion the Refunding Bonds. Upon delivery by the Depository to the Owner and the Paying Agent, 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 the Record Date, the word "Nominee" in this Resolution shall refer to such nominee of the Depository.

(A) Delivery of Letter of Representations. In order to qualify the Refunding Bonds for the Depository's book entry system, the District and the Paying Agent shall execute and deliver to the Depository a Letter

of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in the Refunding Bonds other than the Owners, as shown on the Bond Register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Refunding Bonds for the Depository's book entry program.

(B) Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for the Refunding Bonds, or (ii) the District determines that continuation of the book entry system is not in the best interest of the beneficial owners of the Refunding Bonds or the District, then the District will discontinue the book entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such Refunding Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (v) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Refunding Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Refunding Bonds shall designate, in accordance with the provisions of this Section 5(c).

(C) Payments to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all outstanding Refunding Bonds are held in book entry and registered in the name of the Nominee, all payments by the District or the Bond Register with respect to Principal, Maturity Value, Accreted Value, Conversion Value of and premium, if any, and interest or accretion the Refunding Bonds and all notices with respect to such Refunding Bonds shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

(D) Transfer of Refunding Bonds to Substitute Depository.

(I) The Refunding Bonds shall be initially issued and registered as provided in Section 9 hereof. Registered ownership

of the Refunding Bonds, or any portion thereof, may not thereafter be transferred except:

(1) To any successor of DTC, or its Nominee, or to any substitute depository designated pursuant to Section 5(c)(ii)(D)(I)(2) (a “substitute depository”); provided, that any successor of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(2) To any substitute depository, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(II) In the case of any transfer pursuant to clause (1) or clause (2) of subsection (I) hereof, upon receipt of the outstanding Refunding Bonds by the Paying Agent, together with a request of the District to the Paying Agent designating the Substitute Depository, a new Refunding Bond for each maturity shall be executed and delivered pursuant to the procedures described in Section 7 in the aggregate principal amount of the Refunding Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such request of the District. In the case of any transfer pursuant to clause (3) of subsection (D)(I) hereof, upon receipt of the outstanding Refunding Bonds by the Paying Agent together with a request of the District to the Paying Agent, new Refunding Bonds shall be executed and delivered in such denominations numbered in the manner determined by the Paying Agent and registered in the names of such persons as are requested in such request of the District, subject to the limitations herein and the receipt of such a Request of the District, and thereafter, the Refunding Bonds shall be transferred pursuant to the provisions set

forth in Section 7 hereof; provided, that the Paying Agent shall not be required to deliver such new Refunding Bonds within a period of fewer than 60 days from the date of receipt of such request from the District.

(III) In the case of a partial redemption of any Refunding Bonds evidencing a portion of the Principal, Maturity Value, Accreted Value, Conversion Value maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Refunding Bonds indicating the date and amounts of such reduction in Principal, Maturity Value, Accreted Value, Conversion Value, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(IV) The District and the Paying Agent shall be entitled to treat the person in whose name any Refunding Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District, and the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Refunding Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party including DTC or its successor (or substitute depository or its successor), except to the Owner of any Refunding Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Refunding Bonds.

**Section 6. Execution of Refunding Bonds.** The Refunding Bonds shall be signed by the President of the Board of the District, or a designee thereof, and the Secretary of such Board, or a designee thereof, by their manual or facsimile signatures each in their official capacities. No Refunding 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 Refunding Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Refunding 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 Paying Agent for the Refunding Bonds.

So long as any of the Refunding Bonds remain outstanding, the District will cause the Paying Agent to maintain and keep at its designated office all books and records necessary for

the registration, exchange and transfer of the Refunding Bonds as provided in this Section. Subject to the provisions of Section 9 below, the person in whose name a Refunding Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Refunding Bond for all purposes of this Resolution. Payment of or on account of the Principal, Maturity Value, Accreted Value, Conversion Value of and premium, if any, and interest or accretion on any Refunding Bond shall be made only at 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 Refunding Bonds, including interest, to the extent of the amount or amounts so paid.

