

RESOLUTION NO. 18/19-10

RESOLUTION OF THE BOARD OF TRUSTEES OF THE LOS ALTOS SCHOOL DISTRICT PROVIDING FOR THE ISSUANCE AND SALE OF 2019 GENERAL OBLIGATION BOND ANTICIPATION NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED EIGHTY MILLION DOLLARS (\$80,000,000)

WHEREAS, the issuance of not to exceed \$150,000,000 aggregate principal amount of general obligation bonds (the "Authorization") of the Los Altos School District (the "District"), County of Santa Clara (the "County"), State of California was authorized at an election (the "Election") held in said District on November 4, 2014, the proceeds of which are to be used for the financing of the acquisition, construction, equipping, furnishing and improvement of certain capital facilities of the District (the "Project"); and

WHEREAS, no general obligation bonds have been issued under the Authorization; and, as a result, all \$150,000,000 in principal amount of the Authorization remains; and

WHEREAS, under the provision of Article 3 (commencing with Section 15150) of Chapter 1 of Part 10 of Division 1 of Title 1 of the Education Code of the State of California (the "Act"), the District is authorized to borrow money by the issuance of short-term notes repayable from the proceeds of general obligations bonds or other monies of the District available therefor, the proceeds of which may be used for financing the Project; and

WHEREAS, the District has previously issued \$10,000,000 in aggregate principal amount of notes pursuant to the Act for purposes of financing the Project, comprised of three series: (i) \$5,000,000 designated "Subseries A" issued on February 5, 2016, (ii) \$2,500,000 designated "Subseries B" issued on November 22, 2016, and (iii) \$2,500,000 designated "Subseries C" issued on June 28, 2018, each of which was sold by private sale to Wells Fargo Bank, N.A., and mature on August 1, 2019 (collectively, the "Prior Notes"); and

WHEREAS, the Board of Trustees of the District (the "Board") deems it necessary and desirable to authorize and consummate the sale of not to exceed \$80,000,000 of 2019 General Obligation Bond Anticipation Notes (the "Notes") the proceeds of which will be used (together with general obligation bonds of the District to be concurrently issued), to acquire real property as part of the Project outlined in the official Project List of the District approved at the Election and to be repaid from the future general obligation bonds or renewal notes issued under the Authorization or other sources; and

WHEREAS, this Board hereby determines that the Notes should be offered at this time.

NOW THEREFORE, IT IS ORDERED by the Board of Trustees of the Los Altos School District as follows:

SECTION 1. Recitals. All of the recitals set forth herein are true and correct, and the Board so finds and determines.

SECTION 2. Definitions. The following terms shall for all purposes of this Resolution have the following meanings:

“Beneficial Owner” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes, including persons holding Notes through nominees or depositories including, but not limited to, through the Nominee.

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

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate of the District for the benefit of the Owners of the Notes.

“Costs of Issuance” means all of the costs of issuing the Notes, including but not limited to, all printing and document preparation expenses in connection with this Resolution, the Notes and the Official Statement pertaining to the Notes and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; Municipal Advisor fees; rating agency fees and related travel expenses; auditor’s fees; legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Paying Agent; fees for credit enhancement relating to the Notes, if any; and other fees and expenses incurred in connection with the issuance of the Notes, to the extent such fees and expenses are approved by the District but excluding Underwriter’s discount.

“County” means the County of Santa Clara, California.

“Depository” means The Depository Trust Company and its successors and assigns or if (a) the then Depository resigns from its functions as securities depository of the Notes, or (b) the District discontinues use of the Depository pursuant to this Resolution, any other securities depository that agrees to follow procedures required to be followed by a securities depository in connection with the Notes and that is selected by the District.

“District Representative” means the President of the Board, or such other member of the Board as the President may designate, the Superintendent, the Assistant Superintendent of Business Services, or any other person authorized by resolution of the Board to act on behalf of the District with respect to this Resolution and the Bonds.

“Director of Finance” means the Director of Finance of the Finance Agency of the County or any authorized deputy thereof.

“Federal Securities” means United States Treasury notes, bonds, bills or certificates of indebtedness for which the full faith and credit of the United States are pledged to the payment of principal and interest thereon.

“General Obligation Bonds” means general obligation bonds to be issued by the District or the County in the name and on behalf of the District for purposes of repaying the Notes and/or financing the Project.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information or disseminating notices of redemption of obligations similar to the Notes.

“Interest Payment Date” means February 1 and August 1, commencing August 1, 2019, in each year, or as otherwise specified in the Note Purchase Agreement, commencing on the date specified in the Bond Purchase Agreement

“Interest Rate” means the rate of interest borne by the Notes as set forth in the Note Purchase Agreement.

“Maturity Date” means the maturity date of the Notes set forth in the Note Purchase Agreement; the Maturity Date of the Notes shall, pursuant to the Act, be a date no longer than five years from the date the Notes are issued.

