

CAPISTRANO UNIFIED SCHOOL DISTRICT
33122 Valle Road
San Juan Capistrano, CA 92675

BOARD OF TRUSTEES
Regular Meeting

May 11, 2016

Closed Session 5:00 p.m.
Open Session 7:00 p.m.

AGENDA

CLOSED SESSION AT 5:00 P.M.

1. CALL TO ORDER

2. CLOSED SESSION COMMENTS

3. CLOSED SESSION (as authorized by law)

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION EXHIBIT A

Kirsten M. Vital/Susan Holliday

Attorney: Anthony P. De Marco, Atkinson, Andelson, Loya, Ruud & Romo

Significant Exposure to Litigation – One Case

(Pursuant to Subdivisions (d)(2) and (e) of Government Code § 54956.9)

B. PUBLIC EMPLOYEE EMPLOYMENT/APPOINTMENT

EXHIBIT B-1

Elementary School Principals (2)

Principal on Special Assignment (1)

(Pursuant to Government Code § 54957)

EXHIBIT B-2

C. CONFERENCE WITH LABOR NEGOTIATORS

Kirsten M. Vital/Clark Hampton

Employee Organizations:

1) Capistrano Unified Education Association (CUEA)

2) California School Employees Association (CSEA)

3) Teamsters

4) Unrepresented Employees (CUMA)

(Pursuant to Government Code § 54957.6)

D. PUBLIC EMPLOYMENT AND EVALUATION OF PERFORMANCE

Superintendent

Deputy Superintendent

(Pursuant to Government Code § 54957(b))

PUBLIC HEARINGS:

Agenda Item 1: Resolution No. 1516-52, a Resolution of the Board of Trustees of the Capistrano Unified School District of Formation of Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan) Authorizing the Levy of a Special Tax within the District and Establishing an Appropriations Limit for the District.

Agenda Item 2: Resolution No. 1516-53, a Resolution of the Board of Trustees of the Capistrano Unified School District Deeming it Necessary to Incur Bonded Indebtedness within Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan).

Agenda Item 3: Instructional Materials Recommended for Adoption: Secondary Mathematics, Grade 6 – 8.

Agenda Item 4: Capistrano Unified Education Association Initial Proposal for Negotiations and District's Initial Proposal to Capistrano Unified Education Association for 2016-2017 Negotiations.

RECORDING OF SCHOOL BOARD MEETINGS

In accordance with Board Policy 9324, Board Minutes, all Regular School Board Meetings will be audio recorded.

OPEN SESSION AT 7:00 P.M.**CALL TO ORDER – ROLL CALL****PLEDGE OF ALLEGIANCE****ADOPTION OF THE AGENDA****REPORT ON CLOSED SESSION ACTION****SPECIAL RECOGNITIONS****Celebration of Employee Anniversaries*****30 Years of Service***

Mark Allen, Store Keeper/Delivery Driver

Nancy Blackburn, Teacher

Deborah Daniels, Teacher

Brian Devaney, Teacher

Taine Gavin, Teacher

Lisa Hoover, Teacher

Deanna Maass, Teacher

Mark Pearson, Teacher

Maria Pino-Miranda, Preschool Site Facilitator

Eric Benson, Teacher

Maureen Cordina, Teacher

Geri Dendel, Academic Advisor

Michelle English, Teacher

Joyce Hogan, Teacher

Cynthia Johnson, Teacher

Helen Marty, Campus Supervisor

20 Years of Service

Laura Lyon, Principal

Jennifer Cortez, Teacher

Bobbi Sue Yslas, Manager

Extra Miler

Thank you to C.D. "Brud" LeTourneau and Sonia LeTourneau for their dedication to the Social Committee and their commitment to the Employees of Capistrano Unified School District they are recognized as "Extra Milers".

BOARD AND SUPERINTENDENT COMMENTS**ORAL COMMUNICATIONS (Non-Agenda Items)**

Oral Communications will occur immediately following Board and Superintendent Comments. The total time for Oral Communications shall be twenty (20) minutes. Individual presentations are limited to a maximum of three (3) minutes per individual.

PUBLIC HEARING

1. **PUBLIC HEARING: RESOLUTION NO. 1516-52, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT OF FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 98-1B OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN), AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN THE DISTRICT AND ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE DISTRICT:** INFORMATION/
DISCUSSION

The Board will conduct a public hearing on adopting Resolution No. 1516-52, A Resolution of the Board of Trustees of the Capistrano Unified School District of Formation of Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan), Authorizing the Levy of a Special Tax Within the District and Establishing an Appropriations Limit for the District. Supporting documentation information is located in Exhibit 18.

CUSD WIG 3: Facilities – Optimize facilities and learning environments for all students.

Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

Staff Recommendation

It is recommended the Board President open the public hearing, determine if members of the public have submitted requests to speak on the item, and after hearing any speakers, formally close the public hearing.

2. **PUBLIC HEARING: RESOLUTION NO. 1516-53, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS WITHIN COMMUNITY FACILITIES DISTRICT NO. 98-1B OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN):** INFORMATION/
DISCUSSION

The Board will conduct a public hearing on adopting Resolution No. 1516-53, A Resolution of the Board of Trustees of the Capistrano Unified School District Deeming it Necessary to Incur Bonded Indebtedness within Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan). Supporting documentation information is located in Exhibit 19.

CUSD WIG 3: Facilities – Optimize facilities and learning environments for all stu

Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

Staff Recommendation

It is recommended the Board President open the public hearing, determine if members of the public have submitted requests to speak on the item, and after hearing any speakers, formally close the public hearing.

3. **PUBLIC HEARING: INSTRUCTIONAL MATERIALS RECOMMENDED FOR ADOPTION: SECONDARY MATHEMATICS, GRADE 6 - 8:** INFORMATION/
DISCUSSION

The Board will conduct a public hearing on instructional materials for secondary mathematics, grade 6-8. Supporting documentation information is located in Exhibit 38.

CUSD WI 1: Teaching and Learning – Engage students in meaningful, challenging, and innovative educational experiences to increase post-secondary options for all students.

Contact: Susan Holliday, Assistant Superintendent, Education Services

Staff Recommendation

It is recommended the Board President open the public hearing, determine if members of the public have submitted requests to speak on the item, and after hearing any speakers, formally close the public hearing.

4. **PUBLIC HEARING: CAPISTRANO UNIFIED EDUCATION ASSOCIATION'S INITIAL PROPOSAL FOR NEGOTIATIONS AND DISTRICT'S INITIAL PROPOSAL TO CAPISTRANO UNIFIED EDUCATION ASSOCIATION FOR 2016-2017 NEGOTIATIONS:** INFORMATION/ DISCUSSION

The Board will conduct a Public Hearing on receiving the Capistrano Unified Education Association's (CUEA) and Capistrano Unified School District's initial proposals for negotiations for the 2016-2017 school year. This Public Hearing is conducted to meet the sunshine requirements set forth in Government Code § 3547.

CUSD WIG 2: Communications – Communicate with, and engage students, parents, employees, and community members in Districtwide and community-specific decisions.

Contact: Gordon Amerson, Assistant Superintendent, Human Resource Services

Staff Recommendation

It is recommended the Board President open the public hearing, determine if members of the public have submitted requests to speak on the item, and after hearing any speakers, formally close the public hearing.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered by the Board to be routine and will be enacted by the Board in one motion in the form listed below. There will be no discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar. The Superintendent and the staff recommend approval of all Consent Calendar items.

BUSINESS AND SUPPORT SERVICES

5. **AMENDMENT TO AGREEMENT BID NO. 1415-12, CHROMEBOOKS – CDW GOVERNMENT, LLC:** Page 1 **EXHIBIT 5**

Approval of the Amendment to Agreement Bid No. 1415-12 for the purchase of Chromebooks with CDW Government LLC, adding a replacement model to the current price list. The contract allows for product changes in the event an item is discontinued or no longer available. The product will be deemed acceptable only if it meets or exceeds original specifications, is provided at the same or lesser price of the original item, and the District approves the replacement. If the upgrade provides additional or enhanced functionality, the price of the new item must be mutually accepted by the District and the vendor. Estimated annual expenditures utilizing this contract are \$3,500,000, depending upon the availability of funds. Chromebooks may be funded through many sources, such as Common Core, gift, site funds, and grants.

Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

6. **AMERICAN RED CROSS SHELTER AGREEMENT:** Page 24 **EXHIBIT 6**

Approval of the American Red Cross Shelter Agreement to permit the American Red Cross to use District facilities on a temporary basis as an emergency public shelter during a disaster. The agreement is valid until termination is requested, and ends 30 days after written notice by either party. All costs incurred will be reimbursed by the American Red Cross. There is no financial impact.

Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

7. **AWARD BID NO. 1516-12, SAN JUAN HILLS HIGH SCHOOL ADDITION PHASE I, WEST PARKING UPGRADES – PAUL C. MILLER CONSTRUCTION CO., INC.:** Page 25 **EXHIBIT 7**

Approval of the Award of Bid No. 1516-12, San Juan Hills High School Addition Phase I, West Parking Upgrades, to Paul C. Miller Construction Co., Inc. On July 22, 2015, the Board of Trustees authorized staff to advertise for bids for a two-story

classroom building to accommodate additional enrollment projections. Four bids were received and opened on April 14, 2016, which are listed in Exhibit A. The bidder offering the lowest base price was used to determine the lowest responsive bidder. Paul C. Miller Construction Co., Inc. was the lowest responsive bidder at \$1,023,681. The project is funded by Developer fees, sale proceeds of north transportation yard property, CFD No. 90-2, CFD No. 90-2 Improvement Area No. 2002-1, and CFD No. 98.2

Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

8. **AWARD BID NO. 1516-22, ALISO NIGUEL HIGH SCHOOL RELOCATABLE CLASSROOMS – R. JENSEN COMPANY INCORPORATED:** Page 59
EXHIBIT 8

Approval of Award of Bid No. 1516-22, Aliso Niguel High School Relocatable Classrooms to R. Jensen Company, Incorporated. Bids were received and opened on April 15, 2016; the four bids obtained are included in Exhibit A. The lowest base bid was used to determine the lowest responsive bidder. Aghapy Group, Incorporated was the lowest responsive bidder at \$154,200, and has requested relief of bid due to a clerical error resulting in a materially lower-than-intended bid. Per Public Contract Code §§ 5100-5110, Relief of Bidders; the District may relieve a bidder due to a mistake in bid submission, causing the bid to be materially different than intended, and award the contract to the second lowest bidder, if it is in the best interest of the District to do so. Staff is recommending the relief of Aghapy Group, Incorporated, from the bid for the Aliso Niguel High School Relocatable Classrooms project due to a mistake in bid submission, and award the second lowest bid to R. Jensen Company, Incorporated, at the price of \$213,800, funded by CFD funds.

Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

9. **AWARD BID NO. 1516-25, ASPHALT PAVING, SEALCOATING AND REPAIR – BEN’S ASPHALT, INCORPORATED:** Page 60
EXHIBIT 9

Approval of the Award of Bid No. 1516-25, Asphalt Paving, Sealcoating and Repair to Ben’s Asphalt, Incorporated. Four bids were received and opened on April 13, 2016, which are listed in Exhibit A. The low bid is determined by select line items representing the most common District projects at a weighted percentage. Ben’s Asphalt Incorporated is the lowest responsive, responsible bidder. The initial contract term is July 1, 2016 through June 30, 2017, and may be extended by mutual agreement for a renewal term not-to-exceed two additional one-year periods. The project will be funded by deferred maintenance.

Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

10. **CHARTER FACILITIES AGREEMENT FOR 2016-2017 THROUGH 2018-2019, COMMUNITY ROOTS ACADEMY:** Page 102
EXHIBIT 10

Approval of Charter Facilities Agreement with Community Roots Academy in-lieu of Proposition 39 where Community Roots Academy (Charter School) will operate at Crown Valley Elementary School starting the 2016-2017 school year. Terms of this agreement include the use of the administrative offices, classrooms, outdoor spaces, parking, and other spaces described and depicted in Exhibit A for a term of three years July 1, 2016 to June 30, 2019. Lease payments will be calculated at \$0.5517 per month, per square foot of 50,332 building space for a total of \$333,323.12 for one year or \$27,776.93 per month for twelve months. This rate is based on an 80/20 percent split of District/out-of-District students. On or before October of each year, including any extensions, the Charter School will provide evidence to the District establishing the percentage of enrolled students who are residents. If the percentage of enrolled students who are residents of the District is demonstrated to be 85 percent higher or 75 percent lower, the rate will be adjusted to reflect the actual percentage split of in-District/out-of-District students for that year. Additionally, Community Roots Academy will be responsible for 100 percent of all utilities services during the applicable years. The proposed agreement has been

reviewed and approved by the District's legal counsel.

Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

- 11. DIABLO VALLEY COLLEGE ACADEMY SUPPORT CENTER WESTERN ACADEMY SUPPORT AND TRAINING CENTER AFFILIATION AGREEMENT:** Page 121
EXHIBIT 11
Approval of Diablo Valley College Academy Support Center Western Academy Support and Training Center Affiliation Agreement to establish an association with Contra Costa Community College District's Diablo Valley College to provide various forms of operational support. This agreement will be effective on July 1, 2016. The anticipated expenditure under this agreement is \$550, funded from the general fund.
Contact: Susan Holliday, Assistant Superintendent, Education Services
- 12. DONATION OF FUNDS AND EQUIPMENT:** Page 123
EXHIBIT 12
Approval of donations of funds and equipment. A number of gifts have been donated to the District, including \$70,272.74 in cash. These funds will be deposited in the appropriate school accounts. Items other than cash have no financial impact on the budget. The District does not guarantee maintenance of items or the expenditure of any District funds for continued use.
Contact: Clark Hampton, Deputy Superintendent, Business and Support Services
- 13. INDEPENDENT CONTRACTOR, PROFESSIONAL SERVICES, FIELD SERVICE, AND MASTER CONTRACT AGREEMENTS:** Page 124
EXHIBIT 13
Approval of the District standardized Independent Contractor, Professional Services, Master Contract, and Field Service Agreements. The expenditures related to the listed agreements were previously authorized as part of the District's budget approval process. The exhibit shows three new agreements totaling \$46,150, and seven amendment ratifications to existing agreements totaling \$87,000. Due to the size of the contract documents, the General Conditions for each type of agreement are posted online on the District's Board Agendas and Supporting Documentation page.
Contact: Clark Hampton, Deputy Superintendent, Business and Support Services
- 14. PROCURE ELIGIBLE E-RATE ITEMS UTILIZING REQUESTS FOR PROPOSALS PROCESS:** Page 163
EXHIBIT 14
Approval to procure eligible E-Rate items (Categories 1 and 2) utilizing Requests for Proposals (RFP) process. Public Contract Code Section 20118.2 states that due to the highly specialized nature of technology, telecommunications, related equipment, software and services, it is in the public's best interest to allow a school district to consider, in addition to price, various factors. Section 20118.2(c) requires that prior to awarding contracts utilizing the competitive negotiation RFP process discussed in Section 20118.2(d), the governing board must make a finding that the items listed in the attached proposed Request for Proposal No. 1-1617 E-Rate Multiple Categories is eligible under the Public Contract Code Section 20118.2.
Contact: Clark Hampton, Deputy Superintendent, Business and Support Services
- 15. PURCHASE ORDERS, COMMERCIAL WARRANTS, AND PREVIOUSLY BOARD-APPROVED BIDS AND CONTRACTS:** Page 193
EXHIBIT 15
Approval of purchase orders (Attachment 1) and commercial warrants (Attachment 2). The expenditures related to the listed purchase orders and commercial warrants included in this item were previously authorized as part of the District's budget approval process. The purchase orders total \$3,841,215.42 and the commercial warrants total \$2,566,432.25. Attachment 3 is a list of previously Board-approved bids and contracts to assist in the review of the purchase order and commercial warrant listings. Attachment 4 is a list of previously Board-approved warrants, by vendor, exceeding \$250,000.
Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

16. **QUINTESSENTIAL SCHOOL SYSTEMS SERVICES AND SUPPORT AGREEMENT (FY 16-17):** Page 228
EXHIBIT 16
Approval of Quintessential School Systems Services and Support Agreement (FY 16-17), a business administrative software system. The term of the contract for annual support services expires June 30, 2017. The agreement provides professional consulting services related to regular support and maintenance for the product, as well as system software updates and opportunities for free professional training for staff. By taking advantage of the early payment discount of four percent, the annual fee of \$82,527 will be reduced to \$79,225.92, funded by the general fund.
Contact: Clark Hampton, Deputy Superintendent, Business and Support Services
17. **QUARTERLY REPORT – WILLIAMS SETTLEMENT UNIFORM COMPLAINT:** Page 239
EXHIBIT 17
Acceptance of Williams Settlement Third Quarter Report. As a result of the Williams Settlement, Education Code § 35186 mandates school districts establish policies and procedures to resolve deficiencies related to textbooks and instructional materials, teacher vacancies or misassignments, facility conditions posing a threat to student/staff health or safety, and instruction and services for the California High School Exit Examination. Furthermore, the law requires any deficiencies or complaints be reported to the Board of Trustees at a regularly scheduled public meeting each quarter. During the third quarter, no complaints were filed.
Contact: Gordon Amerson, Assistant Superintendent, Human Resource Services
18. **RESOLUTION NO. 1516-52, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT OF FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 98-1B OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN), AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN THE DISTRICT AND ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE DISTRICT:** Page 240
EXHIBIT 18
Following the information presentation on February 24, 2016, and the Board's adoption of a resolution of intention to establish CFD 98-1B on March 23, 2016, the Board is asked to consider approval of Resolution No. 1516-52 and related documents on the formation of CFD 98-1B for the Pacifica San Juan community.
Contact: Clark Hampton, Deputy Superintendent, Business and Support Services
19. **RESOLUTION NO. 1516-53, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS WITHIN COMMUNITY FACILITIES DISTRICT NO. 98-1B OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN):** Page 267
EXHIBIT 19
Following the information presentation on February 24, 2016, and the Board's adoption of a resolution of intention to establish CFD 98-1B on March 23, 2016, the Board is asked to consider approval of Resolution No. 1516-53 determining it is necessary to issue bonds to help fund the share of mitigation owed by new homes within CFD 98-1B. The bonds will finance school facilities and city infrastructure.
Contact: Clark Hampton, Deputy Superintendent, Business and Support Services
20. **RESOLUTION NO. 1516-54, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT CALLING SPECIAL ELECTION FOR COMMUNITY FACILITIES DISTRICT NO. 98-1B OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN):** Page 275
EXHIBIT 20
Following the information presentation on February 24, 2016, and the Board's adoption of a resolution of intention to establish CFD 98-1B on March 23, 2016, the Board is asked to consider approval of Resolution No. 1516-54 calling for a special

election of the landowners within CFD 98-1B. The Clerk of the Board will conduct the election by receiving and counting the ballots.

Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

21. **RESOLUTION NO. 1516-55, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT DECLARING RESULTS OF SPECIAL ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN:** Page 286
EXHIBIT 21
Following the information presentation on February 24, 2016, and the Board's adoption of a resolution of intention to establish CFD 98-1B on March 23, 2016, the Board is asked to consider approval of Resolution No. 1516-55 declaring the results of the special election of the landowners within CFD 98-1B.
Contact: Clark Hampton, Deputy Superintendent, Business and Support Services
22. **RESOLUTION NO. 1516-56, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN) PERMANENTLY REDUCING THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 98-1A, MAKING CERTAIN FINDINGS WITH RESPECT THERETO, AND DIRECTING THE EXECUTION AND RECORDATION OF A SECOND AMENDED NOTICE OF SPECIAL TAX LIEN:** Page 294
EXHIBIT 22
Following the information presentation on February 24, 2016, the Board is asked to consider approval of Resolution No. 1516-56 permanently reducing the maximum special tax levy for CFD 98-1A to 39.67 percent of the prior maximum special tax levy.
Contact: Clark Hampton, Deputy Superintendent, Business and Support Services
23. **RESOLUTION NO. 1516-58, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 87-1 OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (MISSION VIEJO/ALISO VIEJO) RATIFYING AND APPROVING ACTIONS PREVIOUSLY AUTHORIZED BY THE BOARD OF TRUSTEES IN RESOLUTION NO. 1314-30 REGARDING SCHOOL FACILITIES, RETIREMENT OF BONDS AND CESSATION OF SPECIAL TAXES, MAKING CERTAIN DETERMINATIONS AND TAKING RELATED ACTIONS:** Page 324
EXHIBIT 23
Following the information presentation on February 24, 2016, the Board is asked to consider approval of Resolution No. 1516-58 acting on behalf of CFD 87-1 authorizing the prepayment of the outstanding bonds for CFD 87-1.
Contact: Clark Hampton, Deputy Superintendent, Business and Support Services
24. **RESOLUTION NO. 1516-60, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT RATIFYING AND APPROVING ACTIONS PREVIOUSLY AUTHORIZED BY THE DISTRICT IN RESOLUTION NO. 1314-29 IN CONNECTION WITH COMMUNITY FACILITIES DISTRICT NO. 87-1 OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (MISSION VIEJO/ALISO VIEJO) REGARDING SCHOOL FACILITIES, RETIREMENT OF BONDS AND CESSATION OF SPECIAL TAXES, MAKING CERTAIN DETERMINATIONS AND TAKING RELATED ACTIONS:** Page 332
EXHIBIT 24
Following the information presentation on February 24, 2016, the Board is asked to consider approval of Resolution No. 1516-60 authorizing the prepayment of the outstanding bonds for CFD 87-1.
Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

CURRICULUM AND INSTRUCTION

25. INTERAGENCY AGREEMENT BETWEEN REGIONAL CENTER OF ORANGE COUNTY, ORANGE COUNTY SPECIAL EDUCATION LOCAL PLAN AREAS, ORANGE COUNTY HEAD START INC., AND RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT EARLY HEAD START PROGRAM:

Page 339
EXHIBIT 25

Approval of the Interagency Agreement between Regional Center of Orange County and Orange County Special Education Local Plan Areas also referred to as California Early Start Agencies (CES) and Early Head Start grantees which include Orange County Head Start Inc. and Rancho Santiago Community College District Early Head Start Program, also referred to as Early Head Start Agencies (EHS). CES provides early intervention services to families of infants and toddlers, birth to 36 months of age, who meet eligibility within the categories of Developmental Delay and Established Risk. EHS programs offer home-based and center-based program options for eligible children and families. For pregnant women and families with infants and toddlers, birth to 36 months, EHS offers a home-based option that includes home visits and monthly socialization opportunities. The center-based option includes age-appropriate child development services in a classroom setting. There is no financial impact.