Any Refunding Bond may be exchanged for Refunding Bonds of like series, tenor, maturity and transfer amount upon presentation and surrender at the principal office of the Paying Agent, 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 Refunding Bond may be transferred on the Bond Register only upon presentation and surrender of the Refunding Bond at the designated office of the Paying Agent 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 Refunding Bond or Refunding Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the transfer amount of the Refunding Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

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 Refunding Bonds only after the new Refunding Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Refunding Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Refunding 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 Refunding 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 Refunding Bonds surrendered upon that exchange or transfer.

Any Refunding 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 Refunding Bonds that the District may have acquired in any manner whatsoever, and those Refunding Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Refunding Bonds shall be made to the District by the Paying Agent at least twice each calendar year. The cancelled Refunding 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 Refunding Bonds during a period beginning with the opening of business on the fifteenth business day next preceding either any Bond Payment Date or any date of selection of Refunding 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 Refunding Bonds which have been selected or called for redemption in whole or in part.

**Section 8. Payment in Event Book-Entry Discontinued.** Payment of interest on any Current Interest Bond or Convertible Capital Appreciation Bonds after its respective Conversion Date, shall be made on any Bond Payment Date 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 wire transfer or check mailed to such Owner on the Bond Payment Date at his address as it may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner of \$1,000,000 or more in an aggregate Principal Amount of Current Interest Bonds or Conversion Value of Capital Appreciation Bonds 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, interest and redemption premiums, if any, payable on the Current Interest Bonds, the Accreted Value and redemption premiums, if any, payable on the Capital Appreciation Bonds, and the Accreted Value, Conversion Value and redemption premiums, if any, on the Convertible Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The Principal, Accreted Value and Conversion Value of, and redemption premiums, if any, and interest on the Refunding Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Refunding Bonds when duly presented for payment at maturity, and to cancel all Refunding Bonds upon payment thereof.

**Section 9. Form and Registration of Refunding Bonds.** The Refunding Bonds shall be in substantially the form attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution (provided that if a portion of the text of any Refunding 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.").

The Refunding Bonds when issued shall be registered in the name of "Cede & Co.," as nominee of DTC, New York, New York, and shall be initially issued as one bond for each of the maturities of each series of the Refunding Bonds, in the principal amounts set forth in the Purchase Contract. DTC is hereby appointed depository for the Refunding Bonds and registered ownership of the Refunding Bonds may not thereafter be transferred except as provided in Section 5(c) hereof.

**Section 10. Delivery of Refunding Bonds.** The proper officials of the District shall cause the Refunding Bonds to be prepared and, following their sale, shall have the Refunding Bonds signed and delivered, together with a true transcript of proceedings with reference to the

issuance of the Refunding Bonds, to the original purchaser upon payment of the purchase price therefor.

**Section 11. Deposit of Proceeds of Refunding Bonds; Escrow Agreement.** U.S. Bank National Association is hereby appointed to act as the escrow agent (the “Escrow Agent”) for the Refunded Bonds. The form of the Escrow Agreement, substantially in the form on file with the Secretary of the Board, is hereby approved and each of the Authorized Officers is hereby authorized and requested to execute and deliver such Escrow Agreement, but with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

Proceeds of the sale of the Refunding Bonds necessary to pay all costs of issuing such Refunding Bonds shall be deposited in one or more funds of the District established and maintained by the Paying Agent pursuant to the Paying Agent Agreement known as the “Twin Rivers Unified School District 2016 General Obligation Refunding Bond (Grant) Cost of Issuance Fund” with such series designation thereto as applicable to the series of Refunding Bonds related thereto, and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying costs of issuance of the applicable series of the Refunding Bonds. The remaining net proceeds from the sale of the Refunding Bonds shall be transferred to the Escrow Agent for deposit in the Escrow Fund established under the Escrow Agreement, which amount is necessary to either remain uninvested or to purchase the Federal Securities needed to refund the Refunded Bonds, all as set forth in a certificate of a District official.