“Municipal Advisor” means PFM Financial Advisors LLC, a California limited liability company.

“Nominee” means Cede & CO, as nominee of the Depository.

“Note Purchase Agreement” means each Note Purchase Agreement relating to the sale of the Notes, by and between the District and the Underwriter, in accordance with the provisions hereof.

“Note Register” means the records of the Paying Agent held on behalf of the District listing the names and address of the Owners of the Notes.

“Notes” means the Los Altos School District 2019 General Obligation Bond Anticipation Notes, including any series or subseries designated in accordance herewith.

“Opinion of Bond Counsel” means an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds.

“Outstanding” when used with reference to the Notes, means, as of any date, Notes except: (i) Notes canceled by, or surrendered to, the Paying Agent at or prior to such date; (ii) Notes in lieu of or in substitution for which other Notes shall have been delivered pursuant to this Resolution; (iii) Notes for the payment or redemption of which funds or eligible securities in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Notes), in accordance with this Resolution.

“Owner” means, with respect to any Note, the registered owner, as indicated in the Registration Books as the registered Owner thereof.

“Participant” means a member of or participant in the Depository.

“Paying Agent” means U.S. Bank National Association, its successors or assigns, acting in the capacity of paying agent, registrar, authenticating agent and transfer agent.

“Paying Agent Agreement” means the Agreement Relating to Paying Agency, Registrar and Depository, dated the Closing Date, by and between the District and the Paying Agent.

“Principal” or **“Principal Amount”** means, as of any date of calculation, the principal amount of the Notes.

“Registration Books” means the books for the registration and transfer of the Notes maintained by the Paying Agent.

“Renewal Notes” means general obligation bond anticipation notes of the District issued for the purpose of paying the principal of the Notes.

“Repayment Account” means the Los Altos School District Repayment Account established pursuant to this Resolution.

“Resolution” means this Resolution of the Board providing for the issuance and sale of the Notes.

“Tax Certificate” means the Tax Certificate(s) with respect to the Tax-Exempt Notes executed by the District, dated the date of issuance of the Tax-Exempt Notes.

“Tax-Exempt Note(s)” means a Note 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 Note.

“Underwriter” means the underwriter(s) named in each Note Purchase Agreement, as underwriter(s) for the series or subseries of Notes purchased by the underwriter(s) thereunder.

“Written Request of the District” means an instrument in writing signed by a District Representative, or by any other officer of the District duly authorized by the District.

SECTION 3. Authorization for Issuance; Disclosure of Estimated Costs. This Resolution is adopted pursuant to the provisions of the Act.

(a) For the purpose of financing a portion of the Project prior to the receipt of proceeds from the sale of General Obligation Bonds, the District hereby authorizes the issuance of Notes in an aggregate principal amount not to exceed Eighty Million Dollars (\$80,000,000) under the Act, in one or more series or subseries, the final principal amount of the Notes to be determined and set forth in each Note Purchase Agreement. The Notes shall be designated the “Los Altos School District 2019 General Obligation Bond Anticipation Notes,” with such series or subseries designations as may be required and as set forth in each Note Purchase Agreement. The Notes shall be issued as provided herein, and may be issued in subseries or with such additional series designations as a District Representative may determinate pursuant to a Note Purchase Agreement. Notes may be issued as Tax-Exempt Notes, or as federally taxable Notes, as set forth in a Bond Purchase Agreement and Official Statement for the Notes.

(b) For purposes of Government Code section 5852.1, good faith estimates of (a) the true interest cost of the Notes; (b) the sum of all fees and charges paid to third parties, including any such fees and charges which the Underwriter agrees to pay pursuant to the Note Purchase Agreement (the “Finance Charge”); (c) the amount of proceeds to be received by the District (less the Finance Charge and any reserves and capitalized interest, if any); and (d) the total debt service payments on the Notes through the final maturity of the Notes are set forth on Exhibit B attached hereto and incorporated herein.

SECTION 4. Denominations, Maturity and Payment. The Notes shall be issued as current interest notes in fully registered form in any denominations of their Principal Amounts but shall reflect denominations of \$5,000 Principal Amount or any integral multiple thereof. The Notes shall be dated the date of their issuance, shall mature not later than five (5) years after the date of issuance of the Notes, as set forth in the Note Purchase

Agreement, and shall bear interest in accordance with Section 5 hereof. Principal of the Notes shall be paid at the principal office of the Paying Agent. The Notes shall be subject to redemption prior to their stated Maturity Date as provided in the Note Purchase Agreement.

SECTION 5. Interest Rate and Payments. The Notes shall bear interest at the Interest Rate from the initial dated date of the Notes to their Maturity Date. Interest on each Note shall be paid semiannually on February 1 and August 1 of each year until maturity, or as otherwise set forth in the Note Purchase Agreement, commencing on the date set forth in the Note Purchase Agreement, computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date.