Contact: *Mark Miller, Assistant Superintendent, SELPA, Special Education Services*

HUMAN RESOURCE SERVICES

26. GOVERNMENT CLAIM: NO. EMP 1602220 DP

Rejection of Government Claim: No. EMP 1602220 DP, this agenda item pertains to a claim filed against the District by William W. Crosby, Esq. This claim is based upon alleged subjection to unwanted aggressive behavior, intimidation and bullying toward an employee. The employee claims past and future loss of earnings and general damages in the sum of \$1,000,000 for severe mental and emotional distress. Rejection of this claim does not have any financial implications on the general fund budget and establishes procedural timelines. Due to the confidential nature of this item, supporting information is provided to Trustees under separate cover.

Contact: *Gordon Amerson, Assistant Superintendent, Human Resource Services*

27. RESIGNATIONS/RETIREMENTS/EMPLOYMENT – CLASSIFIED EMPLOYEES:

Page 347
EXHIBIT 27

Approval of the activity list for employment, separation, and additional assignments of classified employees. These positions will be charged to the appropriate fund and are included in the adopted budget.

Contact: *Gordon Amerson, Assistant Superintendent, Human Resource Services*

28. RESIGNATIONS/RETIREMENTS/EMPLOYMENT – CERTIFICATED EMPLOYEES:

Page 353
EXHIBIT 28

Approval of the activity list for employment, separation, and additional assignments of certificated employees. These positions will be charged to the appropriate fund and are included in the adopted budget.

Contact: *Gordon Amerson, Assistant Superintendent, Human Resource Services*

GENERAL FUNCTIONS

29. SCHOOL BOARD MINUTES:

Approval of the minutes for the March 9, 2016 Regular Board Meeting.

Contact: *Colleen Hayes, Manager IV, Superintendent's Office*

Page 363
EXHIBIT 29

30. **SCHOOL BOARD MINUTES:**
Approval of the minutes for the February 24, 2016 Regular Board Meeting.
Contact: Colleen Hayes, Manager IV, Superintendent's Office

Page 371
EXHIBIT 30

Motion by _____ Seconded by _____

ROLL CALL:

Student Advisor Sorensen	_____	Trustee McNicholas	_____
Trustee Alpay	_____	Trustee Pritchard	_____
Trustee Hatton-Hodson	_____	Trustee Reardon	_____
Trustee Jones	_____	Trustee Hanacek	_____

DISCUSSION ACTION ITEMS

31. **SECOND READING – REVISIONS TO BOARD POLICY 6146.1 HIGH SCHOOL GRADUATION REQUIREMENTS:**

DISCUSSION/
ACTION
Page 381
EXHIBIT 31

Following three Special Board Study Sessions, held over the course of the 2015-2016 school year, regarding the District's High School Graduation Requirements, the following suggested revisions to Board Policy 6146.1 have been made: the Mathematics requirement has been increased from 20 credits to 30 credits to begin with the Class of 2020; the removal of the Reading Skills Development Class, as this class is no longer offered; the addition of College and Career Planning (CCP) and Health flexibility options where the language outlines how students may take both courses over the summer through various District approved providers and/or accredited institutions; and the removal of the California High School Exit Exam which is no longer required or offered. Changes are underlined; deletions are struck through. For 2016-2017 planning purposes, a decision is needed regarding the proposed increase in the mathematics requirements as well as a decision on the College and Career Planning course waiver. The remaining changes to the policy and conversation regarding overall goals and philosophy can be finalized at the June 8, 2016 Board Meeting. There is no financial impact.

CUSD WIG 1: Teaching and Learning – Engage students in meaningful, challenging, and innovative educational experiences to increase post-secondary options for all students.

Contact: Susan Holliday, Assistant Superintendent, Education Services

Staff Recommendation

It is recommended the Board President recognize Susan Holliday, Assistant Superintendent, Education Services, to present this item.

Following discussion, it is recommended the Board of Trustees approve Board Policy 6146.1, *High School Graduation Requirements*.

Motion by _____ Seconded by _____

32. **UPDATE ON CALENDAR COMMITTEE AND CALENDAR DEVELOPMENT PROGRESS:**

INFORMATION/
DISCUSSION
Page 382
EXHIBIT 32

In preparation for the May 25, 2016 Board meeting where Trustees will be requested to approve the 2017-2018 School Calendar, staff will be presenting a brief update on the community outreach process as well as the Calendar Committee progress towards developing calendar options for Board approval. The Calendar Committee utilizes the following tenets in making recommendations for school calendars: the calendar should support the educational purpose of the District; student holidays, aside from legal holidays, should be minimized and placed strategically to optimize learning; to

the extent possible, the calendar should follow a consistent pattern from year-to-year so teachers can plan for instruction and families can make long-range plans; to the extent possible, the calendar should retain some of the features that produced the higher District revenue realized as a result of increased average daily attendance. Staff will present the feedback from three community forums, the summarized results of the phone poll, and the Calendar Committee's lead guiding factors as determined through consensus by which the calendar should be developed.

CUSD WIG 1: Teaching and Learning – Engage students in meaningful, challenging, and innovative educational experiences to increase post-secondary options for all students.

Contact: Susan Holliday, Assistant Superintendent, Education Services

Staff Recommendation

It is recommended the Board President recognize Susan Holliday, Assistant Superintendent, Education Services, to present information on this item and answer any questions Trustees may have.

33. FIRST READING – BOARD POLICY 1221, COMMUNITY FACILITIES DISTRICT CITIZENS' OVERSIGHT AND ADVISORY COMMISSION:

On December 9, 2015 the Board received a Consensus Report presented by members of the Community Committee on School Classrooms and Campus Facilities that included a recommendation to establish a citizens' oversight and advisory commission on Community Facilities Districts (CFD). The Board subsequently received an information presentation on January 27, 2016 and an update on March 23, 2016. The Board is asked to consider adoption of new Board policy 1221 and an application process for the CFD commission.

CUSD WIG 3: Facilities – Optimize facilities and learning environments for all students.

Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

Staff Recommendation

It is recommended the Board President recognize Clark Hampton, Deputy Superintendent, Business and Support Services to present this item.

Following discussion, it is recommended the Board of Trustees approve Board Policy 1221, *Community Facilities District Citizens' Oversight and Advisory Commission*.

Motion by _____ Seconded by _____

34. THIRD READING – REVISIONS TO BOARD POLICY 5165.1, IMMUNIZATION REQUIREMENTS FOR SCHOOL ENTRY :

Legal changes necessitate revisions to Board Policy 5165.1, *Immunization Requirements for School Entry*, to comply with State and Federal laws. Senate Bill 277 repeals the personal belief exemption from immunization. In accordance with the law, the District will no longer be able to enroll students without the required vaccinations unless the family submits a medical exemption from a licensed physician. The law also notes the allowable temporary and permanent exemptions from immunization. Additional revisions requested by Trustees during the second reading of this item have been made. Changes are underlined; deletions are struck through.

CUSD WIG 1: Teaching and Learning – Engage students in meaningful, challenging, and innovative educational experiences to increase post-secondary options for all students.

Contact: Susan Holliday, Assistant Superintendent, Education Services

DISCUSSION/
ACTION

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EXHIBIT 33

DISCUSSION/
ACTION

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EXHIBIT 34

Staff Recommendation

It is recommended the Board President recognize Susan Holliday, Assistant Superintendent, Education Services, to present this item.

Following discussion, it is recommended the Board of Trustees approve Board Policy 5165.1, *Immunization Requirements for School Entry*.

Motion by _____ Seconded by _____

35. FIRST READING – REVISIONS TO BOARD POLICY 5181, SECTION 504 OF THE REHABILITATION ACT NONDISCRIMINATION FOR STUDENTS WITH DISABILITIES:

DISCUSSION/
ACTION
Page 391
EXHIBIT 35

This proposed revision of Board Policy 5181, *Section 504 of the Rehabilitation Act Nondiscrimination for Students with Disabilities*, updates this policy to provide clear and consistent language regarding Section 504. In recognition of District students with disabilities, this new policy addresses standardization of practices to be implemented. These revisions are necessary to ensure consistency of language for future revisions of the current “CUSD Section 504 of the Rehabilitation Act of 1973 Parent Information” and current “CUSD Notification of Parent/Child Rights Afforded by Section 504 of the Rehabilitation Act of 1973.” The policy also reflects updates to Section 504 law and aligns with the proposed revisions of Board Policy 5141.27, *Food Allergies*. These revisions comply with Education Code § 56500 and the Individuals with Disabilities Education Act. Changes are underlined; deletions are struck through.

CUSD WIG 1: Teaching and Learning – Engage students in meaningful, challenging, and innovative educational experiences to increase post-secondary options for all students.

Contact: Susan Holliday, Assistant Superintendent, Education Services

Staff Recommendation

It is recommended the Board President recognize Susan Holliday, Assistant Superintendent, Education Services, to present this item.

Following discussion, it is recommended the Board of Trustees approve Board Policy 5181, *Section 504 of the Rehabilitation Act Nondiscrimination for Students with Disabilities*.

Motion by _____ Seconded by _____

36. DELETION OF BOARD POLICY 6164.6, IDENTIFICATION AND EDUCATION UNDER SECTION 504:

DISCUSSION/
ACTION
Page 400
EXHIBIT 36

In the process of updating Board Policy 5181, *Section 504 of the Rehabilitation Act Nondiscrimination for Students with Disabilities*, staff discovered that a secondary policy regarding 504s existed, Board Policy 6164.6, *Identification and Education Under Section 504*. Board Policy 6164.6 contains much of the same language outlined in Board Policy 5181. Staff is recommending to Trustees to remove Board Policy 6164.6 as much of the language is covered in Board Policy 5181 and will also be addressed in future Administrative Regulations.

CUSD WIG 1: Teaching and Learning – Engage students in meaningful, challenging, and innovative educational experiences to increase post-secondary options for all students.

Contact: Susan Holliday, Assistant Superintendent, Education Services

Staff Recommendation

It is recommended the Board President recognize Susan Holliday, Assistant Superintendent, Education Services, to present this item.

Following discussion, it is recommended the Board of Trustees approve the removal of Board Policy 6164.6, *Identification and Education Under Section 504*.

Motion by _____ Seconded by _____

37. FIRST READING – REVISIONS TO BOARD POLICY 7511, NAMING OF FACILITY:

As part of the reimagining process on the seven focused elementary schools, staff brings forward the first reading of Board Policy 7511, *Naming of Facility*, to address the process of renaming an existing school. The participating schools in the reimagining program are: Del Obispo Elementary School, Hidden Hills Elementary School, Kinoshita Elementary School, Lobo Elementary School, Marblehead Elementary School, R. H. Dana Elementary School and Wood Canyon Elementary School. Through stakeholder and community input, schools are requesting Board approval to rename their school by adding a term or phrase to highlight the focus of their schools' academic program. In June, staff will return to the Board with the three year blue prints per school site which will further outline their differentiated programs as well as detail the fiscal implications of the program initiatives. Changes are underlined; deletions are struck through.

CUSD WIG 1: Teaching and Learning – Engage students in meaningful, challenging, and innovative educational experiences to increase post-secondary options for all students.

Contact: Susan Holliday, Assistant Superintendent, Education Services

Staff Recommendation

It is recommended the Board President recognize Susan Holliday, Assistant Superintendent, Education Services, to present this item.

Following discussion, it is recommended the Board of Trustees approve revisions to Board Policy 7511, *Naming of Facility*, and provide direction to staff on the suggested renaming terminology.

Motion by _____ Seconded by _____

38. INSTRUCTIONAL MATERIALS RECOMMENDED FOR ADOPTION: SECONDARY MATHEMATICS, GRADE 6 – 8:

A teacher committee has recommended the adoption of *California Go Math, Middle School, Grade 6, Grade 7, Grade 7 Accelerated & Grade 8*, Houghton Mifflin Harcourt ©2015, grade 6-8. These materials have been approved by the Instructional Materials Review Committee. The estimated cost to implement this adoption for six years would be \$1,150,000. District Lottery funds would be used for this expenditure.

CUSD WIG 1: Teaching and Learning – Engage students in meaningful, challenging, and innovative educational experiences to increase post-secondary options for all students.

Contact: Susan Holliday, Assistant Superintendent, Education Services

Staff Recommendation

It is recommended the Board President recognize Susan Holliday, Assistant Superintendent, Education Services, to present this item.

Following discussion, it is recommended the Board of Trustees approve the adoption of *California Go Math, Middle School, Grade 6, Grade 7, Grade 7 Accelerated & Grade 8*, Houghton Mifflin Harcourt ©2015, grade 6-8.

Motion by _____ Seconded by _____

DISCUSSION/
ACTION

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EXHIBIT 37

DISCUSSION/
ACTION

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EXHIBIT 38

- 39. RESOLUTION NO. 1516-61, RESOLUTION AND ORDER OF BIENNIAL TRUSTEE ELECTION SPECIFICATIONS OF THE ELECTION ORDER:**

Adoption of Resolution No. 1516-61, pertaining to the election of Trustees to serve in Trustee Area 1 (Amy Hanacek), Trustee Area 2 (Jim Reardon), Trustee Area 3 (John M. Alpay), and Trustee Area 5 (Dr. Gary Pritchard) will consolidate the Trustee election with the federal, state, and municipal elections to be held on November 8, 2016. The financial impact for the election expenses will be included in the 2016-2017 budget.

CUSD WIG 2: Communications – Communicate with, and engage students, parents, employees, and community members in Districtwide and community-specific decisions.

Contact: Kirsten Vital, Superintendent

DISCUSSION/
ACTION
Page 404
EXHIBIT 39

Staff Recommendation

Following discussion, it is recommended the Board of Trustees adopt Resolution No. 1516-61, Resolution and Order of Biennial Trustee Election and Specifications of the Election Order.

Motion by _____ Seconded by _____

Student Advisor Sorensen _____	Trustee McNicholas _____
Trustee Alpay _____	Trustee Pritchard _____
Trustee Hatton-Hodson _____	Trustee Reardon _____
Trustee Jones _____	Trustee Hanacek _____

- 40. RESOLUTION NO. 1516-57, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$6,500,000 AGGREGATE PRINCIPAL AMOUNT OF COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN) SPECIAL TAX BONDS, SERIES 2016, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE AND THE PREPARATION OF AN OFFICIAL STATEMENT AND OTHER MATTERS RELATED THERETO:**

Following the information presentation on February 24, 2016, the Board is asked to consider approval of Resolution No. 1516-57 authorizing the issuance of bonds for CFD 98-1A and approving several bond documents.

CUSD WIG 3: Facilities – Optimize facilities and learning environments for all students.

Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

DISCUSSION/
ACTION
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EXHIBIT 40

Staff Recommendation

It is recommended the Board President recognize Clark Hampton, Deputy Superintendent, Business and Support Services to present this item.

Following discussion, it is recommended the Board of Trustees adopt Resolution No. 1516-57, A Resolution of the Board of Trustees of the Capistrano Unified School District Authorizing the Issuance of Not to Exceed \$6,500,000 Aggregate Principal Amount of Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016, Approving the Execution and Delivery of an Indenture, a Bond Purchase Agreement and a Continuing Disclosure Certificate and the Preparation of an Official Statement and Other Matters Related Thereto.

Motion by _____ Seconded by _____

Student Advisor Sorensen	_____	Trustee McNicholas	_____
Trustee Alpay	_____	Trustee Pritchard	_____
Trustee Hatton-Hodson	_____	Trustee Reardon	_____
Trustee Jones	_____	Trustee Hanacek	_____

41. **RESOLUTION NO. 1516-59, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$48,000,000 AGGREGATE PRINCIPAL AMOUNT OF COMMUNITY FACILITIES DISTRICT NO. 90-2 OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (TALEGA) SPECIAL TAX REFUNDING BONDS, SERIES 2016, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE AND THE PREPARATION OF AN OFFICIAL STATEMENT AND OTHER MATTERS RELATED THERETO:**

INFORMATION/
DISCUSSION
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EXHIBIT 41

Following the information presentation on February 24, 2016, the Board is asked to consider approval of Resolution No. 1516-59 authorizing the issuance of bonds for the purpose of refinancing the outstanding bonds for CFD 90-2 and approving several bond documents.

CUSD WIG 3: Facilities – Optimize facilities and learning environments for all students.

Contact: Clark Hampton, Deputy Superintendent, Business and Support Services

Staff Recommendation

It is recommended the Board President recognize Clark Hampton, Deputy Superintendent, Business and Support Services to present this item.

Following discussion, it is recommended the Board of Trustees adopt Resolution No. 1516-59, A Resolution of the Board of Trustees of the Capistrano Unified School District Authorizing the Issuance of Not to Exceed \$48,000,000 Aggregate Principal Amount of Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Special Tax Refunding Bonds, Series 2016, Approving the Execution and Delivery of an Indenture, a Bond Purchase Agreement and a Continuing Disclosure Certificate and the Preparation of an Official Statement and Other Matters Related Thereto.

Motion by _____ Seconded by _____

Student Advisor Sorensen	_____	Trustee McNicholas	_____
Trustee Alpay	_____	Trustee Pritchard	_____
Trustee Hatton-Hodson	_____	Trustee Reardon	_____
Trustee Jones	_____	Trustee Hanacek	_____

ADJOURNMENT

Motion by _____ Seconded by _____

**THE NEXT REGULAR MEETING OF THE BOARD OF TRUSTEES IS
WEDNESDAY, MAY 25, 2016, 7:00 P.M.
AT THE CAPISTRANO UNIFIED SCHOOL DISTRICT OFFICE BOARD ROOM
33122 VALLE ROAD, SAN JUAN CAPISTRANO, CALIFORNIA**

For information regarding Capistrano Unified School District, please visit our website:

www.capousd.org

INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND CITIZENS PRESENT AT THIS MEETING

We are pleased you can be with us at this meeting, and we hope you will return often. Your visit assures us of continuing community interest in our schools.

The members of the Board of Trustees of this District are locally elected state officials, who serve four-year terms of office, and who are responsible for the educational program of our community from grades kindergarten through twelve. They are required to conduct programs of the schools in accordance with the State of California Constitution, the State Education Code, and other laws relating to schools enacted by the Legislature, and policies and procedures which this Board adopts.

The Board is a policy-making body whose actions are guided by the school district's Mission and Goals. Administration of the District is delegated to a professional administrative staff headed by the Superintendent.

The agenda and its extensive background material are studied by each member of the Board for at least two days preceding the meeting. Board Members can call the administrative staff for clarification on any item, and many of the items on the agenda were discussed by the Board during previous meetings. These procedures enable the Board to act more effectively on agenda items than would otherwise be possible.

WHAT TO DO IF YOU WISH TO ADDRESS THE BOARD OF TRUSTEES

ITEMS ON THE AGENDA. Any person may address the Board concerning any item on the agenda and may, at the discretion of the Board, be granted three (3) minutes to make a presentation to the Board at the time a specific item is under discussion. However, the time assigned for individual presentations could be fewer than three (3) minutes depending upon the total number of speakers who wish to address a specific agenda topic. Prior to the opening of the meeting, a Request to Address the Board card (located in the foyer) should be completed and submitted to the Secretary of the Board. The total time devoted to presentations to the Board shall not exceed twenty (20) minutes, unless additional time is granted by the Board. All presentations shall be heard by the Board prior to the formal discussion of the agenda topic under consideration. Once an agenda item has been opened for public comment, no additional "Request to Address the Board of Trustees" cards shall be accepted for that topic.

ORAL COMMUNICATIONS (Non-Agenda Items). Citizens may address the Board on any item not appearing on the agenda. Individual presentations are limited to three (3) minutes per individual, with twenty (20) minutes in total being devoted for this purpose, but could be less if there are a large number of Oral Communication speakers. Legally, the Board may not take action on items raised by speakers under Oral Communications. However, at its discretion, the Board may refer items to the administration for follow-up or place topics on a future Board agenda.

PUBLIC HEARINGS. Anytime the Board schedules a separate public hearing on any given topic, it shall not hear speakers on that topic before the public hearing, except as to the scheduling of the hearing, nor shall it hear speakers after the hearing, except as to changes in the policy or recommended actions which are directed at the time of the hearing.