The accrued interest, if any, received by the District from the sale of the Refunding Bonds shall be kept separate and apart in each fund, as necessary, hereby created and established for each series of the Refunding Bonds and to be designated as the “Twin Rivers Unified School District 2016 General Obligation Refunding Bonds (Grant) Debt Service Fund”. If determined to be necessary or convenient by the Director of Finance or an Authorized Officer, separate accounts shall be created therein. The Debt Service Fund shall be used only for payments of Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on the Refunding Bonds. The District hereby directs the Director of Finance to establish, hold and maintain the Debt Service Fund and, if applicable, each account therein, which will be maintained by the Director of Finance as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County at the request of the District for the payment of the Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion the Refunding Bonds will be deposited in the Debt Service Fund or the appropriate accounts thereof by the County promptly upon apportionment of said levy. The District hereby irrevocably pledges the Debt Service Fund and each account therein for the payment of the Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on the Refunding Bonds when and as the same become due. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes set forth herein for which the Refunding Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on the related series of Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts may be transferred to pay other outstanding

general obligation bonds of the District, and, if none, shall be transferred to the general fund of the District.

The moneys in the Debt Service Fund and each account therein, to the extent necessary to pay the Principal, Accreted Value or Conversion Value of and interest on the related series of Refunding Bonds as the same become due and payable, shall be transferred by the Director of Finance to the Paying Agent at least one Business Day prior to the due date thereof, and the Paying Agent will transfer such amount to DTC to pay the Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on such Refunding Bonds. DTC will thereupon make payments of Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on the Refunding Bonds to the DTC Participants who will thereupon make payments of Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion to the beneficial owners of the Refunding Bonds.

Subject to federal tax restrictions, moneys in the Debt Service Fund shall be invested in any lawful investment permitted by Sections 16429.1 and 53601 of the Government Code of the State of California (the "Government Code") or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, in LAIF, in the County Investment Pool or in a guaranteed investment contract with a financial institution or insurance company which has at the date of execution thereof one or more outstanding issues of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated not lower than the second highest rating category (without regard to subcategories) by Standard & Poor's or Moody's Investors Service.

Except as required below to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest earned on the investment of moneys held in the Debt Service Fund and each account therein shall be retained in the Debt Service Fund and used to pay Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on the related series of Refunding Bonds when due.

To the extent required by the terms of the Tax Certificate executed by the District in connection with the issuance of each series of the Refunding Bonds, the District hereby agrees to create a "Twin Rivers Unified School District 2016 General Obligation Refunding Bonds Rebate Fund" (the "Rebate Fund") for each series of Refunding Bonds and, if determined to be necessary or convenient by an Authorized Officer, separate accounts therein. Investment earnings on moneys in the Debt Service Fund and certain other amounts shall from time to time be paid into the applicable Rebate Fund as required to enable the District to comply with the requirements of Section 148(f) of the Code. Any money remaining in the Rebate Fund after the payment in full of the Refunding Bonds related thereto, either at maturity or earlier redemption, and the payment to the United States Treasury of any amounts required pursuant to Section 148(f) of the Code, and any regulations thereunder shall be transferred to the general fund of the District.

## **Section 12. Tax Covenants.**

(a) **Private Activity Bond Limitation.** The District shall assure that the proceeds of the Refunding Bonds are not so used as to cause the Refunding Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) **Federal Guarantee Prohibition.** The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Refunding Bonds be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(c) **No Arbitrage.** The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Refunding Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Refunding Bonds would have caused the Refunding Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(d) **Maintenance of Tax-Exemption.** The District shall take all actions necessary to assure the exclusion of interest on the Refunding Bonds from the gross income of the owners of the Refunding Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of delivery of such Refunding Bonds.

(e) **Taxable Bonds.** The provisions set forth above in this Section 12 shall not apply to any Refunding Bonds issued as Taxable Bonds.

**Section 13. Conditions Precedent; Findings.** This Board determines that all acts and conditions necessary to be prepared by the Board or to have been met precedent to and in the issuing of the Refunding 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 Refunding Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit of the District are pledged for the timely payment of the Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on the Refunding Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Refunding 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 Refunding Bonds without submitting the question of the issuance of the Refunding Bonds to a vote of the qualified electors of the District.

The Refunding Bonds are general obligations of the District payable from the levy of *ad valorem* taxes upon all taxable property within the District subject to taxation by the District for the payment of such series of Refunding Bonds, without limitation as to rate or amount, for the payment of the Refunding Bonds and the interest thereon. The District hereby directs the County and Placer County to levy on all the taxable property in the District subject to taxation by the District for the payment of the series of Refunding Bonds related to the refunding of the Refunded Bonds, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period such series of Refunding Bonds are Outstanding in an amount sufficient to pay

the Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on such series of Refunding Bonds when due, which moneys when collected shall be placed in the Debt Service Fund related to such series of Refunding Bonds as set forth in Section 11, and if applicable, the appropriate account within such Debt Service Fund.