SECTION 6. Mutilated, Destroyed, Stolen or Lost Notes. In case any Note shall become mutilated, the Paying Agent, at the expense of the Owner, shall deliver a new Note of like tenor and number as the Note so mutilated in exchange and substitution for such mutilated Note, upon surrender and cancellation thereof. All Notes so surrendered shall be cancelled. If any Note shall be destroyed, stolen or lost, evidence of such destruction, theft or loss may be submitted to the Paying Agent and if such evidence is satisfactory to the Paying Agent that such Note has been destroyed, stolen or lost, and upon furnishing the Paying Agent with indemnity satisfactory to the Paying Agent and complying with such other reasonable regulations as the Paying Agent may prescribe and paying such expenses as the Paying Agent may incur the Paying Agent shall, at the expense of the Owner, execute and deliver a new Note of like tenor and number in lieu of and in substitution for the Note so destroyed, stolen or lost. Any new Notes issued pursuant to this Section in substitution for Notes alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Notes so alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Notes issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Notes.

SECTION 7. Transfer and Exchange. The transfer of any Note may be registered upon surrender of such Note to the Paying Agent. Such Note shall be endorsed or accompanied by delivery of the written instrument of transfer, duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Note or Notes, of like tenor and maturity in the same Transfer Amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Note shall be registered upon the Note Register as the absolute Owner of such Note, whether the Principal, premium, if any, or interest with respect to such Note shall be overdue or not, for the purpose of receiving payment of Principal, premium, if any, and interest with respect to such Note and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid, and the District or the Paying Agent shall not be affected by any notice to the contrary.

Notes may be exchanged at the office of the Paying Agent for Notes of like tenor, maturity and Transfer Amount of other authorized denominations. All Notes surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Note executed and delivered upon any exchange (except in the case of the first exchange of any Note in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may

require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

SECTION 8. Note Register. The Paying Agent shall keep or cause to be kept at its office sufficient books for the registration and registration of transfer of the Notes. Upon presentation for registration of transfer, the Paying Agent shall, as above provided and under such reasonable regulations as it may prescribe subject to the provisions hereof, register or register the transfer of the Notes, or cause the same to be registered or cause the registration of the same to be transferred, on such books.

SECTION 9. Redemption. The Notes shall be subject to redemption pursuant to the terms, and on the dates and in the amounts, as provided in the Note Purchase Agreement(s).

SECTION 10. Selection of Notes for Redemption. If less than all of the Notes shall be called for redemption, the particular Notes or portions thereof to be redeemed shall be called in such order as shall be directed by the District and, in lieu of such direction, on a proportional basis. Within a maturity, the Paying Agent shall select the Notes for redemption as directed by the District, and, in lieu of such direction, by lot; provided, however, that the portion of any Note to be redeemed shall be in the principal amount of five thousand dollars (\$5,000) or some integral multiple thereof and that, in selecting Notes for redemption, the Paying Agent shall treat each Note as representing that number of Notes which is obtained by dividing the principal amount of such Note by five thousand dollars (\$5,000).

SECTION 11. Notice of Redemption. When redemption is authorized or required pursuant to this Resolution or the Note Purchase Agreement, the Paying Agent, upon written instruction from the District given at least 45 days prior to the date designated for such redemption, shall give notice (a "Redemption Notice") of the redemption of the Notes. The Paying Agent shall give notice of the redemption of the Notes at the expense of the District. Such notice shall specify: (a) that the Notes or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Notes to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Notes to be redeemed including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Note to be redeemed, the portion of the principal amount of such Note to be redeemed, together with interest accrued to said date, and that from and after such date interest with respect thereto shall cease to accrue and be payable. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Note or portion thereof being redeemed the redemption price, together with the interest accreted to the redemption date, and that from and after such date interest with respect thereto shall cease to accrete and be payable.

Notice of redemption shall be by first class mail, postage prepaid, to the registered Owner of the Notes, or if the registered Owner is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository, such as the Depository and to a national information service specified by the District to the Paying Agent in writing that disseminates securities redemption notices, such as Information Services and by first class mail, postage prepaid, to the District and the respective Owners of any registered Notes designated for redemption at their addresses appearing on the Note Register, in every case at least twenty (20) days, but not more than forty-five (45) days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Notes.

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

SECTION 12. Conditional 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 Notes 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 or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Notes 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 Note 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.

SECTION 13. Partial Redemption of Notes. Upon the surrender of any Note redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Note or Notes of like tenor and maturity and of authorized denominations equal in amounts to the unredeemed portion of the Note 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.

SECTION 14. 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 for the payment of their redemption price, the Notes 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 Notes to be redeemed as provided herein, 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 Notes 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 Notes shall be held in trust for the account of the Owners of the Notes so to be redeemed.