CLOSED SESSION. In accordance with Education Code § 35146 and Government Code § 54957, the Board may recess to Closed Session to discuss personnel matters which they consider inadvisable to take up in a public meeting.

REASONABLE ACCOMMODATION

In order to help ensure participation in the meeting of disabled individuals, appropriate disability-related accommodations or modifications shall be provided by the Board, upon request, in accordance with the Americans with Disabilities Act (ADA). Persons with a disability who require a disability-related accommodation or modification, including auxiliary aids and services in order to participate in a Board meeting, shall contact the Superintendent or designee in writing by noon on the Friday before the scheduled meeting. Such notification shall provide school district personnel time to make reasonable arrangements to assure accessibility to the meeting.

**AMENDMENT TO AGREEMENT BID NO. 1415-12
CHROMEBOOKS**

WITH

CAPISTRANO UNIFIED SCHOOL DISTRICT

AND

CDW GOVERNMENT, LLC

The Agreement between Capistrano Unified School District and CDW Government, LLC, dated July 24, 2014, for the purchase of Chromebooks as needed by the District, shall be amended to include the following:

Exhibit A: Adds new replacement models to the contract.

Except as set forth in this amendment, and Board approved on July 24, 2014, all other terms and conditions of the contract remain in full force and effect.

Capistrano Unified School District

CDW Governement, LLC

By: _____
Signature

By: _____
Signature

Janet Polite _____

Print Name

Supervisor, Purchasing _____

Title

Date: _____

Date: _____



CDWG.com | 800.594.4239

OE400SPS

Exhibit A

SALES QUOTATION

QUOTE NO.	ACCOUNT NO.	DATE
GXGS955	264395	3/24/2016

BILL TO:
CAPISTRANO UNIFIED SCHOOL
DIST
33122 VALLE RD

SHIP TO:
CAPISTRANO UNIFIED SCHOOL DIST
Attention To: JEREMY DAVIS
33122 VALLE RD

Accounts Payable
SAN JUAN CAPISTRANO, CA
92675-4859

SAN JUAN CAPISTRANO, CA 92675-
4859
Contact: JEREMY
DAVIS 949.234.9474

Customer Phone #949.234.9441

Customer P.O. # ACER C738 QUOTE

ACCOUNT MANAGER		SHIPPING METHOD	TERMS	EXEMPTION CERTIFICATE
DOUG MOORE 866.723.7920		UPS Ground (1 - 2 Day)	NET 30 Days-Govt/Ed	
QTY	ITEM NO.	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	3886680	ACER C738 11.6 4GB 16GB TOUCH CHROME Mfg#: NX.G55AA.005 Contract: MARKET	275.00	275.00
1	654809	RECYCLING FEE 4" TO LESS THAN 15" Contract: Standard Pricing Fee Applied to Item: 3886680	3.00	3.00
SUBTOTAL				278.00
FREIGHT				0.00
TAX				22.00
				US Currency
TOTAL				300.00

CDW Government
230 North Milwaukee Ave.
Vernon Hills, IL 60061

Fax: 847.968.1354

Please remit payment to:
CDW Government
75 Remittance Drive
Suite 1515
Chicago, IL 60675-1515

V. BID FORM AND AGREEMENT

- A. Pursuant to the DISTRICT'S "Notice Calling For Bids" and the other documents relating thereto, the undersigned Bidder, having become familiarized with the terms of the complete contract, hereby proposes and agrees to be bound by all the terms and conditions of the complete contract and agrees to perform within the time stipulated in the contract and furnish the items of the contract, including everything required to be performed, and to provide and furnish any and all of the labor, materials, tools, expendable materials and all applicable taxes, utility and transportation services necessary to perform the contract and complete in a good workmanlike manner in connection with the following:

**Bid No. 1415-12
 Chromebooks**

All in strict conformity with the Project documents, including Addenda Nos. 1, , , and , on file at the office of the Purchasing Department of said DISTRICT.

Bid Form

The District desires to Self-Maintain, bid only manufacturers that offer a Self-Maintenance Program.

Category 1: Chromebooks without touchscreens

2GB Ram Non-touch 11" screen or greater	
Chromebook	Details:
Manufacturer:	
Model:	
Processor: Haswell, Bay Trail or equivalent	
2GB Ram	
Battery Life (minimum 8 hours benchmarked)	
Wireless (802.11n/ac), single or dual band	
Internal HD size (16 GB minimum)	
Removable SD card Storage max capacity	
Bluetooth version	
Number of ports and type	
Cameras (front and/or rear) with MPs	
Included Warranty	
Google's published/projected End of Life date for OS updates for this device must be a minimum of four years from the date of the bid (June, 2018)	
Price (including shipping) \$ -	

Bid Form and Agreement

4GB Ram Non-touch 11" screen or greater		
Chromebook	Details:	
Manufacturer:		
Model:		
Processor: Haswell, Bay Trail or equivalent		
4GB Ram		
Battery Life (minimum 8 hours benchmarked)		
Wireless (g/b/n/ac), single or dual band		
Internal HD size (16 GB Minimum)		
Removable SD card Storage max capacity		
Bluetooth version		
Number of ports and type		
Cameras (front and/or rear) with MPs		
Included Warranty		
Google's published/projected End of Life date for OS updates for this device must be a minimum of four years from the date of the bid (June, 2018)		
Price (including shipping)		\$ -

Please refer to document called "CDW•G Proposed Pricing Document" for pricing and product information.

Category #2 :Chromebooks with touch screens

2GB (or higher) Multi-touch 11" screen or greater		
Chromebook	Details:	
Manufacturer:		
Model:		
Processor: Haswell, Bay Trail or Equivalent		
2GB Ram		
Battery Life (minimum 8 hours benchmarked)		
Wireless (g/b/n/ac), single or dual band		
Internal HD size		
Removable SD card Storage max capacity		
Bluetooth version		
Number of ports and type		
Cameras (front and/or rear) with MPs		
Warranty length and terms		
Google's published/projected End of Life date for OS updates for this device must be a minimum of four years from the date of the bid (June, 2018)		
Price (including shipping)		\$ -

Bid Form and Agreement

Category 3: Software/Licensing

1. The district requests best per student pricing for the Hapara Teacher Dashboard and Chromebook remote control student software considering a purchase of 1-5,000 potential licenses for a 1 year contract. If bidder chooses to quote a different software product, it must function comparably to Hapara's product.

Quantity of Licenses:	Teacher Dashboard Price	Remote Control Price
0 – 5,000	\$ 4.00	\$ 5.10

2. The district requests best per device pricing for the Google Chromebook Management software license.

	Price
Google Chromebook Management License:	\$ 25.14

Preferred bid specifications and services:

Parts:

All bidders will provide the manufacturer price sheet for all current parts associated with the Chromebooks that the district can replace outside of warranty. All bidders will provide free parts during the warranty period. All bidders will offer a discount (ranging from 0% - 99%) off of all parts listed on the parts price sheet. This discount will be maintained on all future price sheets for the same, similar, or replacement parts.

Discount percentage off of manufacturers parts price sheet: Discounts vary*

Please refer to Out of Warranty Parts Price Sheet for requested pricing on following page.

External/Additional Parts:

All Chromebooks must be able to project to a VGA projector without needing a powered adapter. Please indicate the price and make/model of the adapter needed to project the Chromebook to VGA that is not a powered adapter. Please provide any necessary documentation if your device does not project to certain makes or models of projectors.

External/Additional Parts:	Details (make/model)	Price:
How does you device connect to a VGA projector?		
Adaptor,		\$ -

Please refer to document called "CDW•G Proposed Pricing Document" for pricing and product information.

Hot-swap:

Bidders will explain in detail the number of hot-swap Chromebooks or hot-swap parts of various kinds as a percentage to the total number of Chromebooks ordered in each P.O.

Hot Swaps	Details
Percentage of hot-swap Chromebooks	0.04%
Percentage of hot-swap parts	
List of parts to be provided at the above percentage:	

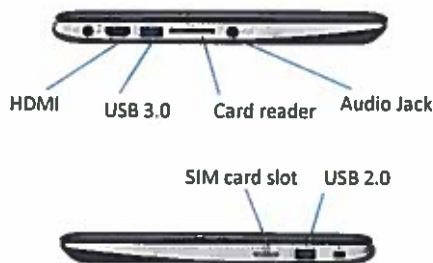
Proposed Acer Models Description

C720P-2625	
SKU	NX.MJAAA.004
UPC	8.87899E+11
OS	Chrome OS™
Processor	Intel® Celeron® Processor 2955U (2MB cache, 1.40GHz)
Memory	4GB (4) DDR3L SDRAM
Storage	16GB ⁴ SSD, SD card reader
LED TFT LCD	11.6" (1366 x 768) glossy multi-touch touchscreen
Graphics	Integrated Intel® HD Graphics (200MHz base frequency, 1.0GHz max dynamic frequency)
Communications	802.11a/b/g/n WLAN + Bluetooth® 4.0, webcam
Embedded Lithium-Polymer Battery	Three-cell, up to 7.5 hours of life depending on configuration and usage
Dimensions / Weight	11.3" (288.0mm) x 8.0" (204.0mm) x 0.78" (19.9mm) / 3.0 lb. (1.35kg)
Certification	EPEAT® Silver (for product shipped starting 6/1/14) - New
Chassis	Granite gray

C720-2844	
SKU	NX.SHEAA.004
UPC	8.87899E+11
OS	Chrome OS™
Processor	Intel® Celeron® Processor 2955U (2MB cache, 1.40GHz)
Memory	4GB (4) DDR3L SDRAM
Storage	16GB ⁴ SSD, SD card reader
LED TFT LCD	11.6" (1366 x 768) matte (NOT touchscreen)
Graphics	Integrated Intel® HD Graphics (200MHz base frequency, 1.0GHz max dynamic frequency)
Communications	802.11a/b/g/n WLAN + Bluetooth® 4.0, webcam
Embedded Lithium-Polymer Battery	Three-cell, up to 8.5 hours of life depending on configuration and usage
Dimensions / Weight	11.3" (288.0mm) x 8.0" (204.0mm) x 0.75" (19.0mm) / 2.8 lb. (1.25kg)
Certification	EPEAT® Silver (for product shipped starting 6/1/14) - New
Chassis	Granite gray

C720-2103	
SKU	NX.SHEAA.006
UPC	8.87899E+11
OS	Chrome OS™
Processor	Intel® Celeron® Processor 2955U (2MB cache, 1.40GHz)
Memory	2GB (2) DDR3L SDRAM
Storage	16GB ⁴ SSD, SD card reader
LED TFT LCD	11.6" (1366 x 768) matte (NOT touchscreen)
Graphics	Integrated Intel® HD Graphics (200MHz base frequency, 1.0GHz max dynamic frequency)
Communications	802.11a/b/g/n WLAN + Bluetooth® 4.0, webcam
Embedded Lithium-Polymer Battery	Three-cell, up to 8.5 hours of life depending on configuration and usage
Dimensions / Weight	11.3" (288.0mm) x 8.0" (204.0mm) x 0.75" (19.0mm) / 2.8 lb. (1.25kg)
Certification	EPEAT® Silver (for product shipped starting 6/1/14) - New
Chassis	Granite gray

C720P-2457	
SKU	NX.MKEAA.005
UPC	8.879E+11
OS	Chrome OS™
Processor	Intel® Celeron® Processor 2955U (2MB cache, 1.40GHz)
Memory	4GB (4) DDR3L SDRAM
Storage	16GB ⁴ SSD, SD card reader
LED TFT LCD	11.6" (1366 x 768) glossy multi-touch touchscreen
Graphics	Integrated Intel® HD Graphics (200MHz base frequency, 1.0GHz max dynamic frequency)
Communications	802.11a/b/g/n WLAN + Bluetooth® 4.0, webcam
Embedded Lithium-Polymer Battery	Three-cell, up to 7.5 hours of life depending on configuration and usage
Dimensions / Weight	11.3" (288.0mm) x 8.0" (204.0mm) x 0.78" (19.9mm) / 3.0 lb. (1.35kg)
Certification	EPEAT® Silver
Chassis	White



- **Chrome OS:** Chrome OS keeps your computer routines fast and simple with its self updating abilities. Equipped with built-in virus protection, you can forget the headaches of dealing with corrupt data issues.
- **Largest Touchpad of all Chromebooks:** Sporting a touchpad the size of a 14" notebook touchpad, take complete control of your sessions with ease and comfort.
- **Slim and lightweight:** With its portable design, enjoy your Chromebook on the go with up to 10 hours of battery life.

Unrivalled Quality and Reliability

- **1-Year Accidental Damage Protection*** - Electrical Surges, Fire Damage, Drops, and Liquid Spills
- **30-Day Zero Bright Dot Guarantee:** Zero bright dots or dead pixels, or we'll replace it!
- **1-Year Warranty**
- **24-Hour Phone Tech and Online Chat Support**

System Specifications*

Operating System:	• Chrome OS
Processor:	• Intel Bay Trail-M N2830 Dual-Core
Processor Speed:	• 2.16GHz (Turbo up to 2.4GHz)
Memory:	• 2GB DDR3L • Max supported: 2 GB
Video Graphics:	• Intel GMA HD
Hard Drive:	• 16G EMMC + TPM
Optical Drive:	• N/A
Display:	• 11.6" HD (1366*768), Glossy
Webcam:	• HD Camera
Network Card:	• N/A
Wireless Option:	• 802.11AC
Bluetooth:	• 4.0
Card Reader:	• SD, MMC, SDXC
Audio:	• Built-in high quality speakers/microphone
Keyboard:	• Chiclet style
Interface:	• 1 x USB 3.0 ports • 1 x USB 2.0 ports • 1 Audio combo jack: 1*Head phone / 1*Mic-in • 1 x HDMI
Finish / Color:	• Black
Energy Star Certified:	• Yes

Carton Dimensions (in):	• 15.6" x 13.0" x 11.2"
Carton Weight (in):	• 23.8
Dimensions (in):	• 12.0" x 7.9" x 0.8"
Weight (lb):	• 2.5lbs
Battery:	• 48WHrs, 3S1P, 3-cell Li-ion Polymer Battery Pack up to 10 hours



Software

ASUS Utility Software:



Antivirus and Tool Software

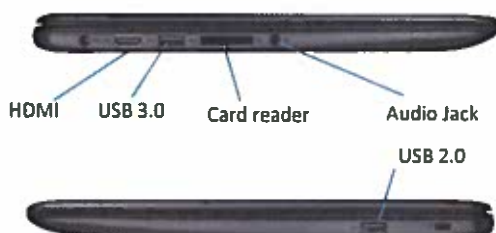


Visit www.asus.com for more information

ASUS ADP
One Year Accidental Damage Protection



* It's a fact - accidents happen to all of us. We have all been there and we have felt that same frustration. Our ADP program has been created to help protect you against accidental damage such as liquid spills, electrical surges, and drops. It is yet another way to 100% satisfaction from an ASUS product. When an accident happens, call our technical support at 888-678-3688 to report the cause and extent of damage of your system. ASUS will work hard to repair your notebook as quickly as possible FREE of charge.



- **Chrome OS:** Chrome OS keeps your computer routines fast and simple with its self updating abilities. Equipped with built-in virus protection, you can forget the headaches of dealing with corrupt data issues.
- **Largest Touchpad of all Chromebooks:** Sporting a touchpad the size of a 14" notebook touchpad, take complete control of your sessions with ease and comfort.
- **Slim and lightweight:** With its portable design, enjoy your Chromebook on the go with up to 8 hours of battery life.*

Unrivalled Quality and Reliability

- **1-Year Accidental Damage Protection*** - Electrical Surges, Fire Damage, Drops, and Liquid Spills
- **30-Day Zero Bright Dot Guarantee:** Zero bright dots or dead pixels, or we'll replace it!
- **1-Year Warranty**
- **24-Hour Phone Tech and Online Chat Support**

System Specifications

Operating System:	• Chrome OS
Processor:	• Intel Bay Trail-M N2830 Dual-Core
Processor Speed:	• 2.16GHz (Turbo up to 2.4GHz)
Memory:	• 4GB DDR3L • Max supported: 4 GB
Video Graphics:	• Intel GMA HD
Hard Drive:	• 32G EMMC + TPM
Optical Drive:	• N/A
Display:	• 13.3" HD (1366*768), Matte
Webcam:	• HD Camera
Network Card:	• N/A
Wireless Option:	• 802.11a/b/g/n/ac**
Bluetooth:	• 4.0
Card Reader:	• SD Only
Audio:	• Built-in high quality speakers/microphone
Keyboard:	• Chiclet style
Interface:	• 1 x USB 3.0 ports • 1 x USB 2.0 ports • 1 Audio combo Jack : 1*Head phone / 1*Mic-in • 1 x HDMI
Finish / Color:	• Black
Energy Star Certified:	• Yes

Carton Dimensions (in):	• 14.8" x 2.8" x 11.1"
Carton Weight (lb):	• 5.1/lbs
Dimensions (in):	• 13.0" x 9.1" x 0.8" ~ 0.9"
Weight (lb):	• 3.1/lbs
Battery:	• 48WHrs, 351P, 3-cell Li-Ion Polymer Battery Pack up to 8 hours



Software

ASUS Utility Software:

Antivirus and Tool Software

*Battery life may vary depending on usage conditions.

**802.11a/b/g/n support at launch, 802.11a/b/g/n/ac support will be added at a later date via a free software update.

Visit www.asus.com for more information

ASUS ADP
One Year Accidental Damage Protection



* It's a fact - accidents happen to all of us. We have all been there and we have felt that same frustration. Our ADP program has been created to help protect you against accidental damage such as liquid spills, electrical surges, and drops. It is yet another way to 100% satisfaction from an ASUS product. When an accident happens, call our technical support at 888-678-3688 to report the cause and extent of damage of your system. ASUS will work hard to repair your notebook as quickly as possible FREE of charge.

Preferred bid specifications and services:

Parts:

All bidders will provide the manufacturer price sheet for all current parts associated with the Chromebooks that the district can replace outside of warranty. All bidders will provide free parts during the warranty period. All bidders will offer a discount (ranging from 0% - 99%) off of all parts listed on the parts price sheet. This discount will be maintained on all future price sheets for the same, similar, or replacement parts.

Discount percentage off of manufacturers parts price sheet: Discounts vary*

Please refer to Out of Warranty Parts Price Sheet for requested pricing on following page.

External/Additional Parts:

All Chromebooks must be able to project to a VGA projector without needing a powered adapter. Please indicate the price and make/model of the adapter needed to project the Chromebook to VGA that is not a powered adapter. Please provide any necessary documentation if your device does not project to certain makes or models of projectors.

External/Additional Parts:	Details (make/model)	Price:
How does you device connect to a VGA projector?		
Adaptor,		\$

Please refer to document called "CDW•G Proposed Pricing Document" for pricing.

Hot-swap:

Bidders will explain in detail the number of hot-swap Chromebooks or hot-swap parts of various kinds as a percentage to the total number of Chromebooks ordered in each P.O.

Hot Swaps	Details
Percentage of hot-swap Chromebooks	0.04%
Percentage of hot-swap parts	
List of parts to be provided at the above percentage:	

CDW•G Proposed Pricing Document

Please find below CDW•G's proposed pricing for the requested Chromebooks reference in Category 1 & 2 of "Bid Form and Agreement" document.