The foregoing Debt Service Fund and *ad valorem* tax revenues are irrevocably pledged, and the District hereby grants a lien and security interest therein, for the payment of the Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on the Refunding Bonds when and as the same fall due. The moneys in the Debt Service Fund, to the extent necessary to pay the Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on the Refunding Bonds as the same become due and payable, shall be transferred by the County or the District, as the case may be, to the Paying Agent, as paying agent for the Refunding Bonds, as necessary to pay the Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on the Refunding Bonds. The property taxes and amounts held in the Debt Service Fund of the District shall immediately be subject to this pledge, and the pledge shall constitute a lien and security interest which shall be effective, binding, and enforceable against the District, its successors, creditors and all other 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 Owners of the Refunding Bonds in addition to any statutory lien that may exist, and the Prior Bonds were issued to finance or refinance one or more projects and not to finance the general purposes of the District.

Additionally, in accordance with Section 15251(b) of the Education Code and Section 53515(a) of the Government Code, the Refunding Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the Refunding Bonds. The lien shall automatically attach without further action or authorization by the District, the County or Placer County. The lien shall be valid and binding from the time the Refunding Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the tax shall be immediately subject to the lien, and the lien shall automatically attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

The Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on the Refunding Bonds do not constitute a debt of the County, Placer County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof, and neither the County, Placer County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof shall be liable thereon. In no event are the Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on the Refunding Bonds payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District subject to taxation by the District for the payment of such series of Refunding Bonds.

**Section 14. Preliminary Official Statement; Final Official Statement.** The Preliminary Official Statement, in substantially the form on file with the Secretary of the Board, with such changes, insertions and omissions therein as may be required or approved by an

Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Refunding Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized, and any one of the Authorized Officers is hereby directed, to certify on behalf of the District that the information contained in the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “Rule”) (except for the omission of certain final pricing, rating and related information as permitted by the Rule).

The preparation and delivery of a final Official Statement (the “Official Statement”), and its use in connection with the offering and sale of the Refunding Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be required or approved by an Authorized Officer, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, to execute the final Official Statement, and any amendment or supplement thereto, for and in the name of the District.

**Section 15. Bond Insurance.** Each Authorized Officer is hereby individually authorized to purchase a municipal bond insurance policy on behalf of the District to guarantee the payment of Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on all or a portion of the Refunding Bonds when due, if he or she determines that it is in the best interests of the District to do so. In the event the District purchases bond insurance for any portion of the Refunding Bonds, and to the extent that the Bond Insurer makes payment of the Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on any of such Refunding Bonds, it shall become the owner of such Refunding Bonds with the right to payment of Principal, Maturity Value, Accreted Value or Conversion Value of and interest or accretion on such Refunding Bonds, and shall be fully subrogated to all of the Owners’ rights, including the Owners’ rights to payment thereof. To evidence such subrogation (a) 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 such Refunding 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 such Refunding Bonds; and (b) in the case of subrogation as to claims for past due Principal, Maturity Value, Accreted Value or Conversion Value, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for such Refunding Bonds maintained by the Paying Agent upon surrender of such Refunding Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

#### **Section 16. Defeasance.**

(a) ***Discharge of Resolution.*** All or any Refunding Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

(i) by paying or causing to be paid the principal or redemption price of and interest on such Refunding Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 16(c) hereof) to pay or redeem such Refunding Bonds; or

(iii) by delivering such Refunding Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Refunding Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of an Authorized Officer filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Refunding Bonds have not been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 16(b). In that event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of Refunding Bonds not theretofore surrendered for such payment or redemption.

(b) ***Discharge of Liability on Refunding Bonds.*** Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 16(c) hereof) to pay or redeem any Outstanding Refunding Bond (whether upon or prior to its maturity or the redemption date of such Refunding Bond), provided that, if such Refunding Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 5(b)(iii) or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Refunding Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the Principal, Accreted Value, Conversion Value and Maturity Value of and interest or accretion on such Refunding Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 16(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Refunding Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Refunding Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) ***Deposit of Money or Securities with Paying Agent.*** Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any

Refunding Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Refunding Bonds and all unpaid interest thereon to maturity, except that, in the case of Refunding Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 5(b)(iii) or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Refunding Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Refunding Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Refunding Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 5(b)(iii) or provision satisfactory to the Paying Agent has been made for the giving of such notice.