All Notes paid at maturity or redeemed prior to maturity pursuant to the provisions of this Resolution shall be cancelled upon surrender thereof and delivered to or upon the order of the District. All or any portion of a Note purchased by the District shall be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

SECTION 15. Book-Entry System.

(a) The Notes shall be initially issued in the form of a separate single fully registered Note (which may be typewritten) for each of the maturities of the Notes. Upon initial issuance, the ownership of each such Note certificate shall be registered in the Note Register in the name of the Nominee as nominee of the Depository. Except as provided in subsection (c) hereof, all of the Outstanding Notes shall be registered in the Note Register

in the name of the Nominee and the Notes may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository. Each Note certificate shall bear a legend substantially to the following effect: "UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE NOTE REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

With respect to Notes registered in the Note Register in the name of the Nominee, the District shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Notes. Without limiting the immediately preceding sentence, the District 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 beneficial ownership interest in the Notes, (ii) the delivery to any Participant, Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Notes, including any redemption notice, (iii) the selection by the Depository and the Participants of the beneficial interests in the Notes to be redeemed in part, or (iv) the payment to any Participant, Beneficial Owner or any other person, other than the Depository, of any amount with respect to Principal of, premium, if any, and interest on, the Notes. The District may treat and consider the person in whose name each Note is registered in the Note Register as the absolute Owner of such Note for the purpose of payment of the interest, and premium, if any, on such Note, for the purpose of giving Redemption Notices and other notices with respect to such Note, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Notes.

The Paying Agent shall pay all Principal of, and premium on, if any, and interest on the Notes only to the respective Owners, as shown in the Note Register, and all such payments shall be valid hereunder with respect to payment of Principal of, premium, if any, and interest on, the Notes to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Note Register, shall receive a Note evidencing the obligation to make payments of Principal of, premium, if any, and interest, pursuant to this Resolution. Upon delivery by the Depository to the Paying Agent and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions hereof with respect to Record Dates, the word "Nominee" in this Resolution shall refer to such new nominee of the Depository.

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

such denominations as the Depository shall instruct the District. The District shall then deliver certificated securities representing the new notes to the persons in whose names such Notes are so registered.

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

(c) Notwithstanding any other provision of this Resolution to the contrary, so long as any Note is registered in the name of the Nominee, all payments with respect to Principal of, premium, if any, and interest on, such Note and all notices with respect to such Note shall be made and given, respectively, as provided in the letter of representation from the District to the Depository or as otherwise instructed by the Depository.

(d) The initial Depository under this Resolution shall be the Depository Trust Company. The initial Nominee shall be Cede & Co., as nominee of the Depository Trust Company.

SECTION 16. Form of Notes. The form of the Notes shall be substantially in conformity with the standard form of registered school district notes, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference.

SECTION 17. Use of Note Proceeds and Establishment of Building Fund and Costs of Issuance Account.

The proceeds of the Notes shall be deposited on behalf of the District with, and held by, the Director of Finance in the "Los Altos School District 2019 General Obligation Bond Anticipation Notes Building Fund" (the "Building Fund").

Until application of the proceeds of the Notes for the Project, the District may invest the proceeds of the Notes as provided in Section 20 below. The District shall make withdrawals from time to time from the Building Fund for the purposes described in the Project List. The Director of Finance shall have no responsibility for assuring the proper use of proceeds of the Notes by the District.

The Paying Agent shall establish and maintain a special trust account designated as the "Los Altos School District 2019 General Obligation Bond Anticipation Notes Costs of Issuance Account" (the "Costs of Issuance Account"). A portion of the net proceeds of the Notes shall be deposited therein at Closing, upon instruction of the District, and applied to the payment of Costs of Issuance with respect to the Notes. On the earlier of the date which is six months following the date of issuance of the Notes or the date upon which the District directs the Paying Agent that Costs of Issuance have been paid, the Costs of Issuance Account shall be closed by the Paying Agent, and any remaining amounts on deposit therein shall be transferred to the Director of Finance for deposit in the Building Fund.

SECTION 18. Pledges. As security for the payment of the Principal of the Notes, the District hereby covenants that, not later than 30 days prior to the Maturity Date, the District shall sell or cause to be sold the General Obligation Bonds, Renewal Notes or certificates of participation, or a combination thereof, in an amount sufficient, together with any available

moneys, to pay the Notes on the Maturity Date, and the District hereby pledges proceeds from its sale of General Obligation Bonds, Renewal Notes or certificates of participation or other available moneys for the payment of the Notes (the "Pledged Revenues"). The Notes shall constitute a limited obligation of the District, representing an interest in Pledged Revenues.