ASUS – Category 1 Chromebook Proposed Models; 2GB & 4GB Non-Touch 11" Screen or Greater

For purchases of proposed models in quantities of 1-199 units:

Manufacturer	Model	Proposed Price
Asus	C200MA-EDU	\$ 254.33
Asus	C300MA-EDU	\$ 304.20
Asus	C200MA-EDU-4GB	\$ 304.53

For purchases of proposed models in quantities of 200-999 units:

Manufacturer	Model	Proposed Price
Asus	C200MA-EDU	\$ 241.16
Asus	C300MA-EDU	\$ 288.21
Asus	C200MA-EDU-4GB	\$ 288.53

For purchases of proposed models in quantities of 1000+:

Manufacturer	Model	Proposed Price
Asus	C200MA-EDU	\$ 230.18
Asus	C300MA-EDU	\$ 274.79
Asus	C200MA-EDU-4GB	\$ 275.10

Acer - Category 1 Chromebook Proposed Models; 2GB & 4GB Non-Touch 11" Screen or Greater

Manufacturer	Model	Price
Acer	NX.SHEAA.006	\$ 228.63
Acer	NX.SHEAA.004	\$ 248.34

Acer – Category 2 Chromebook Proposed Models; 2GB (or higher) Multi-touch 11" screen or greater

Manufacturer	Model	Price
Acer	NX.MJAAA.004	\$ 300.00
Acer	NX.MKEAA.005	\$ 317.19

Preferred bid specifications and services:

External/Additional Parts

ASUS – Category 1 Chromebook Proposed Models; 2GB & 4GB Non-Touch 11" Screen or Greater
Startech.com, HDMI to VGA Adapter part #: HD2VGAE, \$27.00 per unit

Acer – Category 1 Chromebook Proposed Models; 2GB (or higher) Non-touch 11" screen or greater
Acer HDMI to VGA adapter, part #: NP.OTH11.002, \$12.00 a unit

Acer Out of Warranty Parts Price Sheet

NX.SHEAA.001 - C720-2800-US	Description	Part Number	Details	Price
C720	AC ADAPTER	KP.06503.009	ADAPTER 65W 19V 3-PIN YELLOW TIP - 1.1X3.0X7.5 LITE-ON PA-1650-80AW LF WHITE EDITION MEET CHINA 5KM	\$11.20
	BATTERY	KT.00303.011	BATTERY 3-CELL POLYMER 3950MAH - SANYO AP13J 3S1P MAIN QUANTA	\$47.25
	BOARD MAIN	NB.SHE11.003	MAINBOARD C720 LF ZHN MB(CEL-1.4G/D4G)/W/CPU	\$169.66
	CABLE	27.01618.051	CORD 125V UL 3P K01081B1183WP	\$2.98
	Keyboard/Upper Case	60.SHEN7.006	UPPER CASE W/KEYBOARD (US) W/TP,TP BRACKET FOR WIFI GRAY	\$21.77
	LCD	KL.1160D.012	LCD LED 11.6 WXGA NONE GLARE CMI N1168GE-EA2 LF 200NIT 10MS 500:1	\$63.00
	MEMORY SSD	KN.16G07.006	SSD BOARD 016GB SATA 3 RBU-SNS4151S3/16G LF+HF S9FM01.1 NAND	\$38.50
	TPM Board		On the Motherboard	
	MEMORY		On the Motherboard	
	Lower Case	60.SHEN7.002		\$4.74
	LCD Cover	60.MJANS.001	LCD Cover with Antenna wifi gray	\$9.59

CDW Government LLC
 July 1, 2014
 Capistrano Unified School District
 Chromebooks, Bid No. 1415-12



- B. It is understood that the DISTRICT reserves the right to reject this bid and that this bid shall remain open and not be withdrawn for the period specified in the Notice Calling For Bids.
- C. Bidder agrees to complete the order within thirty (30) days after receipt of order.
- D. In submitting this bid, the Bidder offers and agrees that if the bid is accepted, it will assign to DISTRICT all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Business & Professions Code Section 16700 et seq.) arising from purchase of goods, materials, or services by the Bidder for sale to the DISTRICT pursuant to this bid. Such assignment shall be made and become effective at the time DISTRICT tenders final payment.
- E. If the Bidder is a corporation, the undersigned hereby represents and warrants that the corporation is duly incorporated and is in good standing in the State of Illinois and that Brandi Steckel whose title is Manager, Proposals Teams authorized to act for and bind the corporation.
- F. It is understood and agreed that if, requested by the DISTRICT, the Bidder shall furnish a notarized financial statement, references, and other information sufficiently comprehensive to permit an appraisal of its current financial condition. The Bidder hereby certifies that it is, and at all times during the performance of work hereunder shall be, in full compliance with the provisions of the Immigration Reform and Control Act of 1986 ("IRCA") in the hiring of its employees, and the Bidder shall indemnify, hold harmless and defend the DISTRICT against any and all actions, proceedings, penalties or claims arising out of the Bidder's failure to comply strictly with the IRCA.
- G. Indicate below if the undersigned will allow other public agencies in the State of California to purchase equipment and supplies under the same terms and conditions:
- ☒ Yes, other public agencies may purchase from this Bid.
- ☐ No, other public agencies may not purchase from this Bid.
- H. The undersigned will grant the DISTRICT the option to extend any contract awarded hereunder for a period of one or two years from date of expiration, under the same prices, terms, conditions, etc., contained herein. Options granted will not be considered as a factor in awarding a contract. Bidder should note any exceptions.
- Extension option for one year: ☒ option granted ☐ option not granted
- Extension option for a second year: ☒ option granted ☐ option not granted
- I. The Bidder attests to having read and understands all documents contained and referenced in this bid.

J. I, Brandi Steckel the Manager, Proposals Team (title) of
the Bidder hereby certify under penalty of perjury under the laws of the State of California that
all the information submitted by the Bidder in connection with this bid and all the
representations herein made are true and correct.

COMPANY

Name: _____

Signed by: _____

Date: _____

Business Address: _____

PARTNERSHIP

Name: _____

Signed by: _____ Partner

Date: _____

Business Address: _____

Other Partners: _____

CORPORATION

Name: CDW Government LLC

(a publicly traded Corporation*)

Business Address: 230 N. Milwaukee Ave.

Vernon Hills, IL, 60061

Signed by: BS President**,

Dated: July 01, 2014

- * A corporation receiving the award shall furnish evidence of its corporate existence and evidence that the officer signing the Agreement and Bonds is duly authorized to do so.
- ** Or local official empowered to bind the Corporation.

JOINT VENTURE

Name: _____

Signed by: _____, Joint Venturer

Date: _____

Business Address: _____

Other Parties to Joint Venture:

If an individual: _____

(Signed)

Doing Business as: _____;

If a Partnership: _____

Signed by: _____, Partner

If a Corporation: _____

(a _____ Corporation)

By: _____ Date: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed including all contract documents as indicated and re required to be submitted with this bid:

CONTRACT DOCUMENTS:

1. ☒ Bid Form and Agreement
2. ☒ Noncollusion Declaration
3. ☒ Information Required of Bidder
4. ☒ Certification - Participation of Disabled Veteran Business Enterprise
5. ☒ Certification by Contractor Criminal Records Check

- 6. ☒ Conflict of Interest
- 7. ☒ Drug-Free Workplace Certification
- 8. ☒ Tobacco Use Policy
- 9. ☒ Workman's Compensation Certification
- 10. ☒ Certificate Of Liability Insurance
- 11. ☒ W-9 Form

CONTRACT TERM

The term of this base contract is for one year beginning July 2014, through July, 2015, and may be extended by mutual written agreement of both parties and upon Board approval, for a renewal term not to exceed two (2) additional one-year periods.

Annual cost of products requested by District and provided by Vendor under this contract shall not exceed \$3,500,000. This amount may be increased by mutual written agreement of both parties and Board approved.

AGREEMENT ACCEPTED BY DISTRICT

Signed by: [Signature]

Print Name: Brandi Steckel

Title: Manager, Proposals Team

Date: July 01, 2014

BID NO. 1415-12

IV. Bid Specification Requirements

1. *Only Chromebook devices that are available for general sale or lease, and which have been used by educational or corporate institutions in satisfactory operation will be considered acceptable.*

CDW•G acknowledges this statement and is able to meet the requirement.

2. *In the event that an item within the bid is discontinued/no longer available, or on a regular basis becomes limited in stock, or is back-ordered delaying agreed upon delivery expectations, it may be replaced by an item that performs the same task. It shall be deemed an acceptable replacement only if it meets or exceeds original specifications, is provided at the same or lesser price of the original item, and the provided the district approves replace in writing.*

CDW•G acknowledges this statement and is able to meet the requirement.

3. *Upgrading devices is an option with the selected vendor/manufacture if mutually agreed upon. If an upgrade provides additional or enhanced functionality, the price of the new item must be mutually accepted by the District and the vendor manufacturer. Verification of increased functionality or enhancement shall be based on documentation provided by the manufacturer. The District approves the upgrade in writing.*

CDW•G acknowledges this statement and is able to meet the requirement.

4. *As product depreciates in values and the computer becomes less in worth, the District reserves the right to negotiate with the vendor/manufacture quarterly or as needed to ensure the most cost effective price or upgrade is available.*

CDW•G acknowledges this statement and is able to meet the requirement.

5. *Each vendor/manufacture shall furnish names and addresses of at least three (3) references located in Los Angeles County, Orange County, or Riverside County. The references identified shall have purchased substantial quantities of Chromebook devices within the last year prior to the date of this bid.*

CDW•G acknowledges this statement and is able to meet the requirement. Please refer to the District provided document entitled "INFORMATION REQUIRED OF BIDDER" for the requested references in the "Required Documents" tab.

6. *DELIVERY INSTRUCTIONS: Delivery must be made with 14 days within receipt of PO unless mutually agreed upon. Delivery will be CUSD warehouse, freight included, inside delivery, to the delivery location designated by the Purchasing department for all transactions against this bid. No additional cost of shipping, handling, installation, fuel surcharge, unloading or inside delivery charges will be allowed or accepted at any time during the contract period.*

CDW•G will place orders in an expeditious manner and as stated, we ship 97% of in-stock orders same day, but we are subject to stock fluctuations based on manufacturer availability and cannot guarantee the requested delivery.

7. *Purchase Orders with a large quantity of devices, the vendor/manufacturer must have the ability to stagger shipments of product.*

CDW•G acknowledges this statement and is able to meet the requirement.

8. *Chromebooks will arrive with a minimum of 30% battery life in order to allow district to configure Chromebooks without charging. Chromebooks will not be required to be plugged into a power adapter in order to be tuned on the first time. District will be able to configure Chromebooks out of the box without plugging into a charger/adaptor.*

Manufacturers ship Chromebooks with a nominal battery charge which is outside of CDW•G's control, if the District desires to have a standardized battery charge for each unit CDW•G can quote this on a case-by-case basis.

9. *PACKAGING INSTRUCTIONS: Each box that arrives must have a packing slip in each box with reference to each serial number in the box. The PO number must be written on the outside of each box. One or more boxes per PO, with no mixed POs unless order quantity is under 5. Gaylord boxing (skid box, tote box, bulk box) of Chromebooks with multiple Chromebooks separated by spacers as needed for safe shipping with all original packaging removed and power adapters separated as well. The only items in the box should be the devices, power adapters, and safe packing material such as Styrofoam. Bidder will ship as many Chromebooks as possible in each box with attention paid to safety of the devices.*

CDW•G is not able ship Chromebooks outside of their original certified vendor boxes as it would void the warranty, but CDW•G can comply with the requirement to capture the data requested by the District and provide box consolidation as requested, to be quoted on a case-by-case basis.

10. *All items must be delivered in serviceable condition without defects or damages. All Chromebook devices shall be subject to inspection and rejection by the District. The District may return at the vendor/manufacturer's expense Chromebook devices which fail to meet the conditions of the bid or fail to operate properly. Such Chromebook devices shall be considered as rejected and shall be promptly replaced. No payment shall be required until replacement is complete. Vendor/manufacturer shall trace any and all merchandise lost in shipment.*

CDW•G acknowledges this statement and is able to meet the requirement.

11. *All vendors/manufacturers bidding must be able to provide an emailed list of each PO before the shipments arrive including a spreadsheet with MAC address, RAM amount, and Serial Number.*

CDW•G acknowledges this statement and is able to meet the requirement. CDW•G offers the District the additional option of capturing the MAC address for each Chromebook shipped at \$5 per unit.

12. *All items must conform to the specifications in the bid, unless modified by the resulting Purchase Order*

CDW•G acknowledges this statement and is able to meet the requirement.

13. *Bidder must have been in the business of supplying electronic (not just Chromebooks) devices for a continuing period of at least two (2) years prior to the bid.*

CDW•G acknowledges this statement and is able to meet the requirement. Additional information about CDW•G's history is located within the "Vendor Capabilities" section for the District to review.

14. *All spare parts or components, and replacement parts provided under the warranty provisions of this bid must be 100% compatible with Chromebook devices offered in this bid. In addition, while nothing stated herein is intended to be restrictive against a particular brand offered, all Chromebook devices must be compatible with existing District network, telecommunications and other computer systems or it may be rejected on that basis.*

Compatibility may extend to other networks, protocols or software applications not mentioned. The capability of connecting equipment to the District local area networks requires that the Chromebook devices bid must be able to connect. The future connectivity of all District computers is essential. Compatibility and performance tests may be conducted to confirm the equipment capabilities. The performance test must be verified by District personnel at District facilities. The District will use industry published reports to verify performance and capability. The District reserves the right to determine compatibility on all products.

CDW•G acknowledges this statement and is able to meet the requirement.

15. *Bidder guarantees that hardware, standard parts, and components of the Chromebook are not counterfeit and that all parts or materials conform to industry standards. A replacement part must be identical to or better than the standard part it is replacing; substituting standard parts would require a demonstration of acceptability and safety.*

CDW•G acknowledges this statement and is able to meet the requirement.

16. *WARRANTY: All bids submitted for Chromebook devices shall include the option of a one (1) year advance exchange warranty on any device. Purchase price must include required power cables.*

CDW•G acknowledges this statement and is able to meet the requirement. Please refer to the document entitled "Bid Form and Agreement" within the Pricing Documentation tab for cost of optional requested one (1) year advance exchange warranty.

17. **TECHNICAL SUPPORT:** Vendor/Manufacturer must provide technical support via a toll-free technical support phone number and email at no additional cost. Bidder must demonstrate the ability to provide the below listed type of phone technical support. Failure to meet this specification or provide the technical support phone number within the bid may result in rejection of the bid.

- a) To fully meet District needs the technical support phone number must be staffed by live technicians fluent in English
- b) Phone support at minimum provided on an 8-hour day, 5 days-a-week basis.
- c) Phone technicians must be qualified to offer immediate technical assistance and empowered to issue replacement parts and return authorization. (Voice-mail, clerical staff, and message-taking, etc. are not considered acceptable forms of technical phone support.)

STATEMENT OF TECHNICAL SUPPORT CAPABILITIES: Bidders will prepare a Statement of Technical Support Capabilities that explains their ability to meet the terms and conditions in the preceding paragraph. This Statement as identified on the Table of Contents must be submitted with the bid as a required document.

Please refer to tab entitled "Statement of Technical Support Capabilities" for requested information.

18. **Parts:** All vendors/manufacturers will provide the district a price sheet for all current parts associated with the Chromebooks. All vendors/manufacturers will offer a discount (ranging from 0%-99%) off of all parts listed on the parts price sheet. This discount will be maintained on all future price sheets for the same, similar, or replacement parts.

CDW-G will hold the price on the units proposed as long as they are manufactured. Once a new model is released a new price will be assigned with proper forewarning to the District.

19. **Hot-swaps:** Bidders will explain in detail the number of hot-swap Chromebooks or hot-swap parts of various kinds as a percentage of the total number of Chromebooks ordered in each P.O.

- Provide in bid form

For ASUS and Acer hardware, the District will receive one (1) hot-swappable Chromebook for every 250 ordered; coming to 0.4% of each Chromebook P.O. being hot-swappable.

As the District desires to become an Acer Authorized Service Partner (ASP) or Self-Maintainer account, Acer will ship parts to the District via Fed Ex Ground from the Acer service spare parts hub in Temple, TX. To help ensure the District does not experience any delay in performing their repairs on Acer units, Acer will forward stock an initial pool of seed stock parts including MB's, LCD's, memory, SSD's and KB's. Parts will be consumed from this initial seed stock pool to perform the repair at the District and then the pool will be replenished by the District entering a replacement part request into Acer's ASP website portal. This initial seed stock pool will be in sufficient quantity to ensure the transit time between Temple, TX and the District is covered.

20. All Chromebooks must be able to project to a VGA projector without needing a powered adapter. Please indicate the price of the adapter needed to project the Chromebook to VGA that is not a powered adapter. Please provide any necessary documentation if your device does not project to certain makes or models of projectors.

- In the bid form, make, model and price of the HDMI to VGA adapter must be listed

CDW•G acknowledges this statement and is able to meet the requirement. CDW•G will provide pricing for necessary equipment as request by the District.

21. Samples of equipment and peripherals may be required for evaluation. Samples shall be delivered to the District and returned to the vendor/manufacture at their expense. Vendor/manufacture is hereby notified to have samples read for prompt evaluation if requested within five (5) calendar days of bid opening. Samples which cannot be provided in that time may not be considered for award.

CDW•G acknowledges this statement and is able to meet the requirement.

22. Bidder must have a warehouse and/or service center within Continental United States. Bidder must be able to handle and accept orders of varying quantities; as low as one (1) or as large as several thousand.

CDW•G acknowledges this statement and is able to meet the requirement.

23. Bidder must be able to provide 24 hour response time to provide the following: hot swap or parts for warranty repairs.

CDW•G acknowledges this statement and is able to meet the requirement.

24. Vendor/manufacture must be willing to package power adaptors per PO separately from the Chromebook box to support district's cart management.

CDW•G acknowledges this statement and is able to meet the requirement. Power adapter and power cords can be shipped in separate box(es) and must be quoted on case basis.

25. The published/projected Google Chrome Operating System End of Life policy for model bid must be a minimum of four years from the date of the bid.

CDW•G acknowledges this statement and is able to meet the requirement.

**American Red Cross
Shelter Agreement**

The American National Red Cross ("Red Cross"), a not-for-profit corporation chartered by the United States Congress, provides services to individuals, families and communities when disaster strikes. The disaster relief activities of the Red Cross are made possible by the American public, as the organization is supported by private donations and facility owners who permit their buildings to be used as a temporary refuge for disaster victims. This agreement is between the Red Cross and a facility owner ("Owner") so the Red Cross can use the facility as an emergency shelter during a disaster.

DR# _____ Facility _____

Parties and Facility

Owner:

Legal name: Capistrano Unified School District
Chapter: _____
24-Hour Point of Contact:
Name and title: Mike Beekman, Executive Director of Safety and Student Services
Work phone: 949-234-9267 Cell phone/pager: _____
Address for Legal Notices:
33122 Valle Road, San Juan Capistrano, CA. 92675

Red Cross:

Legal name: The American National Red Cross
Chapter: Orange County
24-Hour Point of Contact:
Name and title: Sean Ward, Disaster Program Manager
Work phone: (714) 481-5336 Cell phone/pager: (714) 319-0254
Address for Legal Notices:
American Red Cross
601 N. Golden Circle Dr.
Santa Ana, CA 92705

Copies of legal notices must also be sent to:

The American National Red Cross, Office of the General Counsel,
2025 E Street, NW, Washington DC 20006
and
The American National Red Cross, Disaster Operations,
2025 E Street NW, Washington, DC 20006.

Shelter Facility:

CUSD has approved the Shelter use of the Gym, Locker/Shower area, and Restrooms located at the following six High School Facilities:

Dana Hills High School – 33333 Golden Lantern, Dana Point, CA 92629
Capistrano Valley High School – 26301 Via Escolar, Mission Viejo, CA 92692
San Clemente High School – 700 Avenida Pico, San Clemente, CA 92673
Aliso Niguel High School – 28000 Wolverine Way, Aliso Viejo, CA 92656
Tesoro High School – 1 Tesoro Creek Road, Las Flores, CA 92688
San Juan Hills High School – 29211 Vista Montana, San Juan Capistrano, CA 92675

Terms and Conditions

1. Use of Facility: Upon request and if feasible in the Owner's discretion, the Owner will permit the Red Cross to use the Facility on a temporary basis as an emergency public shelter. The Owner, at the Owner's discretion, reserves the right to close the emergency public shelter if there is an immediate need by the Owner to use the Facility occupied by the Red Cross for the normal business operations of the Owner. The Owner will provide 24 hours' notice of such closure.
2. Shelter Management: The Red Cross will have primary responsibility for the operation of the shelter and will designate a Red Cross official, the Shelter Manager, to manage the sheltering activities. The Owner will designate a Facility Coordinator to coordinate with the Shelter Manager regarding the use of the Facility by the Red Cross.
3. Condition of Facility: The Facility Coordinator and Shelter Manager (or designee) will jointly conduct a pre-occupancy survey of the Facility before it is turned over to the Red Cross. They will use the first page of the [Facility/Shelter Opening/Closing Form](#), available on CrossNet, to record any existing damage or conditions. The Facility Coordinator will identify and secure all equipment that the Red Cross should not use while sheltering in the Facility. The Red Cross will exercise reasonable care while using the Facility as a shelter and will make no modifications to the Facility without the express written approval of the Owner.
4. Food Services: Upon request by the Red Cross, and if such resources exist and are available in the Owner's discretion, the Owner may make the food service resources of the Facility, including food, supplies, equipment and food service workers, available to feed the shelter occupants. The Facility Coordinator will designate a Food Service Manager to coordinate the provision of meals at the direction of and in cooperation with the Shelter Manager. The Food Service Manager will establish a feeding schedule, determine food service inventory and needs, and supervise meal planning and preparation. The Food Service Manager and Shelter Manager will jointly conduct a pre-occupancy inventory of the food and food service supplies in the Facility before it is turned over to the Red Cross.
5. Custodial Services: Upon request by the Red Cross and if such resources exist and are available in the Owner's discretion, the Owner may make its custodial resources, including supplies and custodial workers, available to provide cleaning and sanitation services at the shelter. The Facility Coordinator will designate a Facility Custodian to coordinate the provision of cleaning and sanitation services at the direction of and in cooperation with the Shelter Manager.
6. Security: In coordination with the Facility Coordinator; the Shelter Manager, as he or she deems necessary and appropriate, will coordinate with law enforcement regarding any public safety issues at the Shelter, and remedy any such safety issues. The Shelter Manager will provide daily status updates to the Owner of any security issues that exist.
7. Signage and Publicity: The Red Cross may post signs identifying the shelter as a Red Cross shelter in locations approved by the Facility Coordinator and will remove such signs when the shelter is closed. The Owner will not issue press releases or other publicity concerning the shelter without the express written consent of the Shelter Manager. The Owner will refer all media questions about the shelter to the Shelter Manager. Notwithstanding the above, the Owner may provide notice to parents, students, employees, contractors and others affected by the use of the Facility.