(d) ***Payment of Refunding Bonds After Discharge of Resolution.*** Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the Principal, Accreted Value, Conversion Value and Maturity Value of and interest or accretion on, any Refunding Bonds and remaining unclaimed for two years after the principal of all of the Refunding Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Refunding Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Refunding Bonds which have not been paid at the addresses shown on the registration books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Refunding Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

## **Section 17. Other Actions, Determinations and Approvals.**

(a) Officers of the Board and District officials and personnel 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 Refunding Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution, including the preparation of other bond financing related documents as may be necessary or desirable. All such actions heretofore taken by such officers, officials and personnel are hereby ratified, confirmed and approved.

(b) The Board hereby finds and determines that the total net interest cost to maturity on the Refunding Bonds, plus the principal amount of the Refunding Bonds, will be less than the total net interest cost to maturity on the Refunded Bonds plus the principal amount of the Refunded Bonds, being refunded by such Refunding Bonds.

(c) The Board hereby appoints U.S. Bank National Association as Escrow Agent and as Paying Agent with respect to the issuance of the Refunding Bonds.

(d) The Board hereby appoints Stifel, Nicolaus & Company, Incorporated, and Morgan Stanley & Co. LLC, as Underwriter, Kutak Rock LLP, as bond counsel and as disclosure counsel, and Government Financial Strategies inc., as financial advisor, with respect to the issuance of the Refunding Bonds.

(e) The provisions of this Resolution as they relate to the terms of the Refunding Bonds may be amended by the Purchase Contract.

**Section 18. Resolution to Director of Finance and Placer County Treasurer-Tax Collector.** The Secretary of this Board is hereby directed to provide a certified copy of this Resolution to the Director of Finance and to the Treasurer-Tax Collector and Auditor-Controller of the County of Placer immediately following its adoption.

**Section 19. Continuing Disclosure.** The Board does hereby covenant and agree, for the benefit of the holders and Beneficial Owners of the Refunding Bonds, that the District will comply with the provisions of the Rule relating to secondary market and continuing disclosure. Failure of the District to comply with such provisions shall not be considered an event of default with respect to the Refunding Bonds; however, any holder or Beneficial Owner of the Refunding Bonds 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 provision. For purposes of this Section, “Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Refunding Bonds (including persons holding Refunding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Refunding Bonds for federal income tax purposes.

The Board does hereby authorize each Authorized Officer to individually execute and deliver by and on behalf of the District, for the benefit of the holders and Beneficial Owners of the Refunding Bonds and in order to assist the Underwriter for the Refunding Bonds to comply with paragraph (b)(5) of the Rule, a Continuing Disclosure Certificate or Undertaking for the Refunding Bonds (as it may be amended from time to time in accordance with the terms thereof, the “Continuing Disclosure Certificate”) in form and substance substantially similar to that on file with the Secretary of the Board, with such changes as the Authorized Officer executing it

shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

The Board shall at all times do and perform all other acts and things necessary or desirable and within its power to assure compliance with the above-referenced provisions of the Rule.

**Section 20. Repealor.** All resolutions, or parts thereof, in conflict with this Resolution, are hereby repealed. After the Refunding Bonds have been issued, this Resolution shall be and remain irrevocable until the Refunding Bonds and the interest thereon shall be fully paid, satisfied and discharged in the manner herein provided, or sufficient provision shall have been made for such payment, satisfaction and discharge.