SECTION 19. Levy of Taxes for Interest; Debt Service Fund. The District is hereby authorized to provide instructions to the County to levy a tax for the payment of the interest on the Notes. Such tax may lawfully be levied pursuant to Education Code Section 15150 and follows. In the event the District elects to pay all or a portion of the interest due on the Bonds from *ad valorem* property taxes, the following provisions shall apply:

(a) The "Los Altos School District 2019 General Obligation Bond Anticipation Notes Debt Service Fund" (the "Debt Service Fund") shall be established and administered by the County of Santa Clara and used only for the payment of the interest on the Bonds.

(b) The Board of Supervisors of the County shall annually at the time of making the levy of taxes for County purposes, levy a continuing direct *ad valorem* tax for the Fiscal Year upon the taxable property in the District without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) in an amount at least sufficient, together with moneys on deposit in the Debt Service Fund and available for such purpose, to pay the interest on the Notes as each becomes due and payable in the next succeeding Note Year. The County shall deposit or cause to be deposited in the District's Debt Service Fund, the proceeds from the levy of the aforementioned tax which the County receives to be used for the payment of interest on the Notes.

(c) The County shall transfer or cause to be transferred from the Debt Service Fund to the Paying Agent, an amount, in immediately available funds, sufficient to pay any interest on the Notes on such Interest Payment Date.

SECTION 20. Establishment of Repayment Account. Proceeds from the sale of the District's General Obligation Bonds, Renewal Notes, certificates of participation, if any, and other moneys lawfully available therefor (collectively, the "Repayment Proceeds") (in cash or in investments permitted by Section 20 hereof that have a market value on such Business Day equal to the amount required to be deposited on such Business Day or whose maturity value on a maturity date no later than such Business Day is equal to the amount required to be deposited on such Business Day) shall be deposited by the District or the Director of Finance, on behalf of the District, with, and held in trust by, the Paying Agent, as hereinafter appointed, in a special account designated the "Los Altos School District 2019 General Obligation Bond Anticipation Notes Repayment Account" (the "Repayment Account"), and shall be applied as directed in this Resolution. The obligation to pay the Principal of the Notes shall constitute a first lien and charge on amounts deposited in the Repayment Account and any money deposited in the Repayment Account shall be for the ratable benefit of the Owners of the Notes. Until the Principal of the Notes is paid in full or until provision has been made for the payment in full of the Principal of the Notes, the moneys in the Repayment Account shall be applied only for the purposes for which such Repayment Account was created.

On or before the Maturity Date for the Notes, the District shall set aside into the Repayment Account, an amount sufficient to pay the Principal of and interest on the Notes on the Maturity Date. In the event that there have been insufficient Pledged Revenues received by the Paying Agent on behalf of the District by the Maturity Date, then the amount of the deficiency in the Repayment Account shall be satisfied and made up from any

other moneys of the District lawfully available for the payment of the Principal of the Notes. Any balance in the Repayment Account on the day after the Maturity Date for the Notes in excess of the amounts needed to pay the Principal of the Notes shall be transferred to the District and applied for any lawful purpose thereof.

SECTION 21. Investment of Note Proceeds and Repayment Account. Note proceeds may be held by the Director of Finance and invested by the Director of Finance at the Written Request of the District in designated investments permitted by law for surplus moneys of California public agencies, including one or more investment agreements, including guaranteed investment contracts, provided, however, that the long-term ratings of the provider of such agreement or contract shall be rated at least "AA-" by Standard & Poor's or "Aa3" by Moody's Investors Service. No such contract or agreement shall mature after the Maturity Date of the Notes. Absent such Written Request of the District, Note proceeds shall be invested in the County of Santa Clara Treasury Pool.

The proceeds of investments of moneys in the Repayment Account held and invested by the Paying Agent pursuant hereto shall be retained or accounted for by the Paying Agent until the Principal of the Notes shall have been fully paid or until provision shall have been made for such payment, at which time any excess amount shall be transferred as provided in the last sentence of Section 20.

SECTION 22. Professional Services. The Board hereby appoints PFM Financial Advisors LLC, as Municipal Advisor, and Dannis Woliver Kelley, as Bond Counsel and Disclosure Counsel, each with respect to the issuance of the Bonds. The District Representatives, or any designee thereof, are, and each of them acting alone is, hereby authorized to designate the Underwriter(s) for each Note Purchase Agreement (which designation shall be conclusive upon execution of a Note Purchase Agreement by a District Representative), and shall be further authorized to enter into any new agreements and/or amend any existing agreements with members of the herein-appointed "financing team," as appropriate; provided, such agreements describe the desired scope of services and specify a cost that is consistent with not-to-exceed cost estimates presented to this Board in connection with this Resolution. A form of each applicable proposed agreement is on file with the Secretary to the Board and available for review.