8. Closing the Shelter: The Red Cross will notify the Owner or Facility Coordinator of the closing date for the shelter. Before the Red Cross vacates the Facility, the Shelter Manager and Facility Coordinator will jointly conduct a post-occupancy survey, using the second page of the Shelter/Facility Opening/Closing Form to record any damage or conditions. The Shelter Manager and Facility Coordinator or Food Service Manager will conduct a post-occupancy inventory of the food and supplies used during the shelter operation.

9. Reimbursement: The Red Cross will reimburse the Owner for the following:

- a. *Damage to the Facility or other property of Owner*, reasonable wear and tear excepted, resulting from the operations of the Red Cross. Reimbursement for Facility damage will be based on replacement at actual cash value, as determined by the Owner. The Owner shall perform any such repair and replacement in accordance with requirements of the California Education Code, the California Public Contract Code, and other applicable law. The Red Cross is not responsible for storm damage or other damage caused by the disaster.
- b. Actual costs including the wages the Owner incurs for hourly workers who perform services made necessary by the sheltering operations. Reimbursement will be at the workers' normal hourly rates, with overtime as applicable.
- c. *Reasonable, actual, out-of-pocket operational costs*, including the costs of the utilities indicated below, to the extent that such costs would not have been incurred but for the Red Cross's use of the Facility (both parties must initial all utilities to be reimbursed by the Red Cross):

	Owner initials	Red Cross initials
Water	_____	_____
Gas	_____	_____
Electricity	_____	_____
Waste Disposal	_____	_____

The Owner will submit any request for reimbursement to the Red Cross within 120 days after the shelter closes. Any request for reimbursement for food, supplies or operational costs must be accompanied by supporting invoices. Any request for reimbursement for personnel costs must be accompanied by a list of the personnel with the dates and hours worked at the shelter.

10. Insurance: The Red Cross shall carry insurance coverage in the amounts of at least \$1,000,000 per occurrence for Commercial General Liability and Automobile Liability. The Red Cross shall also carry Workers' Compensation coverage with statutory limits for the jurisdiction within which the facility is located and \$1,000,000 in Employers' Liability. The Red Cross shall provide Certificates of Insurance, and shall name the Owner as an Additional Insured by way of a separate endorsement.

11. Indemnification: The Red Cross shall defend, hold harmless, and indemnify Owner against any legal liability, including reasonable attorney fees, in respect to bodily injury, death and property damage arising from sheltering activities of the Red Cross during the use of the Facility.

12. Term: The term of this agreement begins on the date of the last signature below and ends 30 days after written notice by either party.

CAPISTRANO UNIFIED SCHOOL DISTRICT

THE AMERICAN NATIONAL RED CROSS

Signature _____

Signature _____

Name _____

Debbie Graves

Title _____

Regional Disaster Program Officer

Date

Date

EXHIBIT A

CAPISTRANO UNIFIED SCHOOL DISTRICT

BID SUMMARY

BID NO. 1516-12

SAN JUAN HILLS HIGH SCHOOL ADDITION PHASE I – WEST PARKING UPGRADES

Bid Opening: April 14, 2016, 11:00 a.m.

CUSD Education Center

Training Room 2

33122 Valle Road

San Juan Capistrano, CA 92675

	CONTRACTOR	BID
1	Construct 1 One, Corp.	\$1,133,536.00
2	M.S. Construction Mgmt. Group	\$1,319,500.00
3	Paul C. Miller Construction Co., Inc.	\$1,023,681.00
4	P.H. Hagopian Contractor, Inc.	\$1,024,000.00

BID FORM

SAN JUAN HILLS HIGH SCHOOL ADDITION
SAN JUAN HILLS HIGH SCHOOL
29211 VISTA MONTANA, SAN JUAN CAPISTRANO, CA 92675
HMC Architects Project No. 3429006000
Bid No. 1516-12

FOR

Capistrano Unified School District

CONTRACTOR
NAME:

Paul C. Miller Construction Co., Inc.

ADDRESS:

8447 Maple Place, Rancho Cucamonga, CA 91730

TELEPHONE:

(909) 484-1009

FAX:

(909) 484-1303

EMAIL

todd@pcm-construction.com

TO: Capistrano Unified School District, acting by and through its Board of Trustees, herein called "District".

1. Pursuant to and in compliance with your Notice Inviting Bids and other documents relating thereto, the undersigned bidder, having familiarized himself with the terms of the Contract, the local conditions affecting the performance of the Contract, the cost of the work at the place where the work is to be done, with the Drawings and Specifications, and other Contract Documents, hereby proposes and agrees to perform within the time stipulated, the Contract, including all of its component parts, and everything required to be performed, including its acceptance by the District, and to provide and furnish any and all labor, materials, tools, expendable equipment, and utility and transportation services necessary to perform the Contract and complete all of the work in a workmanlike manner required in connection with the construction of:

BID NO. 1516-12

San Juan Hills High School Addition

in the District described above, all in strict conformance with the drawings and other Contract Documents on file at the Purchasing Office of said District for amounts set forth herein.

2. BIDDER ACKNOWLEDGES THE FOLLOWING ADDENDUM:

Number	Number	Number	Number	Number	Number	Number	Number
One	Two	Three					

Acknowledge the inclusion of all Addenda issued prior to bid in the blanks provided above. Your failure to do so may render your bid non-responsive.

3. A. TOTAL CASH PURCHASE PRICE IN WORDS & NUMBERS:

DOLLARS ONE MILLION - TWENTY THREE THOUSAND - SIX HUNDRED AND EIGHTY - ONE DOLLARS ⁰⁰/₁₀₀

(\$ 1,023,681⁰⁰)

4. TIME FOR COMPLETION: The District may give a notice to proceed within ninety (90) days of the award of the bid by the District. Once the Contractor has received the notice to proceed, the Contractor shall complete the work in the time specified in the Agreement. By submitting this bid, Contractor has thoroughly studied this Project and agrees that the Contract Time for this Project is adequate for the timely and proper completion of the Project. Further, Contractor has included in the analysis of the time required for this Project, rain days, and the requisite time to complete the punch list.

In the event that the District desires to postpone giving the notice to proceed beyond this ninety (90) day period, it is expressly understood that with reasonable notice to the Contractor,

giving the notice to proceed may be postponed by the District. It is further expressly understood by the Contractor, that the Contractor shall not be entitled to any claim of additional compensation as a result of the postponement of giving the notice to proceed.

If the Contractor believes that a postponement will cause a hardship to it, the Contractor may terminate the contract with written notice to the District within ten (10) days after receipt by the Contractor of the District's notice of postponement. Should the Contractor terminate the Contract as a result of a notice of postponement, the District shall have the authority to award the Contract to the next lowest responsible bidder, if applicable.

It is understood that the District reserves the right to reject any or all bids and/or waive any irregularities or informalities in this bid or in the bid process. The Contractor understands that it may not withdraw this bid for a period of ninety (90) days after the date set for the opening of bids.

5. It is understood that the District reserves the right to reject any or all bids and/or waive any irregularities or informalities in this bid or in the bid process. The Contractor understands that it may not withdraw this bid for a period of ninety (90) days after the date set for the opening of bids.

6. Attached is bid security in the amount of not less than ten percent (10%) of the bid:

Bid bond (10% of the Bid), certified check, or cashier's check (circle one)

7. The required List of Designated Subcontractors is attached hereto.

8. The required Non-Collusion Declaration is attached hereto.

9. The Substitution Request Form, if applicable, is attached hereto.

10. It is understood and agreed that if written notice of the acceptance of this bid is mailed, telegraphed, or delivered to the undersigned after the opening of the bid, and within the time this bid is required to remain open, or at any time thereafter before this bid is withdrawn, the undersigned will execute and deliver to the District a Contract in the form attached hereto in accordance with the bid as accepted, and that he or she will also furnish and deliver to the District the Performance Bond and Payment Bond, all within five (5) calendar days after award of Contract, and that the work under the Contract shall be commenced by the undersigned bidder, if awarded the Contract, by the start date provided in the District's Notice to Proceed, and shall be completed by the Contractor in the time specified in the Contract Documents.

11. The names of all persons interested in the foregoing proposal as principals are as follows:

Todd Miller, President

Paul C. Miller Construction Co., Inc.

(IMPORTANT NOTICE: If bidder or other interested person is a corporation, state the legal name of such corporation, as well as the names of the president, secretary, treasurer, and manager thereof; if a co-partnership, state the true names of the firm, as well as the names of all individual co-partners comprising the firm; if bidder or other interested person is an individual, state the first and last names in full.)

12. PROTEST PROCEDURES. If there is a bid protest, the grounds shall be submitted as set forth in the Instructions to Bidders.

13. The undersigned bidder shall be licensed and shall provide the following California Contractor's license information:

License Number: 933449

License Expiration Date: 5/31/17

Name on License: Paul C. Miller Construction Co., Inc.

Class of License: B

DIR Registration Number: 1000002747

If the bidder is a joint venture, each member of the joint venture must include the above information.

14. Time is of the essence regarding this Contract, therefore, in the event the bidder to whom the Contract is awarded fails or refuses to post the required bonds and return executed copies of the Agreement form within five (5) calendar days from the date of receiving the Notice of Award, the District may declare the bidder's bid deposit or bond forfeited as damages.

15. The bidder declares that he/she has carefully examined the location of the proposed Project, that he/she has examined the Contract Documents, including the Plans, General Conditions, Supplemental Conditions (if any), Addenda, and Specifications, all others documents and requirements that are attached to and/or contained in the Project Manual, all other documents issued to bidders and read the accompanying instructions to bidders, and hereby proposes and agrees, if this proposal is accepted, to furnish all materials and do all work required to complete the said work in accordance with the Contract Documents, in the time and manner therein prescribed for the unit cost and lump sum amounts set forth in this Bid Form.

16. DEBARMENT. In addition to seeking remedies for False Claims under Government Code section 12650 et seq. and Penal Code section 72, the District may debar a Contractor if the

Board, or the Board may designate a hearing officer who, in his or her discretion, finds the Contractor has done any of the following:

- a. Intentionally or with reckless disregard, violated any term of a contract with the District;
- b. Committed an act or omission which reflects on the Contractor's quality, fitness or capacity to perform work for the District;
- c. Committed an act or offense which indicates a lack of business integrity or business honesty; or
- d. Made or submitted a false claim against the District or any other public entity. (See Government Code section 12650, et seq., and Penal Code section 72)

17. DESIGNATION OF SUBCONTRACTORS. In compliance with the Subletting and Subcontracting Fair Practices Act (California Public Contract Code section 4100 et seq.) and any amendments thereof, each bidder shall list subcontractors on the District's form Subcontractor list. This subcontractor list shall be submitted with the bid and is a required form

I agree to receive service of notices at the e-mail address listed below.

I the below-indicated bidder, declare under penalty of perjury that the information provided and representations made in this bid are true and correct.

Paul C. Miller Construction Co., Inc.

Proper Name of Company

Todd Miller

Name of Bidder Representative

8447 Maple Place

Street Address

Rancho Cucamonga, CA 91730

City, State, and Zip

(909) 484-1009

Phone Number

(909) 484-1303

Fax Number

todd@pcm-construction.com

E-Mail

By: 

Signature of Bidder Representative

Date: 4/14/16

NOTE: If bidder is a corporation, the legal name of the corporation shall be set forth above together with the signature of authorized officers or agents and the document shall bear the corporate seal; if bidder is a partnership, the true name of the firm shall be set forth above, together with the signature of the partner or partners authorized to sign contracts on behalf of the partnership; and if bidder is an individual, his signature shall be placed above.

All signatures must be made in permanent blue ink.

DESIGNATION OF SUBCONTRACTORS

ATTACHMENT NO. 1 TO BID FORM

In compliance with the Subletting and Subcontracting Fair Practices Act (California Public Contract Code section 4100 et seq.,) and any amendments thereof, each Bidder shall set forth below: (a) the name, license number, and location of the place of business of each subcontractor who will perform work or labor or render service to the Contractor, who will perform work or labor or work or improvement to be performed under this Contract, or a subcontractor licensed by the State of California who, under subcontract to the Contractor, specially fabricates and installs a portion of the work or improvements according to detailed Drawings contained in the Plans and Specifications in an amount in excess of one-half of one percent of the Contractor's total bid; and (b) the portion and description of the work which will be done by each subcontractor under this Act. The Contractor shall list only one subcontractor for each such portion as is defined by the Contractor in this bid. All subcontractors shall be properly licensed by the California State Licensing Board.

If a Contractor fails to specify a subcontractor, or if a Contractor specifies more than one subcontractor for the same portion of work to be performed under the Contract in excess of one-half of one percent of the Contractor's total bid, the Contractor shall be deemed to have agreed that the Contractor is fully qualified to perform that portion, and that the Contractor alone shall perform that portion of the work.

No Contractor whose bid is accepted shall (a) substitute any subcontractor, (b) permit any subcontractor to be voluntarily assigned or transferred or allow the relevant portion of the work to be performed by anyone other than the original subcontractor listed in the original bid, or (c) sublet or subcontract any portion of the work in excess of one-half of one percent of the Contractor's total bid where the original bid did not designate a subcontractor, except as authorized in the Subletting and Subcontracting Fair Practices Act.

Subletting or subcontracting of any portion of the work in excess of one-half of one percent of the Contractor's total bid where no subcontractor was designated in the original bid shall only be permitted in cases of public emergency or necessity, and then only after a finding, reduced to writing as a public record, of the authority awarding this Contract setting forth the facts constituting the emergency or necessity.

All subcontractors (of any tier) performing any portion of the work must comply with the Labor Code sections 1725.5 and 1771.1 and must be properly and currently registered with the California Department of Industrial Relations and qualified to perform public works pursuant to Labor Code section 1725.5 throughout the duration of the Project.

NOTE: If alternate bids are called for and bidder intends to use different or additional subcontractors on the alternates, a separate list of subcontractors must be provided for each such Alternate.

DESIGNATION OF SUBCONTRACTORS FORM

ATTACHMENT NO. 1 TO BID FORM

Description & Portion of Work	Name of Subcontractor	Location & Place of Business	License Type & Number	E-Mail & Telephone*	DIR Registration Number*
DEMOLITION / GRADING	HLA LINS	645617012A, CA	728116		
SITE UTILITIES	Duke Plumbing	UPLAND, CA	430513		
ELECTRICAL	PANCHO PACIFIC ELECTRICAL	PANCHO WILSON, CA	445897		
CONCRETE					
LANDSCAPE	SO CAL	FORTYFIVE, CA	753861		
ASPHALT					

* This information must be provided at the time of submission of bid or must be provided within 24 hours after the time set for the opening of bids. Bidders who choose to provide this information within 24 hours after the time set for the opening of bids are solely responsible to ensure the District receives this information in a timely manner. The District is not responsible for any problems or delays associated with emails, faxes, delivery, etc. Absent a verified fax or email receipt date and time by the District, the District's determination of whether the information was received timely shall govern and be determinative. Bidder shall not revise or amend any other information in this form

submitted at the time of bid. The information submitted at the time of bid shall govern over any conflicts, discrepancies, ambiguities or other differences in any subsequent Subcontractor Designation Forms submitted by the bidder.

Proper Name of

Bidder:

Paul C. Miller Construction Co., Inc.

Date:

4/14/16

Name:

Todd Miller

Signature of Bidder

Representative:



Address:

8447 Maple Place, Rancho Cucamonga, CA 91730

Phone:

909-484-1009

CONTRACTOR'S CERTIFICATE REGARDING WORKERS' COMPENSATION
FORM

ATTACHMENT NO. 3 TO BID FORM

Labor Code section 3700 in relevant part provides:

Every employer except the State shall secure the payment of compensation in one or more of the following ways:

1. By being insured against liability to pay compensation by one or more insurers duly authorized to write compensation insurance in this State.
2. By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to employees.
3. For any county, city, city and county, municipal corporation, public district, public agency, or any political subdivision of the state, including each member of a pooling arrangement under a joint exercise of powers agreement (but not the state itself), by securing from the Director of Industrial Relations a certificate of consent to self-insure against workers' compensation claims, which certificate may be given upon furnishing proof satisfactory to the director of ability to administer workers' compensation claims properly, and to pay workers' compensation claims that may become due to its employees. On or before March 31, 1979, a political subdivision of the state which, on December 31, 1978, was uninsured for its liability to pay compensation, shall file a properly completed and executed application for a certificate of consent to self-insure against workers' compensation claims. The certificate shall be issued and be subject to the provisions of Section 3702.

I am aware of the provisions of Labor Code section 3700 which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provision before commencing the performance of the work of this Contract.



(Signature)

Todd Miller

(Print)

4/14/16

(Date)

In accordance with Article 5 (commencing at Section 1860), Chapter 1, Part 7, Division 2 of the Labor Code, the above certificate must be signed and submitted with the Contractor's bid.

NON-COLLUSION DECLARATION

ATTACHMENT NO. 4 TO BID FORM

The undersigned declares:

I am the President [Title] of Paul C. Miller Construction Co., Inc.
[Name of Company], the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 4/14/16
[Date], at Rancho Cucamonga [City], California [State].

Signed: 

Typed Name: Todd Miller

ACKNOWLEDGMENT

State of California
County of San Bernardino)

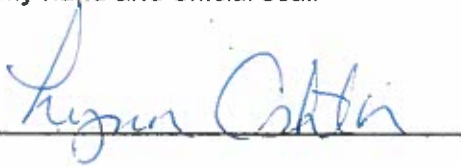
On APRIL 14, 2016 before me, Lynn Ashton, Notary Public
(insert name and title of the officer)

personally appeared TODD MILLER
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

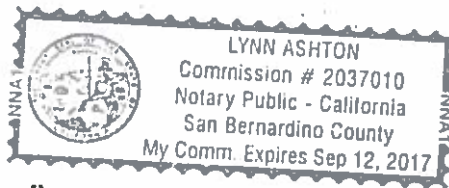
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



ACKNOWLEDGMENT OF BIDDING PRACTICES REGARDING INDEMNITY FORM

ATTACHMENT NO. 6 TO BID FORM

TO: Capistrano Unified School District

RE: Project / Bid Number 1516-12

Construction Contract for San Juan Hills H.S. Addition


Please be advised that with respect to the above-referenced Project the undersigned Contractor on behalf of itself and all Contractor's subcontractors hereby waives the benefits and protection of Labor Code section 3864, which provides:

"If an action as provided in this chapter is prosecuted by the employee, the employer, or both jointly against the third person results in judgment against such third person, the employer shall have no liability to reimburse or hold such third person harmless on such judgment or settlement in the absence of a written agreement to do so executed prior to the injury."

This Agreement has been signed by an authorized representative of the contracting party and shall be binding upon its successors and assignees. The undersigned further agrees to promptly notify the District of any changes of ownership of the contracting party or any subcontractor while this Agreement is in force.

Paul C. Miller Construction Co., Inc.

Contracting Party



- Todd Miller/President

Name of Agent/Title

DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PARTICIPATION
STATEMENT AT TIME OF BID

ATTACHMENT NO. 7 TO BID FORM

Each bidder must complete this form in order to comply with the Capistrano Unified School District ("District") policy for participation of disabled veteran business enterprises (School District projects funded in whole or in part by the State of California pursuant to the Leroy F. Greene School Facilities Act of 1998. (Education Code §17070.10, *et seq.*)

Project Name: San Juan Hills High School Addition

Bid No.: 1516-12

DSA No.: _____

The undersigned, on behalf of the Contractor named below, certifies that the Contractor has made reasonable efforts to secure participation by DVBE in the Contract to be awarded for the above-referenced Bid No., including participation by DVBE subcontractors and/or material suppliers.

Check only one of the following:

- ☒ The Contractor was unable after reasonable efforts to secure DVBE participation in the Contract for the above-referenced Project/Bid No. However, the Contractor will use DVBE services if the opportunity arises at any time during construction of the Project. Upon completion of the Project, the Contractor will report to the District the total dollar amount of DVBE participation in any Contract awarded to Contractor, and in any change orders, for the above-referenced Project.
- ☐ The Contractor has secured DVBE participation in the Contract for the above referenced Project/Bid No., and anticipates that such DVBE participation will equal approximately _____ dollars (\$ _____), which represents approximately _____ percent (____%) of the total Contract for such Project. Upon completion of the Project, Contractor will report to the District the actual total dollar amount of DVBE participation in the Contract awarded to Contractor, and in any change orders, for such Project

Company: Paul C. Miller Construction Co., Inc.

Name: Todd Miller

Title: President

Signature: 

Date: 4/14/16

SITE VISIT CERTIFICATION

ATTACHMENT NO. 8 TO BID FORM

I certify that I have visited the site of the proposed work and have fully acquainted myself with the conditions of the Project site, as well as those relating to construction and labor of the Project, and I fully understand the facilities, difficulties, and restrictions which may impact the total and adequate completion of the Project.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

I agree to fully defend, indemnify and hold harmless the DISTRICT, Architect, Inspectors, Construction Manager (if any), and their directors, officers, employees, agents and volunteers from any damages, costs, expenses, or omissions related to conditions that could or should have been identified during my visit to the site.