**Section 21. Recitals.** All recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

**Section 22. Effective Date.** This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 27th day of September, 2016, by the Board of Trustees of the Twin Rivers Unified School District by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Secretary, Board of Trustees,  
Twin Rivers Unified School District

**EXHIBIT A**

**[FORM OF CURRENT INTEREST BOND]**

**REGISTERED NO.**

**REGISTERED**  
**\$**

**TWIN RIVERS UNIFIED SCHOOL DISTRICT  
(COUNTY OF SACRAMENTO AND COUNTY OF PLACER, CALIFORNIA)  
2016 GENERAL OBLIGATION REFUNDING BOND (GRANT)[, SERIES \_\_]**

<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Original Issue Date</b>	<b>CUSIP</b>
%			

**REGISTERED OWNER:** CEDE & CO.

**PRINCIPAL AMOUNT:** \_\_\_\_\_ **DOLLARS**

The Twin Rivers Unified School District (the “District”) in the Counties of Sacramento and Placer, California, 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 February 1 and August 1 of each year (the “Bond Payment Dates”), commencing February 1, 2017. This bond is a bond of the 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 fifteenth 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 January 15, 2017, in which event it shall bear interest from the Original Issue Date set forth above. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. 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 maintained by the Paying Agent, initially U.S. Bank National Association (the “Paying Agent”). Principal is payable upon presentation and surrender of this bond at the designated office of the Paying Agent or a designee thereof. Interest is payable by check or draft 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 fifteenth day of the calendar month next preceding that Bond Payment Date (the “Record Date”). The Owner of Current Interest 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.

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 payment in full for the bonds has been received; 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 District subject to taxation for payment of the bonds in an amount sufficient to pay the Principal, Accreted Value, Conversion Value and Maturity Value of and interest or accretion on the Refunding Bonds 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.

This bond is one of an authorization of bonds issued by the Twin Rivers Unified School District pursuant to Government Code Section 53550, *et seq.* (the "Act"), for the purpose of refunding all or a portion of the outstanding Prior Bonds (as defined in the Bond Resolution), and to pay all necessary legal, financial and contingent costs in connection therewith. The bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Trustees of the District adopted on September 27, 2016 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property within the District subject to such taxes for the payment of the bonds, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District.

This bond is exchangeable and transferable for bonds of like tenor and maturity and in authorized denominations at the designated office of the Paying Agent, 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, Accreted Value, Conversion Value and Maturity Value of and interest or accretion and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, and Current Interest Bonds may not be exchanged for one another.

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 fifteenth 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 Current Interest Bonds maturing on or after August 1, 20\_\_ are subject to redemption on or after August 1, 20\_\_ at the option of the District as a whole on any date or in part on any Bond Payment Date, at the following Redemption Prices (expressed as percentages of the principal amount of the bonds to be redeemed) plus interest accrued thereon to the dates fixed for redemption:

**Redemption Dates    Redemption Prices**

The Current Interest Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption from moneys in the Debt Service Fund on August 1 of each year on and after August 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 amounts represented by such Bonds to be so redeemed and the dates therefore and the final payment date is as indicated in the following table:

<u>Redemption Dates</u>	<u>Principal Amounts</u>
TOTAL	\$

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of 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, by acceptance hereof, agrees to all of the provisions of the Bond Resolution.

IN WITNESS WHEREOF, the Twin Rivers Unified School District, Sacramento County and Placer County, California, has executed this bond by the manual or facsimile signature of the President of the Board of Trustees of the District and to be countersigned by manual or facsimile signature of the Secretary of the Board of Trustees of the District all as of the date stated above.

TWIN RIVERS UNIFIED SCHOOL  
DISTRICT

By \_\_\_\_\_  
President, Board of Trustees

COUNTERSIGNED:

\_\_\_\_\_  
Secretary, Board of Trustees

## **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, as  
Paying Agent

\_\_\_\_\_  
Authorized Signatory

## ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ the undersigned sells, assigns and transfers unto \_\_\_\_\_ (Social Security or Federal Employer Identification Number of Assignee \_\_\_\_\_), \_\_\_\_\_ (Name and Address of Assignee) 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: \_\_\_\_\_

**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 a member firm of the New York Stock Exchange or a commercial bank or trust company.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

\_\_\_\_\_  
Commercial bank, trust company or member of a national securities exchange.

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

[FORM OF CAPITAL APPRECIATION BOND]

REGISTERED NO.