SECTION 23. Approval of Note Purchase Agreement. The District Representatives, in consultation with Bond Counsel and such other officers of the District as shall be authorized by the Board, are hereby authorized and directed to issue and deliver the Notes and to establish the final Principal Amount thereof, provided, however, that such Principal Amount as of the date of delivery shall not exceed the maximum aggregate Principal Amount of \$80,000,000. The form of Note Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved. The District Representative, or any authorized deputy, and such other officers of the District as may be authorized by the Board are, and each of them acting alone is, authorized and directed to execute and deliver one or more Note Purchase Agreements for and in the name and on behalf of the District, with such additions, changes or corrections therein as the officer executing the same on behalf of the District may approve, in his/her discretion, as being in the best interests of the District, including without limitation a sale of Notes in one or more series or subseries under a forward delivery method to accomplish the purposes set forth herein, such approval to be conclusively evidenced by such officer's execution thereof, and any other documents required to be executed thereunder, and to deliver the same to the Underwriter. The District Representative, or any authorized deputy, and such other officers of the District as may be authorized by the Board are, and each of them acting alone hereby is, authorized and directed to negotiate with the Underwriter the

interest rate on the Notes and the purchase price of the Notes to be paid by the Underwriter, which purchase price shall reflect an Underwriter's discount of not to exceed twenty-five hundredths of one percent (0.25%) (not including original issue discount or any Costs of Issuance to be paid by the Underwriter) of the Principal Amount thereof. Final terms of the Notes shall be as set forth in the Note Purchase Agreement(s), subject to the limitations specified herein.

SECTION 24. Official Statement. The Preliminary Official Statement to be distributed in connection with the public offering of the Notes, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions as may be approved by a District Representative, is hereby approved, and the use of such Preliminary Official Statement in connection with the offering and sale of the Notes is hereby authorized and approved. The District Representatives are each hereby authorized to certify on behalf of the District that such Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). The Underwriter, on behalf of the District, is authorized and directed to cause the Preliminary Official Statement to be distributed to such persons as may be interested in purchasing the Notes therein offered for sale.

A District Representative, or any designee thereof, is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute the Final Official Statement, dated as of the date of the sale of the Notes, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Notes, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Notes, and does not, as of the date of delivery of the Notes, contain any untrue statement of a material fact with respect to the District or omit to state material facts with respect to the District required to be stated where necessary to make any statement made therein not misleading in light of the circumstances under which it was made. A District Representative, or any designee thereof, shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the Final Official Statement, which shall include such changes and additions thereto deemed advisable by a District Representative, or any designee thereof, shall be conclusive evidence of the approval of the Final Official Statement by the District. The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Notes.

SECTION 25. Delegation of Authority. The District Representatives are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. Without limiting the foregoing, a District Representative, or any designee thereof, is hereby authorized and directed to execute a Paying Agent Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the Paying Agent Agreement, consistent with the terms of this Resolution, together with any additional terms thereto or changes therein deemed necessary or advisable by a District Representative, or any designee thereof, to effectuate the intent hereof.

SECTION 26. Approval of Actions. All actions heretofore taken by the officers, employees and agents of the District with respect to the transactions set forth above are hereby approved, confirmed and ratified.

SECTION 27. Execution of the Notes. The Notes shall be executed in the name of the District by the manual or facsimile signature of the President of the Board and the manual or facsimile signature of the Secretary of the Board or by a deputy of either of such officers. The Notes shall not be valid unless and until the Paying Agent shall have manually authenticated such Notes.

SECTION 28. Paying Agent.

(a) *Appointment, Payment of Fees and Expenses.* This Board does hereby appoint U.S. Bank National Association to act as the initial paying agent for the Notes. All fees and expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the Notes, such fees and expenses shall be paid by the District.

(b) *Resignation, Removal and Replacement of Paying Agent.* The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Paying Agent may at any time resign by giving written notice to the District and the Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

(c) *Merger or Consolidation of Paying Agent.* Any banking corporation or national banking association into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party of any banking corporation or national banking association to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided that such banking corporation or national banking association shall be eligible hereunder, shall be the successor to the Paying Agent without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. Prompt notice of such merger or consolidation shall be given to the District. All costs and expenses of such merger or consolidation shall be paid by the successor Paying Agent and no additional charges shall be levied against the District.

(d) *Principal Corporate Trust Office.* The initial Paying Agent, and any successor Paying Agent, shall designate each place or places where it will conduct the functions of transfer, registration, exchange, payment, and surrender of the Notes, and any reference herein to the "principal corporate trust office" of the Paying Agent shall mean the office so designated for a particular purpose. If no office is so designated for a particular purpose, such functions shall be conducted at the corporate trust operations office of U.S. Bank

National Association, in San Francisco, California, or the principal corporate trust office of any successor Paying Agent.

(e) *Registration Books.* The Paying Agent shall keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Notes, which shall at all times, upon reasonable notice, be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the Registration Books, Notes as provided in Section 7 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Notes paid and discharged by it. Such records shall be provided, upon reasonable request, to the District in a format mutually agreeable to the Paying Agent and the District.

SECTION 29. Ownership of Notes Permitted. The Paying Agent or the Underwriter may become the Owner of any Notes.