Signature of Bidder: _____

Typed Name of Bidder: Todd Miller

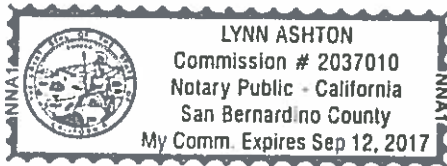
State of California

County of SAN BERNARDINO

SUBSCRIBED AND SWORN TO (OR AFFIRMED) BEFORE ME on this 14 day of
APRIL, 2016, by TODD MILLER

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

(Seal)



My Commission Expires: _____

(Notary Public)

09/12/17

(Expiration Date)

REFERENCES

ATTACHMENT NO. 9 TO BID FORM

1. The DISTRICT expressly reserves the right to reject the proposal of any Bidder who, upon investigation, has been determined to fail to complete similar Contracts in a timely fashion or in a satisfactory manner. Such rejection would, if applicable, be based upon the principle that the Bidder is "non-responsible" and poses a substantial risk of being unable to supply the material, equipment, or services to complete the work in a cost-effective, professional and timely manner. The Bidder must complete and submit the attached form; failure to do so may be sufficient cause for the DISTRICT to reject the Bidder's bid as non-responsive.

2. In performing the above-described responsibility determination, the DISTRICT reserves the right to utilize all possible sources of information in making its determination, including but not limited to: inquiries to regulatory State boards and agencies; Dun and Bradstreet credit reports, inquiries to companies and public entities for which the Bidder has previously supplied material or performed work, reference checks and examination of all public records.

3. The Bidder must also demonstrate knowledge of school purchasing and business techniques and should possess a working ability and experience in providing similar material to a public agency. The Bidder shall furnish the names, current phone numbers, addresses, points of contact, and scope of work of at least five (5) customers served within the past three (3) years with requirements similar to the needs of the Capistrano Unified School District.

4. Failure to furnish the references (*in the complete format required*) may cause your proposal to be rejected as non-responsive.

5. EXAMPLE: Your references should be listed in the following format (facts are example only)

- (a) Work for X Y Z Unified School District
- (b) Phone # (222) 123-4567
- (c) 999 Holly Drive, L. A., CA 92000
- (d) Contact: J. Q. Jones III at above #

6.

Reference #1

District or Entity: Garden Grove Unified School District

Phone No.: (714)663-6442

Address: 10331 Stanford Ave, Garden Grove, CA 92840

Name of Contact: Jerry Hills

Reference #2

District or Entity: Norris School District

Phone No.: (661)387-7000

Address: 6940 Calloway Dr. Bakersfield, CA 93312

Name of Contact: Kelly Miller

Reference #3

District or Entity: Etiwanda School District

Phone No.: (909)899-2451

Address: 6061 East Ave. Etiwanda, CA 91739

Name of Contact: Doug Claflin

Reference #4

District or Entity: West Covina Unified School District

Phone No.: (626)939-4600

Address: 1717 West Merced Ave. West Covina, CA 91790

Name of Contact: David Larkin

Reference #5

District or Entity: Jurupa School District

Phone No.: (951)361-6571

Address: 4850 Pedley Rd. Jurupa Valley, CA 92509

Name of Contact: Trenton Hansen

By:



Signature of Bidder

BID BOND FORM

ATTACHMENT NO. 2 TO BID FORM

KNOW ALL MEN BY THESE PRESENT that we,* the undersigned, (hereafter called "Principal"), and Travelers Casualty and Surety Company of America (hereafter called "Surety"), are hereby held and firmly bound unto the Capistrano Unified School District (hereafter called "District") in the sum of Ten Percent of Amount Bid (\$10% *****) for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, successors, and assigns.

*Paul C. Miller Construction Co., Inc.

SIGNED this 11th day of April, 2016.

The condition of the above obligation is such that whereas the Principal has submitted to the District a certain Bid, attached hereto and hereby made a part hereof, to enter into a Contract in writing for the construction of San Juan Hills High School Addition.

NOW, THEREFORE,

- a. If said Bid is rejected, or
- b. If said Bid is accepted and the Principal executes and delivers a Contract or the attached Agreement form within five (5) calendar days after acceptance (properly completed in accordance with said Bid), and furnishes bonds for his faithful performance of said Contract and for payment of all persons performing labor or furnishing materials in connection therewith,

Then this obligation shall be void; otherwise, the same shall remain in force and effect.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract, or the call for bids, or the work to be performed thereunder, or the specifications accompanying the same, shall in anyway affect its obligation under this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of said Contract, or the call for bids, or the work, or to the specifications.

In the event suit is brought upon this bond by the District and judgment is recovered, the Surety shall pay all costs incurred by the District in such suit, including without limitation, attorneys' fees to be fixed by the court.

IN WITNESS WHEREOF, Principal and Surety have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, on the day and year first set forth above.

(Corporate Seal)

(Corporate Seal)

(Attached Attorney in Fact Certificate)

Paul C. Miller Construction Co., Inc.

By [Signature]

Principal's Signature

Todd Miller

Typed or Printed Name

President

Principal's Title

By [Signature]

Surety's Signature

Dwight Reilly

Typed or Printed Name

Attorney-in-Fact

Title

Travelers Casualty and Surety Company of America

Surety's Name

21688 Gateway Center Dr., Diamond Bar, CA 91765

Surety's Address

(909) 612-3000

Surety's Phone Number

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange

On April 11, 2016 before me, Susan Pugh, Notary Public
(insert name and title of the officer)

personally appeared Dwight Reilly
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~
subscribed to the within instrument and acknowledged to me that he/~~she/they~~
his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

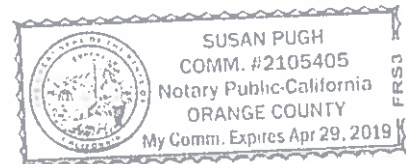
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Susan Pugh
Susan Pugh

(Seal)



TRAVELERS **POWER OF ATTORNEY**

Farmington Casualty Company
 Fidelity and Guaranty Insurance Company
 Fidelity and Guaranty Insurance Underwriters, Inc.
 St. Paul Fire and Marine Insurance Company
 St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
 Travelers Casualty and Surety Company
 Travelers Casualty and Surety Company of America
 United States Fidelity and Guaranty Company

Attorney-In Fact No.

230588

Certificate No.

006725203

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Daniel Huckabay, Arturo Ayala, Dwight Reilly, Andrew Waterbury, Shaunna Burchfiel, and Michael Castaneda

of the City of Orange, State of California, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 16th day of March, 2016.

Farmington Casualty Company
 Fidelity and Guaranty Insurance Company
 Fidelity and Guaranty Insurance Underwriters, Inc.
 St. Paul Fire and Marine Insurance Company
 St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
 Travelers Casualty and Surety Company
 Travelers Casualty and Surety Company of America
 United States Fidelity and Guaranty Company



State of Connecticut
 City of Hartford ss.

By:



Robert L. Raney, Senior Vice President

On this the 16th day of March, 2016, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
 My Commission expires the 30th day of June, 2016.




 Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 11th day of April, 20 16.


Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

ACKNOWLEDGMENT

State of California
County of San Bernardino)

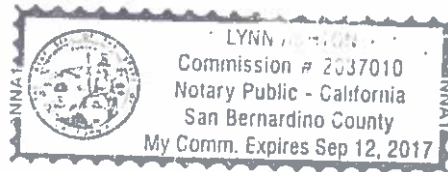
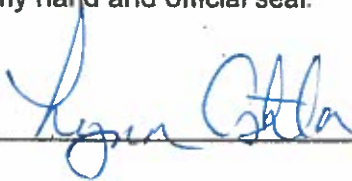
On APRIL 14, 2016 before me, Lynn Ashton, Notary Public
(insert name and title of the officer)

personally appeared TODD MILLER
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)

FORM AGREEMENT

THIS AGREEMENT, entered into this 12th day of April, 2016 in the County of Riverside of the State of California, by and between the Capistrano Unified School District, hereinafter called the "District", and Paul C. Miller Construction Co., Inc., hereinafter called the "Contractor".

WITNESSETH that the District and the Contractor for the consideration stated herein agree as follows:

ARTICLE I - SCOPE OF WORK: The Contractor shall furnish all labor, materials, equipment, tools, and utility and transportation services, and perform and complete all work required in connection with San Juan Hills High School Addition ("Project") in strict accordance with the Contract Documents enumerated in Article 7 below. The Contractor shall be liable to the District for any damages arising as a result of a failure to comply with that obligation, and the Contractor shall not be excused with respect to any failure to so comply by an act or omission of the Architect, Engineer, Inspector, Division of the State Architect (DSA), or representative of any of them, unless such act or omission actually prevents the Contractor from fully complying with the Contract Documents and the Contractor protests, in accordance with the Contract Documents, that the act or omission is preventing the Contractor from fully complying with the Contract Documents. Such protest shall not be effective unless reduced to writing and filed with the District office within seven (7) days of the date of occurrence of such act or omission preventing the Contractor from fully complying with the Contract Documents.

ARTICLE 2 - TIME OF COMPLETION: The District may give notice to proceed within ninety (90) days of the award of the bid by the District. Once the Contractor has received a notice to proceed, the Contractor shall complete the Project (See Article 47) of the work within forty-five (45) calendar days from receipt of the Notice to Proceed. This shall be called Contract Time. It is expressly understood that time is of the essence.

Contractor has thoroughly studied the Project and has satisfied itself that the time period for this Project was adequate for the timely and proper completion of the Project within each milestone and within the Contract Time.

In the event that the District desires to postpone giving the notice to proceed beyond this ninety (90) day period, it is expressly understood that with reasonable notice to the Contractor, giving the notice to proceed may be postponed by the District. It is further expressly understood by the Contractor, that the Contractor shall not be entitled to any claim of additional compensation as a result of the District's postponement of giving the notice to proceed.

If the Contractor believes that a postponement will cause hardship to it, the Contractor may terminate the Contract with written notice to the District within ten (10) days after receipt by the Contractor of the District's notice of postponement. It is further understood by the Contractor that in the event that the Contractor terminates the Contract as a result of postponement by the District, the District shall only be obligated to pay the Contractor for the work performed by the Contractor at the time of notification of postponement. Should the

Contractor terminate the Contract as a result of a notice of postponement, the District shall have the authority to award the Contract to the next lowest responsible bidder.

ARTICLE 3 - LIQUIDATED DAMAGES: It being impracticable and infeasible to determine the amount of actual damage, it is agreed that the Contractor will pay the District the sum of one thousand dollars (\$1,000.00) per calendar day for each and every day of delay beyond the Contract Time set forth in Article 2 of this Agreement (inclusive of Milestones that are critical on the critical path or noted as critical to the District) as liquidated damages and not as a penalty or forfeiture. In the event liquidated damages are not paid, the Contractor further agrees that the District may deduct such amount thereof from any money due or that may become due the Contractor under the Contract. This Article shall not be construed as preventing the District from the recovery of damages (actual or other) under the Contract Documents.

ARTICLE 4 - CONTRACT PRICE: The District shall pay to the Contractor as full consideration for the faithful performance of the Contract, subject to any additions or deductions as provided in the Contract Documents, the sum of one million twenty three thousand six hundred and eighty one DOLLARS (\$1,023,681.00), said sum being the total amount stipulated in the Bid Contractor submitted. Payment shall be made as set forth in the General Conditions.

Should any Change Order result in an increase in the Contract Price, the cost of such Change Order shall be agreed to in advance by the Contractor and the District, subject to the monetary limitations set forth in Public Contract Code section 20118.4. In the event that the Contractor proceeds with a Change in work without an agreement between the District and Contractor regarding the cost of a Change Order, the Contractor waives any Claim of additional compensation for such additional work.

ARTICLE 5 - HOLD HARMLESS AGREEMENT: Contractor shall defend, indemnify and hold harmless District, Architect, Construction Manager (if any), Inspector, the State of California and their officers, employees, agents and independent contractors from all liabilities, claims, actions, liens, judgments, demands, damages, losses, costs or expenses of any kind arising from death, personal injury, property damage or other cause based or asserted upon any act, omission, or breach connected with or arising from the progress of work or performance of service under this Agreement or the Contract Documents. As part of this indemnity, Contractor shall protect and defend, at its own expense, District, Architect, Construction Manager (if any), Inspector, the State of California and their officers, employees, agents and independent contractors from any legal action including attorney's fees or other proceeding based upon such act, omission, breach or as otherwise required by this Article.

Furthermore, Contractor agrees to and does hereby defend, indemnify and hold harmless District, Architect, Construction Manager (if any), Inspector, the State of California and their officers, employees, agents and independent contractors from every claim or demand made, and every liability, loss, damage, expense or attorney's fees of any nature whatsoever, which may be incurred by reason of:

(a) Liability for (1) death or bodily injury to persons; (2) damage or injury to, loss (including theft), or loss of use of, any property; (3) any failure or alleged failure to comply with any provision of law or the Contract Documents; or (4) any other loss, damage or expense,

sustained by any person, firm or corporation or in connection with the work called for in this Agreement or the Contract Documents, except for liability resulting from the sole or active negligence, or the willful misconduct of the District.

(b) Any bodily injury to or death of persons or damage to property caused by any act, omission or breach of Contractor or any person, firm or corporation employed by Contractor, either directly or by independent contract, including all damages or injury to or death of persons, loss (including theft) or loss of use of any property, sustained by any person, firm or corporation, including the District, arising out of or in any way connected with work covered by this Agreement or the Contract Documents, whether said injury or damage occurs either on or off District property, but not for any loss, injury, death or damages caused by the sole or active negligence or willful misconduct of the District.

(c) Any dispute between Contractor and Contractor's subcontractors/supplies/Sureties, including, but not limited to, any failure or alleged failure of the Contractor (or any person hired or employed directly or indirectly by Contractor) to pay any Subcontractor or Materialman of any tier or any other person employed in connection with the work and/or filing of any stop notice or mechanic's lien claims.

Contractor, at its own expense, cost, and risk, shall defend any and all claims, actions, suits, or other proceedings that may be brought or instituted against the District, its officers, agents or employees, on account of or founded upon any cause, damage, or injury identified herein Article 5 and shall pay or satisfy any judgment that may be rendered against the District, its officers, agents or employees in any action, suit or other proceedings as a result thereof.

The Contractor's and Subcontractors' obligation to defend, indemnify and hold harmless the Owner, Architect, Inspector, the State of California and their officers, employees, agents and independent contractors hereunder shall include, without limitation, any and all claims, damages, and costs for the following: (1) any damages or injury to or death of any person, and damage or injury to, loss (including theft), or loss of use of, any property; (2) breach of any warranty, express or implied; (3) failure of the Contractor or Subcontractors to comply with any applicable governmental law, rule, regulation, or other requirement; (4) products installed in or used in connection with the Work; and (5) any claims of violation of the Americans with Disabilities Act ("ADA")

ARTICLE 6 - PROVISIONS REQUIRED BY LAW: Each and every provision of law and clause required to be inserted in this Contract shall be deemed to be inserted herein, and this Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted or is not inserted correctly, then upon application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

ARTICLE 7 - COMPONENT PARTS OF THE CONTRACT: The Contract entered into by this Agreement consists of the following Contract Documents, all of which are component parts of the Contract as if herein set out in full or attached hereto:

Notice Inviting Bids
 Instructions to Bidders
 Bid Form
 Designation of Subcontractors
 Bid Bond
 Bid Guarantee Form
 Contractor's Certificate Regarding Worker's Compensation
 Non-Collusion Declaration
 Substitution Request Form
 Acknowledgment of Bidding Practices Regarding Indemnity
 DVBE Participation Statement
 Site Visit Certification
 References
 Form Agreement
 Payment Bond
 Performance Bond
 Contractor's Certificate Regarding Drug-Free Workplace
 Contractor's Certificate Regarding Alcohol and Tobacco
 Guarantee
 Contractor DVBE Close-Out Statement
 Escrow Agreement for Security Deposit In Lieu of Retention
 Insurance Documents and Endorsements
 Contractor's Certificate Regarding Background Checks
 General Conditions
 Supplementary and Special Conditions (if any)
 Specifications
 All Addenda as Issued
 Drawings/Plans

All of the above named Contract Documents are intended to be complementary. work required by one of the above named Contract Documents and not by others shall be done as if required by all.

ARTICLE 8 - PREVAILING WAGES: Wage rates for this Project shall be in accordance with the general prevailing rate of holiday and overtime work in the locality in which the work is to be performed for each craft, classification, or type of work needed to execute the Contract as determined by the Director of the Department of Industrial Relations. Copies of schedules of rates so determined by the Director of the Department of Industrial Relations are on file at the administrative office of the District and are also available from the Director of the Department of Industrial Relations. Monitoring and enforcement of the prevailing wage laws and related requirements will be performed by the Labor Commissioner/ Department of Labor Standards Enforcement (DLSE).

The following are hereby referenced and made a part of this Agreement and Contractor stipulates to the provisions contained therein.

1. Chapter 1 of Part 7 of Division 2 of the Labor Code (Section 1720 et seq.)

2. California Code of Regulations, Title 8, Chapter 8, Subchapters 3 through 6 (Section 16000 et seq.)

ARTICLE 9 - RECORD AUDIT: In accordance with Government Code section 8546.7 (and Davis Bacon, if applicable) and the General Conditions, records of both the District and the Contractor shall be subject to examination and audit for a period of five (5) years after a Final Retention Payment or the Recording of a Notice of Completion, whichever occurs first.

ARTICLE 10 - CONTRACTOR'S LICENSE: The Contractor must possess throughout the Project a Class B Contractor's License, issued by the State of California, which must be current and in good standing.

IN WITNESS WHEREOF, this Agreement has been duly executed by the above named parties, on the day and year first above written.

DISTRICT:

CONTRACTOR:

Capistrano Unified School District

Paul C. Miller Construction Co., Inc.

By: Janet Polite
Typed or Printed Name

Typed or Printed Name

Supervisor, Purchasing
Title

Title

Signature

Signature

Board Approval Date: May 11, 2016

Type or Printed Name

Title (Authorized Officers or Agents)

Signature

(CORPORATE SEAL)

**Capistrano Unified School District
Bid No. 1516-22 Aliso Niguel High School Relocatable Classrooms**

Bid Opening: April 15, 2016, 11:00 a.m.

CUSD Education Center

Training Room 3

33122 Valle Road

San Juan Capistrano, CA 92675

	Contractor	Bid Amount
1	Aghapy Group, Inc.	Withdrew Bid *
2	Keystone Builders, Inc.	\$239,716.00
3	Marjani Builders, Inc.	\$248,000.00
4	R. Jensen Co. Inc.	\$213,800.00

***Withdrew Bid under Relief of Bidder Provision**

BID FORM

ALISO NIGUEL HIGH SCHOOL RELOCATABLE CLASSROOMS

ALISO NIGUEL HIGH SCHOOL

28000 Wolverine Way, Aliso Viejo, CA, 92656

WLC Project No. 1611100.06

Bid No. 1516-22

FOR

Capistrano Unified School District

**CONTRACTOR
NAME:**

R. JENSEN CO., INC

ADDRESS:

538 6th St.
NORCO, CA 92860

TELEPHONE:

(951) 479-5471

FAX:

(951) 479-5472

EMAIL

RJENSENCompany@aol.com

TO: Capistrano Unified School District, acting by and through its Governing Board, herein called "District".

1. Pursuant to and in compliance with your Notice Inviting Bids and other documents relating thereto, the undersigned bidder, having familiarized himself with the terms of the Contract, the local conditions affecting the performance of the Contract, the cost of the work at the place where the work is to be done, with the Drawings and Specifications, and other Contract Documents, hereby proposes and agrees to perform within the time stipulated, the Contract, including all of its component parts, and everything required to be performed, including its acceptance by the District, and to provide and furnish any and all labor, materials, tools, expendable equipment, and utility and transportation services necessary to perform the Contract and complete all of the work in a workmanlike manner required in connection with the construction of:

BID NO. 1516-22

Aliso Niguel High School Relocatable Classrooms

in the District described above, all in strict conformance with the drawings and other Contract Documents on file at the Purchasing Office of said District for amounts set forth herein.

2. BIDDER ACKNOWLEDGES THE FOLLOWING ADDENDUM:

Number	Number	Number	Number	Number	Number	Number	Number
<u>1</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Acknowledge the inclusion of all Addenda issued prior to bid in the blanks provided above. Your failure to do so may render your bid non-responsive.

3. A. TOTAL CASH PURCHASE PRICE IN WORDS & NUMBERS:

Two Hundred Thirteen Thousand Eight Hundred Dollars
DOLLARS

(\$ 213,800)

4. TIME FOR COMPLETION: The District may give a notice to proceed within ninety (90) days of the award of the bid by the District. Once the Contractor has received the notice to proceed, the Contractor shall complete the work in the time specified in the Agreement. By submitting this bid, Contractor has thoroughly studied this Project and agrees that the Contract Time for this Project is adequate for the timely and proper completion of the Project. Further, Contractor has included in the analysis of the time required for this Project, rain days, and the requisite time to complete the punch list.

In the event that the District desires to postpone giving the notice to proceed beyond this ninety (90) day period, it is expressly understood that with reasonable notice to the Contractor,

giving the notice to proceed may be postponed by the District. It is further expressly understood by the Contractor, that the Contractor shall not be entitled to any claim of additional compensation as a result of the postponement of giving the notice to proceed.

If the Contractor believes that a postponement will cause a hardship to it, the Contractor may terminate the contract with written notice to the District within ten (10) days after receipt by the Contractor of the District's notice of postponement. Should the Contractor terminate the Contract as a result of a notice of postponement, the District shall have the authority to award the Contract to the next lowest responsible bidder, if applicable.

It is understood that the District reserves the right to reject any or all bids and/or waive any irregularities or informalities in this bid or in the bid process. The Contractor understands that it may not withdraw this bid for a period of ninety (90) days after the date set for the opening of bids.