REGISTERED  
\$

**TWIN RIVERS UNIFIED SCHOOL DISTRICT  
(COUNTY OF SACRAMENTO AND COUNTY OF PLACER, CALIFORNIA)  
2016 GENERAL OBLIGATION REFUNDING BOND (GRANT)[, SERIES \_\_]**

Accretion Rate	Maturity Date	Original Issue Date	CUSIP
%			

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT: \_\_\_\_\_ DOLLARS

MATURITY VALUE: \_\_\_\_\_ DOLLARS

The Twin Rivers Unified School District (the “District”) in the Counties of Sacramento and Placer, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the Denominational Amount and interest thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing February 1, 2017, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denominational Amount (such sum being herein called the “Accreted Value”) increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, 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 maintained by the Paying Agent, initially U.S. Bank National Association (the “Paying Agent”). Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the designated office of the Paying Agent or a designee thereof.

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 payment in full for the bonds has been received; 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 District subject to taxation for payment of the bonds in an amount sufficient to pay the Accreted Value 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.

This bond is one of an authorization of bonds issued by the Twin Rivers Unified School District pursuant to Government Code Section 53550, *et seq.* (the “Act”), for the purpose of refunding all or a portion of the outstanding Prior Bonds (as defined in the Bond Resolution), and to pay all necessary legal, financial and contingent costs in connection therewith. The bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Trustees of the District adopted on September 27, 2016 (the “Bond Resolution”). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property within the District subject to such taxes for the payment of the bonds, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District.

This bond is exchangeable and transferable for bonds of like tenor and maturity and in authorized denominations at the designated office of the Paying Agent, 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 Accreted Value and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, and Current Interest Bonds may not be exchanged for one another.

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 fifteenth 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 Capital Appreciation Bonds maturing on or before August 1, 20\_\_ are not subject to optional redemption prior to their respective stated maturity dates. The Capital Appreciation Bonds maturing on or after August 1, 20\_\_ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole, or in part, on any date on or after August 1, 20\_\_ at a redemption price equal to the Accreted Value of the Capital Appreciation Bonds called for redemption, as of the date fixed for redemption, without premium.

The Capital Appreciation Term Bonds maturing on August 1, 20\_\_, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the Accreted Value thereof, as of the date fixed for redemption, without premium. The Accreted Value represented by such Capital

Appreciation Term Bonds to be so redeemed, the dates therefor and the final Accreted Value payment date are as indicated in the following table:

<u>Redemption Dates</u>	<u>Accreted Value</u>
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TOTAL	\$
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In the event that a portion of the Capital Appreciation Term Bonds maturing on August 1, 20\_\_ are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 Maturity Value, in respect of the portion of such Capital Appreciation Term Bonds optionally redeemed.

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the Maturity Value of \$5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of 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, by acceptance hereof, agrees to all of the provisions of the Bond Resolution.

IN WITNESS WHEREOF, the Twin Rivers Unified School District, Sacramento County and Placer County, California, has executed this bond by the manual or facsimile signature of the President of the Board of Trustees of the District and to be countersigned by manual or facsimile signature of the Secretary of the Board of Trustees of the District all as of the date stated above.

TWIN RIVERS UNIFIED SCHOOL  
DISTRICT

By \_\_\_\_\_  
President, Board of Trustees

COUNTERSIGNED:

\_\_\_\_\_  
Secretary, Board of Trustees

## **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, as  
Paying Agent

\_\_\_\_\_  
Authorized Signatory

## ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ the undersigned sells, assigns and transfers unto \_\_\_\_\_ (Social Security or Federal Employer Identification Number of Assignee \_\_\_\_\_), \_\_\_\_\_ (Name and Address of Assignee) 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: \_\_\_\_\_

**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 a member firm of the New York Stock Exchange or a commercial bank or trust company.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

\_\_\_\_\_  
Commercial bank, trust company or member of a national securities exchange.

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

**[FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND]**

**REGISTERED NO.**

**REGISTERED**  
**\$**

**TWIN RIVERS UNIFIED SCHOOL DISTRICT  
(COUNTY OF SACRAMENTO AND COUNTY OF PLACER, CALIFORNIA)  
2016 GENERAL OBLIGATION REFUNDING BOND (GRANT)[, SERIES \_\_]**

<b>Accretion Rate</b>	<b>Maturity Date</b>	<b>Original Issue Date</b>	<b>CUSIP</b>
%			