SECTION 30. Tax Covenants. The District covenants that it will make no use and not permit any use of the proceeds of any Tax-Exempt Notes or any other amounts that would cause the Tax-Exempt Notes to be deemed "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). To that end, the District has agreed to comply with all requirements of said Section 148 of the Code, and the Treasury Regulations promulgated thereunder, including restrictions on the use and investment of proceeds of the Tax-Exempt Notes and certain other amounts and the rebate of a portion of the investment earnings on proceeds of any Tax-Exempt Notes and certain other amounts, if required, to the United States. The District has further covenanted to do and perform all acts and things within its power and necessary to comply with each applicable requirement of Section 103 and Section 141 through 150 of the Code with respect to any Tax-Exempt Notes. In furtherance of the aforementioned covenants, the District has agreed to comply with the Tax Certificate. The Paying Agent, by acceptance of its duties hereunder and by its authentication of any Tax-Exempt Notes, agrees to comply with instructions received from the District that the District indicates must be followed in order to comply with the Tax Certificate. The District has covenanted that it will take no action that would cause the interest on the Tax-Exempt Notes to be included in gross income for federal income tax purposes, nor will it refrain from taking action required to maintain the exclusion of interest on the Tax-Exempt Notes from gross income for federal income tax purposes.

SECTION 31. Defeasance.

(a) *Discharge of Resolution.* Any or all of the Notes 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 Notes Outstanding and designated for defeasance, as and when the same become due and payable;

(ii) by depositing with an escrow agent selected by the District, in irrevocable escrow, at or before maturity, money or securities in the necessary amount, including investment earnings thereon, to pay or redeem Notes Outstanding; or

(iii) by delivering to the Paying Agent, for cancellation by it, Notes Outstanding.

If the District shall pay all Notes Outstanding, and shall also pay or cause 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 a District Representative, filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Notes shall not have 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 31(b). In such 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 pursuant to this Resolution which are not required for the payment or redemption of Notes not theretofore surrendered for such payment or redemption.

(b) *Discharge of Liability on Notes.* Upon the irrevocable deposit, in escrow or in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 31(c)) to pay or redeem any Notes Outstanding (whether upon or prior to its maturity or the redemption date of such Note); provided that, if such Note is to be redeemed prior to maturity, notice of such redemption shall have been given or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, then all liability of the District in respect of such Note shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Note 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 31(d) shall apply in all events.

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

(c) *Deposit of Money or Securities with Escrow Agent.* Whenever in this Resolution it is provided or permitted that there be irrevocably deposited with or held in irrevocable escrow by an escrow agent money or securities in the necessary amount to pay or redeem any Notes, the money or securities so to be deposited or held may include money or securities held by an escrow agent in the funds and accounts established pursuant to this Resolution and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Notes and all unpaid interest thereon to maturity, except that, in the case of Notes which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided hereunder or provision satisfactory to the escrow agent shall have 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 Notes 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 Notes to be paid or redeemed, as such principal or redemption price and interest become due; provided that, in the case of Notes which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided hereunder or provision satisfactory to the Paying Agent or an escrow agent shall have been made for the giving of such notice; provided, in each case, that the escrow agent shall have been irrevocably instructed (by the terms of this Resolution or by request of the District) to apply such money to the payment of such principal or redemption price and interest with respect to such Notes.

(d) *Payment of Notes After Discharge of Resolution.* Notwithstanding any provisions of this Resolution, any moneys held by the escrow agent in trust for the payment of the principal or redemption price of, or interest on, any Notes and remaining unclaimed after the payment is due (whether at maturity or upon call for redemption 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 Notes became due and payable, shall be repaid to the District free from the trusts created by this Resolution, and all liability of the escrow 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 Notes which have not been paid at the addresses shown on the Note Register a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Notes 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 32. Continuing Disclosure Certificate. The Continuing Disclosure Certificate, in substantially the form attached to the Official Statement and made a part hereof as though set forth herein, is hereby approved, and the District Representatives are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver a Continuing Disclosure Certificate in substantially said form, as is necessary to cause the requirements of Rule 15c2-12 to be satisfied, with such changes, insertions and omissions as the District Representative executing the same may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate by such District Representative.

SECTION 33. Legislative Determinations. The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Notes in order to make them legal, valid and binding obligations of the District have been performed and have been met, or will at the time of delivery of the Notes have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Notes.