5. It is understood that the District reserves the right to reject any or all bids and/or waive any irregularities or informalities in this bid or in the bid process. The Contractor understands that it may not withdraw this bid for a period of ninety (90) days after the date set for the opening of bids.

6. Attached is bid security in the amount of not less than ten percent (10%) of the bid:

Bid bond (10% of the Bid), certified check, or cashier's check (circle one)

7. The required List of Designated Subcontractors is attached hereto.

8. The required Non-Collusion Declaration is attached hereto.

9. The Substitution Request Form, if applicable, is attached hereto.

10. It is understood and agreed that if written notice of the acceptance of this bid is mailed, telegraphed, or delivered to the undersigned after the opening of the bid, and within the time this bid is required to remain open, or at any time thereafter before this bid is withdrawn, the undersigned will execute and deliver to the District a Contract in the form attached hereto in accordance with the bid as accepted, and that he or she will also furnish and deliver to the District the Performance Bond and Payment Bond, all within five (5) calendar days after award of Contract, and that the work under the Contract shall be commenced by the undersigned bidder, if awarded the Contract, by the start date provided in the District's Notice to Proceed, and shall be completed by the Contractor in the time specified in the Contract Documents.

11. The names of all persons interested in the foregoing proposal as principals are as follows:

ROBERT JENSEN

(IMPORTANT NOTICE: If bidder or other interested person is a corporation, state the legal name of such corporation, as well as the names of the president, secretary, treasurer, and manager thereof; if a co-partnership, state the true names of the firm, as well as the names of all individual co-partners comprising the firm; if bidder or other interested person is an individual, state the first and last names in full.)

12. PROTEST PROCEDURES. If there is a bid protest, the grounds shall be submitted as set forth in the Instructions to Bidders.

13. The undersigned bidder shall be licensed and shall provide the following California Contractor's license information:

License Number: 353856
License Expiration Date: 12/31/16
Name on License: R. JENSEN CO., INC.
Class of License: A, B, C10
DIR Registration Number: 1000000522

If the bidder is a joint venture, each member of the joint venture must include the above information.

14. Time is of the essence regarding this Contract, therefore, in the event the bidder to whom the Contract is awarded fails or refuses to post the required bonds and return executed copies of the Agreement form within five (5) calendar days from the date of receiving the Notice of Award, the District may declare the bidder's bid deposit or bond forfeited as damages.

15. The bidder declares that he/she has carefully examined the location of the proposed Project, that he/she has examined the Contract Documents, including the Plans, General Conditions, Supplemental Conditions (if any), Addenda, and Specifications, all others documents and requirements that are attached to and/or contained in the Project Manual, all other documents issued to bidders and read the accompanying instructions to bidders, and hereby proposes and agrees, if this proposal is accepted, to furnish all materials and do all work required to complete the said work in accordance with the Contract Documents, in the time and manner therein prescribed for the unit cost and lump sum amounts set forth in this Bid Form.

16. DEBARMENT. In addition to seeking remedies for False Claims under Government Code section 12650 et seq. and Penal Code section 72, the District may debar a Contractor if the

Board, or the Board may designate a hearing officer who, in his or her discretion, finds the Contractor has done any of the following:

- a. Intentionally or with reckless disregard, violated any term of a contract with the District;
- b. Committed an act or omission which reflects on the Contractor's quality, fitness or capacity to perform work for the District;
- c. Committed an act or offense which indicates a lack of business integrity or business honesty; or
- d. Made or submitted a false claim against the District or any other public entity. (See Government Code section 12650, et seq., and Penal Code section 72)

17. DESIGNATION OF SUBCONTRACTORS. In compliance with the Subletting and Subcontracting Fair Practices Act (California Public Contract Code section 4100 et seq.) and any amendments thereof, each bidder shall list subcontractors on the District's form Subcontractor list. This subcontractor list shall be submitted with the bid and is a required form

I agree to receive service of notices at the e-mail address listed below.

I the below-indicated bidder, declare under penalty of perjury that the information provided and representations made in this bid are true and correct.

R. JENSEN CO., INC.
Proper Name of Company

ROBERT JENSEN
Name of Bidder Representative

538 6th St.
Street Address

NORCO, CA 92860
City, State, and Zip

951.479-5471
Phone Number

951.479-5472
Fax Number

RJENSEN Company@aol.com
E-Mail

By: Robert L. Jensen Date: 4/13/2016
Signature of Bidder Representative

Aliso Niguel High School Relocatable Classrooms
Capistrano Unified School District

Bid Form
Page 20

NOTE: If bidder is a corporation, the legal name of the corporation shall be set forth above together with the signature of authorized officers or agents and the document shall bear the corporate seal; if bidder is a partnership, the true name of the firm shall be set forth above, together with the signature of the partner or partners authorized to sign contracts on behalf of the partnership; and if bidder is an individual, his signature shall be placed above.

All signatures must be made in permanent blue ink.

DESIGNATION OF SUBCONTRACTORS

ATTACHMENT NO. 1 TO BID FORM

In compliance with the Subletting and Subcontracting Fair Practices Act (California Public Contract Code section 4100 et seq.,) and any amendments thereof, each Bidder shall set forth below: (a) the name, license number, and location of the place of business of each subcontractor who will perform work or labor or render service to the Contractor, who will perform work or labor or work or improvement to be performed under this Contract, or a subcontractor licensed by the State of California who, under subcontract to the Contractor, specially fabricates and installs a portion of the work or improvements according to detailed Drawings contained in the Plans and Specifications in an amount in excess of one-half of one percent of the Contractor's total bid; and (b) the portion and description of the work which will be done by each subcontractor under this Act. The Contractor shall list only one subcontractor for each such portion as is defined by the Contractor in this bid. All subcontractors shall be properly licensed by the California State Licensing Board.

If a Contractor fails to specify a subcontractor, or if a Contractor specifies more than one subcontractor for the same portion of work to be performed under the Contract in excess of one-half of one percent of the Contractor's total bid, the Contractor shall be deemed to have agreed that the Contractor is fully qualified to perform that portion, and that the Contractor alone shall perform that portion of the work.

No Contractor whose bid is accepted shall (a) substitute any subcontractor, (b) permit any subcontractor to be voluntarily assigned or transferred or allow the relevant portion of the work to be performed by anyone other than the original subcontractor listed in the original bid, or (c) sublet or subcontract any portion of the work in excess of one-half of one percent of the Contractor's total bid where the original bid did not designate a subcontractor, except as authorized in the Subletting and Subcontracting Fair Practices Act.

Subletting or subcontracting of any portion of the work in excess of one-half of one percent of the Contractor's total bid where no subcontractor was designated in the original bid shall only be permitted in cases of public emergency or necessity, and then only after a finding, reduced to writing as a public record, of the authority awarding this Contract setting forth the facts constituting the emergency or necessity.

All subcontractors (of any tier) performing any portion of the work must comply with the Labor Code sections 1725.5 and 1771.1 and must be properly and currently registered with the California Department of Industrial Relations and qualified to perform public works pursuant to Labor Code section 1725.5 throughout the duration of the Project.

NOTE: If alternate bids are called for and bidder intends to use different or additional subcontractors on the alternates, a separate list of subcontractors must be provided for each such Alternate.

DESIGNATION OF SUBCONTRACTORS FORM

ATTACHMENT NO. 1 TO BID FORM

Description & Portion of Work	Name of Subcontractor	Location & Place of Business	License Type and Number	E-Mail & Telephone*	DIR Registration Number*
PAVING	Medina Const	Fullerton Ca	743177	871-8050 (714)	100000 5716
ELECTRICAL	Fair West	Tustin Ca	417478	505-9974 (714)	100000 1893
CONCRETE	THE 1115				
Site Work	Titan Const	Norco Ca	820136	951 712390 (714)	100000 2226
Low Vol/Type	Hi Tech Building	Anaheim Ca	970366	457-8238 (562)	100000 34759
Fire Alarm	Simplex Grinnell	Santa Fe Springs	986047	465-3800 (562)	100000 0576

Description & Portion of Work	Name of Subcontractor	Location & Place of Business	License Type and Number	E-Mail & Telephone*	DIR Registration Number*

* This information must be provided at the time of submission of bid or must be provided within 24 hours after the time set for the opening of bids. Bidders who choose to provide this information within 24 hours after the time set for the opening of bids are solely responsible to ensure the District receives this information in a timely manner. The District is not responsible for any problems or delays associated with emails, faxes, delivery, etc. Absent a verified fax or email receipt date and time by the District, the District's determination of whether the information was received timely shall govern and be determinative. Bidder shall not revise or amend any other information in this form submitted at the time of bid. The information submitted at the time of bid shall govern over any conflicts, discrepancies, ambiguities or other differences in any subsequent Subcontractor Designation Forms submitted by the bidder.

Proper Name of

Bidder:

Date:

Name:

Signature of Bidder
Representative:

Address:

Phone:

R. JENSEN CO., INC
04/14/14
Robert JENSEN
Robert J. Jensen
538 6th St. NORCO, CA 92860
(951) 479-5471

ACKNOWLEDGMENT OF BIDDING PRACTICES REGARDING INDEMNITY FORM

ATTACHMENT NO. 6 TO BID FORM

TO: Capistrano Unified School District

RE: Project / Bid Number 1516-22

Construction Contract for ALISO NIGUEL HIGH SCHOOL

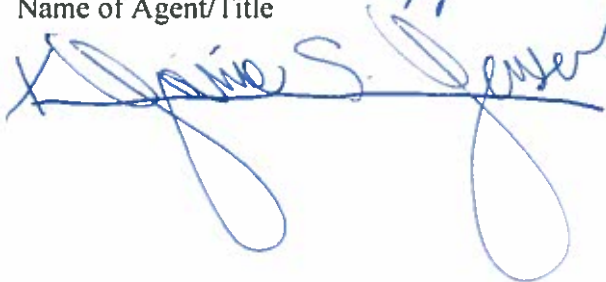
Please be advised that with respect to the above-referenced Project the undersigned Contractor on behalf of itself and all Contractor's subcontractors hereby waives the benefits and protection of Labor Code section 3864, which provides:

"If an action as provided in this chapter is prosecuted by the employee, the employer, or both jointly against the third person results in judgment against such third person, the employer shall have no liability to reimburse or hold such third person harmless on such judgment or settlement in the absence of a written agreement to do so executed prior to the injury."

This Agreement has been signed by an authorized representative of the contracting party and shall be binding upon its successors and assignees. The undersigned further agrees to promptly notify the District of any changes of ownership of the contracting party or any subcontractor while this Agreement is in force.

R. JENSEN Co., INC
Contracting Party

ROBERT JENSEN, PRESIDENT
Name of Agent/Title



DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PARTICIPATION
STATEMENT AT TIME OF BID

ATTACHMENT NO. 7 TO BID FORM

Each bidder must complete this form in order to comply with the Capistrano Unified School District ("District") policy for participation of disabled veteran business enterprises (School District projects funded in whole or in part by the State of California pursuant to the Leroy F. Greene School Facilities Act of 1998. (Education Code §17070.10, *et seq.*)

Project Name: ALISO NIGUEL HIGH SCHOOL

Bid No.: 1516-22

DSA No.: TBD

The undersigned, on behalf of the Contractor named below, certifies that the Contractor has made reasonable efforts to secure participation by DVBE in the Contract to be awarded for the above-referenced Bid No., including participation by DVBE subcontractors and/or material suppliers.

Check only one of the following:

☒ The Contractor was unable after reasonable efforts to secure DVBE participation in the Contract for the above-referenced Project/Bid No. However, the Contractor will use DVBE services if the opportunity arises at any time during construction of the Project. Upon completion of the Project, the Contractor will report to the District the total dollar amount of DVBE participation in any Contract awarded to Contractor, and in any change orders, for the above-referenced Project.

☐ The Contractor has secured DVBE participation in the Contract for the above referenced Project/Bid No., and anticipates that such DVBE participation will equal approximately _____ dollars (\$ _____), which represents approximately _____ percent (____%) of the total Contract for such Project. Upon completion of the Project, Contractor will report to the District the actual total dollar amount of DVBE participation in the Contract awarded to Contractor, and in any change orders, for such Project

Company: R. JENSEN CO., INC.

Name: ROBERT JENSEN

Title: PRESIDENT

Signature: [Signature]

Date: 4/13/2016

SITE VISIT CERTIFICATION

ATTACHMENT NO. 8 TO BID FORM

I certify that I have visited the site of the proposed work and have fully acquainted myself with the conditions of the Project site, as well as those relating to construction and labor of the Project, and I fully understand the facilities, difficulties, and restrictions which may impact the total and adequate completion of the Project.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

I agree to fully defend, indemnify and hold harmless the DISTRICT, Architect, Inspectors, Construction Manager (if any), and their directors, officers, employees, agents and volunteers from any damages, costs, expenses, or omissions related to conditions that could or should have been identified during my visit to the site.

Signature of Bidder: *Robert R. Jensen*

Typed Name of Bidder: *R. JENSEN COMPANY INC*

State of California

County of _____

SUBSCRIBED AND SWORN TO (OR AFFIRMED) BEFORE ME on this _____ day of _____, 20____, by _____

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

(Seal)

(Notary Public)

My Commission Expires:

See Attached

(Expiration Date)

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

- ☒ See Attached Document (Notary to cross out lines 1-6 below)
☐ See Statement Below (Lines 1-6 to be completed only by document signer[s], not Notary)

1
2
3
4
5
6

Robert K. Jensen
 Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of RIVERSIDE

Subscribed and sworn to (or affirmed) before me

on this 14th day of Apr. 1, 2016
 by Date Month Year

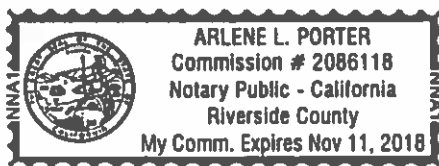
(1) Robert K. Jensen

(and (2) _____),

Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Arlene L. Porter
 Signature of Notary Public



Seal
 Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Site Visit Certificate Document Date: 4-14-16

Number of Pages: _____ Signer(s) Other Than Named Above: _____

REFERENCES

ATTACHMENT NO. 9 TO BID FORM

1. The DISTRICT expressly reserves the right to reject the proposal of any Bidder who, upon investigation, has been determined to fail to complete similar Contracts in a timely fashion or in a satisfactory manner. Such rejection would, if applicable, be based upon the principle that the Bidder is "non-responsible" and poses a substantial risk of being unable to supply the material, equipment, or services to complete the work in a cost-effective, professional and timely manner. The Bidder must complete and submit the attached form; failure to do so may be sufficient cause for the DISTRICT to reject the Bidder's bid as non-responsive.

2. In performing the above-described responsibility determination, the DISTRICT reserves the right to utilize all possible sources of information in making its determination, including but not limited to: inquiries to regulatory State boards and agencies; Dun and Bradstreet credit reports, inquiries to companies and public entities for which the Bidder has previously supplied material or performed work, reference checks and examination of all public records.

3. The Bidder must also demonstrate knowledge of school purchasing and business techniques and should possess a working ability and experience in providing similar material to a public agency. The Bidder shall furnish the names, current phone numbers, addresses, points of contact, and scope of work of at least five (5) customers served within the past three (3) years with requirements similar to the needs of the Capistrano Unified School District.

4. Failure to furnish the references (*in the complete format required*) may cause your proposal to be rejected as non-responsive.

5. EXAMPLE: Your references should be listed in the following format (facts are example only)

- (a) Work for X Y Z Unified School District
- (b) Phone # (222) 123-4567
- (c) 999 Holly Drive, L. A., CA 92000
- (d) Contact: J. Q. Jones III at above #

6. Reference #1

District or Entity: CAPISTRANO USD - DANA HILLS
Phone No.: (949) 234-9200
Address: 3312 Z VAILE ROAD, SAN JUAN Cap, CA 92671
Name of Contact: AJ KNOWLAND

Reference #2

District or Entity: CORONA NORCO USD - VARIOUS PROJECTS
Phone No.: 951) 736-5000
Address: 2820 CLARK, NORCO, CA 92860
Name of Contact: LYNN MURRAY

Reference #3

District or Entity: RIVERSIDE USD 4 sites portables & Site work
Phone No.: 951) 788-7135
Address: 3380 14TH ST., RIVERSIDE, CA 92501
Name of Contact: KEVIN HAUSER

Reference #4

District or Entity: PALM SPRINGS USD - 4 sites portables site work
Phone No.: (760) 416-6126
Address: 900 E. TAQVITZ CANYON Way, Palm Springs 92262
Name of Contact: JOHN VEGA

Reference #5

District or Entity: SADDLEBACK VALLEY USD - VARIOUS
Phone No.: 949) 586-1234 A HARTMAN, MISSION Viejo 92691
Address: 25631 PETER
Name of Contact: DAVID BELL

By: _____

Signature of Bidder

FORM AGREEMENT

THIS AGREEMENT, entered into this 12th day of May, 2016 in the County of Orange of the State of California, by and between the Capistrano Unified School District, hereinafter called the "District", and R. Jensen Co., Incorporated, hereinafter called the "Contractor".

WITNESSETH that the District and the Contractor for the consideration stated herein agree as follows:

ARTICLE I - SCOPE OF WORK: The Contractor shall furnish all labor, materials, equipment, tools, and utility and transportation services, and perform and complete all work required in connection with Aliso Niguel High School Relocatable Classrooms ("Project") in strict accordance with the Contract Documents enumerated in Article 7 below. The Contractor shall be liable to the District for any damages arising as a result of a failure to comply with that obligation, and the Contractor shall not be excused with respect to any failure to so comply by an act or omission of the Architect, Engineer, Inspector, Division of the State Architect (DSA), or representative of any of them, unless such act or omission actually prevents the Contractor from fully complying with the Contract Documents and the Contractor protests, in accordance with the Contract Documents, that the act or omission is preventing the Contractor from fully complying with the Contract Documents. Such protest shall not be effective unless reduced to writing and filed with the District office within seven (7) days of the date of occurrence of such act or omission preventing the Contractor from fully complying with the Contract Documents.

ARTICLE 2 - TIME OF COMPLETION: The District may give notice to proceed within ninety (90) days of the award of the bid by the District. Once the Contractor has received a notice to proceed, the Contractor shall complete the Project (See Article 47) of the work within Forty-six (46) calendar days from receipt of the Notice to Proceed. This shall be called Contract Time. It is expressly understood that time is of the essence.

Contractor has thoroughly studied the Project and has satisfied itself that the time period for this Project was adequate for the timely and proper completion of the Project within each milestone and within the Contract Time.

In the event that the District desires to postpone giving the notice to proceed beyond this ninety (90) day period, it is expressly understood that with reasonable notice to the Contractor, giving the notice to proceed may be postponed by the District. It is further expressly understood by the Contractor, that the Contractor shall not be entitled to any claim of additional compensation as a result of the District's postponement of giving the notice to proceed.

If the Contractor believes that a postponement will cause hardship to it, the Contractor may terminate the Contract with written notice to the District within ten (10) days after receipt by the Contractor of the District's notice of postponement. It is further understood by the Contractor that in the event that the Contractor terminates the Contract as a result of postponement by the District, the District shall only be obligated to pay the Contractor for the work performed by the Contractor at the time of notification of postponement. Should the

Contractor terminate the Contract as a result of a notice of postponement, the District shall have the authority to award the Contract to the next lowest responsible bidder.

ARTICLE 3 - LIQUIDATED DAMAGES: It being impracticable and infeasible to determine the amount of actual damage, it is agreed that the Contractor will pay the District the sum of FIVE HUNDRED (\$500) per calendar day for each and every day of delay beyond the Contract Time set forth in Article 2 of this Agreement (inclusive of Milestones that are critical on the critical path or noted as critical to the District) as liquidated damages and not as a penalty or forfeiture. In the event liquidated damages are not paid, the Contractor further agrees that the District may deduct such amount thereof from any money due or that may become due the Contractor under the Contract. This Article shall not be construed as preventing the District from the recovery of damages (actual or other) under the Contract Documents.

ARTICLE 4 - CONTRACT PRICE: The District shall pay to the Contractor as full consideration for the faithful performance of the Contract, subject to any additions or deductions as provided in the Contract Documents, the sum of two hundred and thirteen thousand, eight hundred DOLLARS (\$ 213,800.00), said sum being the total amount stipulated in the Bid Contractor submitted. Payment shall be made as set forth in the General Conditions.

Should any Change Order result in an increase in the Contract Price, the cost of such Change Order shall be agreed to in advance by the Contractor and the District, subject to the monetary limitations set forth in Public Contract Code section 20118.4. In the event that the Contractor proceeds with a Change in work without an agreement between the District and Contractor regarding the cost of a Change Order, the Contractor waives any Claim of additional compensation for such additional work.

ARTICLE 5 - HOLD HARMLESS AGREEMENT: Contractor shall defend, indemnify and hold harmless District, Architect, Construction Manager (if any), Inspector, the State of California and their officers, employees, agents and independent contractors from all liabilities, claims, actions, liens, judgments, demands, damages, losses, costs or expenses of any kind arising from death, personal injury, property damage or other cause based or asserted upon any act, omission, or breach connected with or arising from the progress of work or performance of service under this Agreement or the Contract Documents. As part of this indemnity, Contractor shall protect and defend, at its own expense, District, Architect, Construction Manager (if any), Inspector, the State of California and their officers, employees, agents and independent contractors from any legal action including attorney's fees or other proceeding based upon such act, omission, breach or as otherwise required by this Article.