**REGISTERED OWNER:**    CEDE & CO.

**DENOMINATIONAL AMOUNT:**    \_\_\_\_\_ **DOLLARS**

**MATURITY VALUE:**    \_\_\_\_\_ **DOLLARS**

The Twin Rivers Unified School District (the “District”) in the Counties of Sacramento and Placer, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Conversion Value on the Maturity Date, each as stated above, such Conversion Value comprising the Denominational Amount and interest accreted thereon to the Conversion Date. Prior to the Conversion Date, this bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing February 1, 2017, at the Accretion Rate specified above to the Conversion Date, assuming that in any such semiannual period, the sum of such compounded accreted interest and the Denominational Amount (such sum herein being called the “Accreted Value”) increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. After the Conversion Date, the District promises to pay to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the “Registered Owner”) on the Register maintained by the Paying Agent, initially U.S. Bank National Association (the “Paying Agent”), interest on the Conversion Value from the Conversion Date until the Conversion Value is paid or provided for at the Accretion Rate stated above, on February 1 and August 1, commencing February 1, 20\_\_ (the “Bond Payment Dates”). This bond is a bond of the 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 fifteenth 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 \_\_\_\_\_ 15, 2016, in which event it shall bear interest from the Conversion Date. Conversion Value and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the Registered Owner. Accreted Value or Conversion Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest following the Conversion Date is payable by check or draft 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 Capital Appreciation Bonds in the aggregate Conversion Value 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.

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 payment in full for the bonds has been received; 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 District subject to taxation for payment of the bonds in an amount sufficient to pay Accreted Value and Conversion Value 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.

This bond is one of an authorization of bonds issued by the Twin Rivers Unified School District pursuant to Government Code Section 53550, *et seq.* (the "Act"), for the purpose of refunding all or a portion of the outstanding Prior Bonds (as defined in the Bond Resolution), and to pay all necessary legal, financial and contingent costs in connection therewith. The bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Trustees of the District adopted on September 27, 2016 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property within the District subject to such taxes for the payment of the bonds, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District.

This bond is exchangeable and transferable for bonds of like tenor and maturity and in authorized denominations at the designated office of the Paying Agent, 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 Accretion Value and Conversion Value and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, and Current Interest Bonds may not be exchanged for one another.

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 fifteenth 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 Convertible Capital Appreciation Bonds maturing on or before August 1, 20\_\_ are not subject to optional redemption prior to their fixed maturity dates. The Convertible Capital Appreciation Bonds maturing on or after August 1, 20\_\_ are subject to redemption at the option of the District, as a whole or in part, on any date on or after \_\_\_\_\_, 20 \_\_ at a redemption price equal to either (i) the Accreted Value thereof as of the date set for redemption, without premium, if redeemed prior to the Conversion Date, or (ii) the Conversion Value thereof, together with interest accrued thereon to the date set for redemption, without premium, if redeemed on and after the Conversion Date.

The Convertible Capital Appreciation Bonds maturing on August 1, 20\_\_, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the Conversion Value of such Convertible Capital Appreciation Bonds, together with interest accrued thereon to the date set for redemption, without premium. The Conversion Value represented by such Convertible Capital Appreciation Bonds to be so redeemed and the dates therefor and the final payment date is as indicated in the following table:

<u>Redemption Dates</u>	<u>Conversion Value</u>
TOTAL	\$

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the Conversion Value of \$5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of 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, by acceptance hereof, agrees to all of the provisions of the Bond Resolution.

IN WITNESS WHEREOF, the Twin Rivers Unified School District, Sacramento County and Placer County, California, has executed this bond by the manual or facsimile signature of the President of the Board of Trustees of the District and to be countersigned by manual or facsimile signature of the Secretary of the Board of Trustees of the District all as of the date stated above.

TWIN RIVERS UNIFIED SCHOOL  
DISTRICT

By \_\_\_\_\_  
President, Board of Trustees

COUNTERSIGNED:

\_\_\_\_\_  
Secretary, Board of Trustees

## **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, as  
Paying Agent

\_\_\_\_\_  
Authorized Signatory

## ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ the undersigned sells, assigns and transfers unto \_\_\_\_\_ (Social Security or Federal Employer Identification Number of Assignee \_\_\_\_\_), \_\_\_\_\_ (Name and Address of Assignee) 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: \_\_\_\_\_

**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 a member firm of the New York Stock Exchange or a commercial bank or trust company.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

\_\_\_\_\_  
Commercial bank, trust company or member of a national securities exchange.

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