SECTION 34. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

PASSED AND ADOPTED this 17th day of December, 2018, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

LOS ALTOS SCHOOL DISTRICT

By: _____
President of the Board of Trustees

ATTEST:

By: _____
Secretary to the Board of Trustees

EXHIBIT A

FORM OF NOTE

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

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

**LOS ALTOS SCHOOL DISTRICT
(SANTA CLARA COUNTY, CALIFORNIA)
2019 GENERAL OBLIGATION BOND ANTICIPATION NOTES
[SUBSERIES DESIGNATION, IF ANY]**

No. _____

| <u>Interest Rate</u> | <u>Yield to Maturity</u> | <u>Maturity Date</u> | <u>Dated Date</u> | <u>CUSIP</u> |
|----------------------|--------------------------|----------------------|-------------------|--------------|
| ___%% | ___% | _____ 1, 20__ | _____, 2019 | |

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Los Altos School District (the "District") of the County of Santa Clara, State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the dated date set forth above until the Principal Amount hereof shall have been paid or provided for, in accordance with the Resolution hereinafter referred to, at the interest rate set forth above. Interest on this Bond is payable on [August 1], 20[19], and semiannually thereafter on the first day of February and August (each, an "Interest Payment Date") in each year to the registered owner hereof from the Interest Payment Date next preceding the date on which this Note is registered (unless it is registered after the close of business on the fifteenth calendar day of the month preceding any Interest Payment Date (a "Record Date") and before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Note is registered prior to the close of business on July 15, 2019, in which event it shall bear interest from its date; provided, however, that if at the time of registration of this Note interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment). The Principal Amount hereof is payable at the office of U.S. Bank National Association, as paying agent (the "Paying Agent"), in San

Francisco, California. The interest hereon is payable by check or draft mailed by first class mail to each registered owner, at his address as it appears on the registration books kept by the Paying Agent as of the Record Date.

The Principal of this Note shall be paid by check or by wire transfer payable to or upon the order of the registered owner hereof upon presentation and surrender of this Note at maturity at the principal office of the Paying Agent.

Neither the payment of the Principal of or any part thereof nor any interest accrued thereon constitutes a debt, liability or obligation of the County, the State or any political subdivision thereof but shall constitute a limited obligation of the District, payable solely from Pledges Revenues as set forth in the Resolution.

The District and the Paying Agent may deem and treat the holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Notes are subject to redemption prior to their scheduled maturity as set forth in the Note Purchase Agreement.

It is hereby certified, recited and declared that this Note is one of an authorized issue of Los Altos School District 2019 General Obligation Bond Anticipation Notes (the "Notes") in the aggregate Principal Amount of _____ Dollars (\$_____), all of like date, tenor, and effect, made, executed and given pursuant to a resolution adopted by the Board of Trustees of the District on December 17, 2018 (the "Resolution"). This Note is issued by the District under and in accordance with Article 3 (commencing with Section 15150) of Chapter 1 of Part 1, Division 1, Title 1 of the Education Code of the State of California, and all acts, conditions and things required to exist, happen and be performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California. Each capitalized term used herein which is not defined herein shall have the same meanings as in the Resolution.

The Principal of this Note shall be paid from the proceeds of General Obligation Bonds (as defined in the Resolution), Renewal Notes (as defined in the Resolution) or certificates of participation, or a combination thereof, or from any other legally available moneys of the District.

This Note shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IN WITNESS WHEREOF, the Los Altos School District has caused this Note to be executed and in their official capacities by the manual or facsimile signature of the President of the Board of Trustees of the Los Altos School District and to be countersigned by the manual or facsimile signature of the Secretary to the Board of Trustees of the Los Altos School District.

LOS ALTOS SCHOOL DISTRICT

By: _____
President of the Board of Trustees

Countersigned:

By: _____
Secretary to the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This is one of the Notes described in the within-mentioned Resolution of the Board of Trustees of the Los Altos School District.

DATED: _____, 20__

U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent

By: _____
Authorized Representative

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.:

the within-mentioned Note and hereby irrevocably constitutes and appoints attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated:

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

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By _____
District Representative

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT B

NOTE PARAMETERS AND ESTIMATED COST DISCLOSURES

1. Estimated True Interest Cost of the Notes:

3.00%

2. Estimated Costs of Issuance, including Underwriter's Discount (the "Finance Charge"):

| | <u>Estimated Fees or Costs</u> |
|----------------------------------|--------------------------------|
| Bond Counsel Fee & Expense | \$ 36,000.00 |
| Disclosure Counsel Fee & Expense | 21,000.00 |
| Municipal Advisor Fee & Expense | 32,000.00 |
| Paying Agent | 2,500.00 |
| S&P | 9,500.00 |
| Moody's | 9,500.00 |
| Printing | 750.00 |
| Municipal Data | 700.00 |
| Contingency | 15,000.00 |
| <hr/> | |
| Total | \$126,950.00 |

Underwriter's Discount: \$200,000.00

3. Estimated Amount of Proceeds to be received by the District, less Finance Charge, reserves (if any) and capitalized interest (if any):

\$79,673,050.00

4. Estimated Total Payment Amount (Debt Service to Maturity, including any Finance Charge not paid with proceeds of the Notes (if any)):

\$86,000,000.00