Furthermore, Contractor agrees to and does hereby defend, indemnify and hold harmless District, Architect, Construction Manager (if any), Inspector, the State of California and their officers, employees, agents and independent contractors from every claim or demand made, and every liability, loss, damage, expense or attorney's fees of any nature whatsoever, which may be incurred by reason of:

(a) Liability for (1) death or bodily injury to persons; (2) damage or injury to, loss (including theft), or loss of use of, any property; (3) any failure or alleged failure to comply with

any provision of law or the Contract Documents; or (4) any other loss, damage or expense, sustained by any person, firm or corporation or in connection with the work called for in this Agreement or the Contract Documents, except for liability resulting from the sole or active negligence, or the willful misconduct of the District.

(b) Any bodily injury to or death of persons or damage to property caused by any act, omission or breach of Contractor or any person, firm or corporation employed by Contractor, either directly or by independent contract, including all damages or injury to or death of persons, loss (including theft) or loss of use of any property, sustained by any person, firm or corporation, including the District, arising out of or in any way connected with work covered by this Agreement or the Contract Documents, whether said injury or damage occurs either on or off District property, but not for any loss, injury, death or damages caused by the sole or active negligence or willful misconduct of the District.

(c) Any dispute between Contractor and Contractor's subcontractors/supplies/Sureties, including, but not limited to, any failure or alleged failure of the Contractor (or any person hired or employed directly or indirectly by Contractor) to pay any Subcontractor or Materialman of any tier or any other person employed in connection with the work and/or filing of any stop notice or mechanic's lien claims.

Contractor, at its own expense, cost, and risk, shall defend any and all claims, actions, suits, or other proceedings that may be brought or instituted against the District, its officers, agents or employees, on account of or founded upon any cause, damage, or injury identified herein Article 5 and shall pay or satisfy any judgment that may be rendered against the District, its officers, agents or employees in any action, suit or other proceedings as a result thereof.

The Contractor's and Subcontractors' obligation to defend, indemnify and hold harmless the Owner, Architect, Inspector, the State of California and their officers, employees, agents and independent contractors hereunder shall include, without limitation, any and all claims, damages, and costs for the following: (1) any damages or injury to or death of any person, and damage or injury to, loss (including theft), or loss of use of, any property; (2) breach of any warranty, express or implied; (3) failure of the Contractor or Subcontractors to comply with any applicable governmental law, rule, regulation, or other requirement; (4) products installed in or used in connection with the Work; and (5) any claims of violation of the Americans with Disabilities Act ("ADA")

ARTICLE 6 - PROVISIONS REQUIRED BY LAW: Each and every provision of law and clause required to be inserted in this Contract shall be deemed to be inserted herein, and this Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted or is not inserted correctly, then upon application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

ARTICLE 7 - COMPONENT PARTS OF THE CONTRACT: The Contract entered into by this Agreement consists of the following Contract Documents, all of which are component parts of the Contract as if herein set out in full or attached hereto:

Notice Inviting Bids
Instructions to Bidders
Bid Form
Designation of Subcontractors
Bid Bond
Bid Guarantee Form
Contractor's Certificate Regarding Worker's Compensation
Non-Collusion Declaration
Substitution Request Form
Acknowledgment of Bidding Practices Regarding Indemnity
DVBE Participation Statement
Site Visit Certification
References
Form Agreement
Payment Bond
Performance Bond
Contractor's Certificate Regarding Drug-Free Workplace
Contractor's Certificate Regarding Alcohol and Tobacco
Guarantee
Contractor DVBE Close-Out Statement
Escrow Agreement for Security Deposit In Lieu of Retention
Insurance Documents and Endorsements
Contractor's Certificate Regarding Background Checks
General Conditions
Supplementary and Special Conditions (if any)
Specifications
All Addenda as Issued
Drawings/Plans

All of the above named Contract Documents are intended to be complementary. work required by one of the above named Contract Documents and not by others shall be done as if required by all.

ARTICLE 8 - PREVAILING WAGES: Wage rates for this Project shall be in accordance with the general prevailing rate of holiday and overtime work in the locality in which the work is to be performed for each craft, classification, or type of work needed to execute the Contract as determined by the Director of the Department of Industrial Relations. Copies of schedules of rates so determined by the Director of the Department of Industrial Relations are on file at the administrative office of the District and are also available from the Director of the Department of Industrial Relations. Monitoring and enforcement of the prevailing wage laws and related requirements will be performed by the Labor Commissioner/ Department of Labor Standards Enforcement (DLSE).

The following are hereby referenced and made a part of this Agreement and Contractor stipulates to the provisions contained therein.

1. Chapter 1 of Part 7 of Division 2 of the Labor Code (Section 1720 et seq.)
2. California Code of Regulations, Title 8, Chapter 8, Subchapters 3 through 6 (Section 16000 et seq.)

ARTICLE 9 - RECORD AUDIT: In accordance with Government Code section 8546.7 (and Davis Bacon, if applicable) and the General Conditions, records of both the District and the Contractor shall be subject to examination and audit for a period of five (5) years after a Final Retention Payment or the Recording of a Notice of Completion, whichever occurs first.

ARTICLE 10 - CONTRACTOR'S LICENSE: The Contractor must possess throughout the Project a Class B Contractor's License, issued by the State of California, which must be current and in good standing.

IN WITNESS WHEREOF, this Agreement has been duly executed by the above named parties, on the day and year first above written.

DISTRICT:

Capistrano Unified School District

By: Janet Polite

Typed or Printed Name

Supervisor, Purchasing

Title

Signature

Board Approval Date: May 11, 2016

CONTRACTOR:

R. Jensen Co., Incorporated

Typed or Printed Name

Title

Signature

Type or Printed Name

Title (Authorized Officers or Agents)

Signature

(CORPORATE SEAL)

EXHIBIT A
Capistrano Unified School District
Bid No. 1516-25
Asphalt Paving, Sealcoating and Repair

JOB SCENARIO #1-PARKING LOT 30% WEIGHTED			Ben's Asphalt, Inc		Century Paving, Inc.		JB Bostick Company, Inc.		Hardy & Harper, Inc.	
Bid Item #	Description	Unit of Measure	Bid Price	Extended Price	Bid Price	Extended Price	Bid Price	Extended Price	Bid Price	Extended Price
88	Parking Lot Sweeping (Square Foot)	225,000	\$500.00 for min. chg of 10,000 sf (\$0.05 per SF)	\$11,250.00	\$850.00 min. chg 5,000 sf (\$0.17 per SF)	\$38,250.00	\$550.00 min. chg for 10,000 (\$0.055 PER SF)	\$12,375.00	5,000 SF @ \$30.00	\$2,250.00
72	Curb Painting (Linear Foot)	2,320	\$0.70	\$1,624.00	\$0.75	\$1,740.00	\$1.00	\$2,320.00	\$0.85	\$1,972.00
64	Striping, 4" Wide (Linear Foot)	35,000	\$0.30	\$10,500.00	\$0.40	\$14,000.00	\$0.35	\$12,250.00	\$0.40	\$14,000.00
75	Seal Coat (Square Foot)	50,000	\$0.08	\$4,000.00	\$0.25	\$12,500.00	\$0.08	\$4,000.00	\$0.12	\$6,000.00
57	Slurry (Square Foot)	150,000	\$0.10	\$15,000.00	\$0.30	\$45,000.00	\$0.18	\$27,000.00	\$0.38	\$57,000.00
61	Double Slurry (Square Foot)	25,000	\$0.15	\$3,750.00	\$0.45	\$11,250.00	\$0.20	\$5,000.00	\$0.80	\$20,000.00
97	Labor (Per Hour) (6 men)	16	\$70.00	\$6,720.00	\$77.00	\$7,392.00	\$85.00	\$8,160.00	\$95.00	\$9,120.00
	TOTAL PRICE			\$52,844.00		\$130,132.00		\$71,105.00		\$110,342.00
	30% Weighted Calculation of Extended Price			\$15,853.20		\$39,039.60		\$21,331.50		\$33,102.60
JOB SCENARIO #2-Minimum Charge 10% Weighted			Ben's Asphalt, Inc		Century Paving, Inc.		JB Bostick Company, Inc.		Hardy & Harper, Inc.	
Bid Item #	Description	Unit of Measure	Bid Price	Extended Price	Bid Price	Extended Price	Bid Price	Extended Price	Bid Price	Extended Price
98	Minimum Charge	Lump Sum	\$1,500.00	\$1,500.00	\$1,300.00	\$1,300.00	\$2,500.00	\$2,500.00	\$1,500.00	\$1,500.00
	TOTAL PRICE			\$1,500.00		\$1,300.00		\$2,500.00		\$1,500.00
	10% Weighted Calculation of Extended Price			\$150.00		\$130.00		\$250.00		\$150.00

EXHIBIT A
Capistrano Unified School District
Bid No. 1516-25
Asphalt Paving, Sealcoating and Repair

JOB SCENARIO #3-Playground 30% Weighted				Ben's Asphalt, Inc		Century Paving, Inc.		JB Bostick Company, Inc.		Hardy & Harper, Inc.	
Bid Item #	Description	Unit of Measure		Bid Price	Extended Price	Bid Price	Extended Price	Bid Price	Extended Price	Bid Price	Extended Price
75	Seal Coat (Square Foot)	10,001		\$0.08	\$800.08	\$0.25	\$2,500.25	\$0.08	\$800.08	\$0.12	\$1,200.12
25	Skin Patch (Square Foot)	3,300		\$0.55	\$1,815.00	\$1.00	\$3,300.00	\$0.75	\$2,475.00	\$0.85	\$2,805.00
81	Grind (Linear Foot)	600		\$2.00	\$1,200.00	\$0.55	\$330.00	\$1.25	\$750.00	\$2.50	\$1,500.00
13	6 Inch R and R (Square Foot)	550		\$5.00	\$2,750.00	\$5.99	\$3,294.50	\$5.95	\$3,272.50	\$7.00	\$3,850.00
10	4 Inch R and R (Square Foot)	3,100		\$3.00	\$9,300.00	\$3.22	\$9,982.00	\$3.25	\$10,075.00	\$3.60	\$11,160.00
52	Redwood Header 2" x 6" (Linear Foot)	550		\$3.50	\$1,925.00	\$4.40	\$2,420.00	\$3.75	\$2,062.50	\$4.50	\$2,475.00
	TOTAL PRICE				\$17,790.08		\$21,826.75		\$19,435.08		\$22,990.12
	30% Weighted Calculation of Extended Price				\$5,337.02		\$6,548.03		\$5,830.52		\$6,897.04

EXHIBIT A
Capistrano Unified School District
Bid No. 1516-25
Asphalt Paving, Sealcoating and Repair

JOB SCENARIO #4-Site 15% Weighted			Ben's Asphalt, Inc		Century Paving, Inc.		JB Bostick Company, Inc.		Hardy & Harper, Inc.	
Bid Item #	Description	Unit of Measure	Bid Price	Extended Price	Bid Price	Extended Price	Bid Price	Extended Price	Bid Price	Extended Price
81	Grind Asphalt at Concrete Edges to Match Elevations (Linear Foot)	3,500	\$2.00	\$7,000.00	\$0.55	\$1,925.00	\$1.25	\$4,375.00	\$2.50	\$8,750.00
25	Skin Patch (Square Foot)	10,850	\$0.55	\$5,967.50	\$1.00	\$10,850.00	\$0.75	\$8,137.50	\$0.85	\$9,222.50
32	Place 1 Inch additional thickness Asphalt (Square Foot to Each Unit)	10,850	\$0.50	\$5,425.00	\$0.44	\$4,774.00	\$1.50	\$16,275.00	\$0.60	\$6,510.00
15	6 Inch R and R (Square Foot)	5,670	\$4.50	\$25,515.00	\$4.85	\$27,499.50	\$4.75	\$26,932.50	\$5.50	\$31,185.00
75	Seal Coat-Unit Prices Indicate One Coat Application (Square Foot)	241,050	\$0.08	\$19,284.00	\$0.25	\$60,262.50	\$0.08	\$19,284.00	\$0.12	\$28,926.00
64	Striping & Stencil 4 Inch Wide Solid Lines (Lineal Foot)	20,840	\$0.30	\$6,252.00	\$0.40	\$8,336.00	\$0.35	\$7,294.00	\$0.40	\$8,336.00
68	Striping & Stencil 4 Inch Square (Each)	5	\$40.00	\$200.00	\$45.00	\$225.00	\$50.00	\$250.00	\$90.00	\$450.00
69	Striping & Stencil Hop Scotch (Each)	5	\$70.00	\$350.00	\$85.00	\$425.00	\$70.00	\$350.00	\$90.00	\$450.00
70	Striping & Stencil Basket Ball Court (Each)	8	\$250.00	\$2,000.00	\$300.00	\$2,400.00	\$220.00	\$1,760.00	\$300.00	\$2,400.00
66	Stencils 8 Inch -12 Inch (Each)	240	\$1.00	\$240.00	\$1.10	\$264.00	\$1.50	\$360.00	\$1.80	\$432.00
72	Striping & Stencil 4 Inch Wide Solid Lines (Lineal Foot)	5,150	\$0.70	\$3,605.00	\$0.75	\$3,862.50	\$1.00	\$5,150.00	\$0.85	\$4,377.50
	TOTAL PRICE			\$75,838.50		\$120,823.50		\$90,168.00		\$101,039.00

EXHIBIT A
 Capistrano Unified School District
 Bid No. 1516-25
 Asphalt Paving, Sealcoating and Repair

	15% Weighted Calculation of Extended Price			\$11,375.78	\$18,123.53	\$13,525.20	\$15,155.85
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EXHIBIT A
Capistrano Unified School District
Bid No. 1516-25
Asphalt Paving, Sealcoating and Repair

JOB SCENARIO #5-Parking Areas 15% Weighted			Ben's Asphalt, Inc		Century Paving, Inc.		JB Bostick Company, Inc.		Hardy & Harper, Inc.	
Bid Item #	Description	Unit of Measure	Bid Price	Extended Price	Bid Price	Extended Price	Bid Price	Extended Price	Bid Price	Extended Price
75	Seal Coat-Unit Prices Indicate One Coat Application (Square Foot)	49,850	\$0.08	\$3,988.00	\$0.25	\$12,462.50	\$0.08	\$3,988.00	\$0.12	\$5,982.00
64	Striping & Stencil 4 Inch Wide Solid Lines (Lineal Foot)	7,420	\$0.30	\$2,226.00	\$0.40	\$2,968.00	\$0.35	\$2,597.00	\$0.40	\$2,968.00
72	Striping & Stencil 4 Inch Wide Solid Lines (Lineal Foot)	800	\$0.70	\$560.00	\$0.75	\$600.00	\$1.00	\$800.00	\$0.85	\$680.00
	TOTAL PRICE			\$6,774.00		\$16,030.50		\$7,385.00		\$9,630.00
	15% Weighted Calculation of Extended Price			\$1,016.10		\$2,404.58		\$1,107.75		\$1,444.50
	GRAND TOTAL PRICE			\$154,746.58		\$290,112.75		\$190,593.08		\$245,501.12
	GRAND TOTAL WEIGHTED CALCULATION			\$33,732.10		\$66,245.73		\$42,044.97		\$56,749.99

VI. BID FORM

Name of Bidder: BEN'S ASPHALT
To: Capistrano Unified School District, acting by and through its Governing Board, herein called the "DISTRICT."

1. The undersigned Bidder, having become familiarized with all the following documents including but not limited to the Notice Calling for Bids, Information for Bidders, Bid Form, Bid Security, Designation of Subcontractors Form, Information Required of Bidder, all prequalification forms pursuant to Public Contract Code Section 20111.5, if any, Noncollusion Declaration, Workers' Compensation Certificate, Faithful Performance Bond, Payment Bond, Agreement, Drug-Free Workplace Certification, Criminal Records Check Certification, all insurance requirements, Guarantee forms, Contractor's Certificate Regarding Non-Asbestos Containing Materials, Compliance With Safety Regulations, Disabled Veteran Business Enterprises Certification, if applicable, General Conditions and Supplemental Conditions, if any, Special Conditions, if any, specifications, and all modifications, addenda and amendments, if any (hereinafter Project Documents), the local conditions affecting the performance of the work and the cost of the work at the place where the work is to be done, hereby proposes and agrees to be bound by all the terms and conditions of the Project Documents and agrees to perform, within the time stipulated, the work, including all of its component parts, and everything required to be performed, and to provide and furnish and pay for any and all of the labor, materials, tools, expendable equipment, and all applicable taxes, utility and transportation services necessary to perform the work and complete in a good workmanlike manner all of the work required in accordance with laws, codes, regulations, ordinances and any other legal requirements governing the work, in connection with the following:

**Bid No. 1516-25
Asphalt Paving, Sealcoating and Repair**

All in strict conformity with the Project documents, including Addenda Nos. 1, _____, _____, and _____, on file at the office of the Purchasing Department of said DISTRICT.

BID PRICE SHEET

- All pricing herein to include all standard tools, supplies, equipment, applicable delivery, mileage, taxes, insurance, and all miscellaneous costs normally required to complete the job.
- **Note: Bid prices for labor may not be lower than the applicable Prevailing Wage for the specified work. See General Conditions – Prevailing Wage Rates.**
- Bidders must complete all items, or the bid submitted may be declared non-responsive.
- Low bid to be determined by select line items representing the most common District projects at a weighted percentage.

Award for base bid will be determined by select line items representing the most common District projects at a weighted percentage; job scenarios to be provided at bid opening.

ITEM #	DESCRIPTION	UNIT OF MEASURE	BID PRICE
	3" R and R		
1	Minimum charge	Minimum charge	\$ 1500 ⁰⁰
2	100 SF to 500 SF	Square Foot	\$ 4 ⁵⁰
3	501 SF to 1000 SF	Square Foot	\$ 3 ⁵⁰
4	1001 SF to 3000 SF	Square Foot	\$ 3 ⁰⁰
5	3001 SF to 6000 SF	Square Foot	\$ 2 ⁵⁰
	4" R and R		
6	Minimum charge	Minimum charge	\$ 1500 ⁰⁰
7	100 SF to 500 SF	Square Foot	\$ 5 ⁵⁰
8	501 SF to 1000 SF	Square Foot	\$ 4 ⁵⁰
9	1001 SF to 3000 SF	Square Foot	\$ 3 ⁵⁰
10	3001 SF to 6000 SF	Square Foot	\$ 3 ⁰⁰
	6" R and R		
11	Minimum charge	Minimum charge	\$ 1750 ⁰⁰
12	100 SF to 500 SF	Square Foot	\$ 8 ⁰⁰
13	501 SF to 1000 SF	Square Foot	\$ 5 ⁰⁰
14	1001 SF to 3000 SF	Square Foot	\$ 5 ⁰⁰
15	3001 SF to 6000 SF	Square Foot	\$ 4 ⁵⁰
	4" REMOVE and 6" REPLACE		
16	Minimum charge	Minimum charge	\$ 1500 ⁰⁰
17	100 SF to 500SF	Square Foot	\$ 7 ⁵⁰
18	501 SF to 1000 SF	Square Foot	\$ 5 ⁰⁰
19	1001 SF to 3000 SF	Square	\$ 4 ⁷⁵
20	3001 SF to 6000 SF	Square Foot	\$ 4 ⁵⁰

ITEM #	DESCRIPTION	UNIT OF MEASURE	BID PRICE
	SKIN PATCH – various locations – average ½” – 1” thick		
21	Minimum charge	Minimum Charge	\$ 1500. ⁰⁰
22	100 SF to 500 SF	Square Foot	\$ 3. ⁰⁰
23	501 SF to 1000 SF	Square Foot	\$ 2. ⁰⁰
24	1001 SF to 3000 SF	Square Foot	\$.90
25	3001 SF to 6000 SF	Square Foot	\$.55
	OVERLAY – one location, “Petromat” fabric with 1½” overlay		
26	Minimum charge	Minimum Charge	\$ 2,000. ⁰⁰
27	500 SF to 1000 SF	Square Foot	\$ 3. ⁰⁰
28	1001 SF to 5000 SF	Square Foot	\$ 2. ⁰⁰
29	5001 SF to 10,000 SF	Square Foot	\$ 1. ⁷⁵
30	10,001 SF to 20,000 SF	Square Foot	\$ 1. ⁰⁰
31	20,001 SF to 40,000 SF	Square Foot	\$ 1. ⁴⁰
	OTHER		
32	Place 1” additional thickness asphalt	Square Foot to each unit	\$.50
33	Place 1” additional thickness asphalt – including removal	Square Foot to each unit	\$ 1. ⁰⁰
	SPEED BUMPS – Average 35’ long		
34	Minimum charge	Minimum Charge	\$ 1500. ⁰⁰
35	Bumps	Each	\$ 250. ⁰⁰
36	6” AC BERM		
37	Minimum charge	Minimum Charge	\$ 1500. ⁰⁰
38	100 LF to 500 LF	Lineal Foot	\$ 4. ⁰⁰
39	501 LF to 1000 LF	Lineal Foot	\$ 3. ⁰⁰
40	1001 LF to 3000 LF	Lineal Foot	\$ 2. ⁵⁰
	ROUGH GRADE GRASS OR DIRT AREA, INCLUDING REMOVAL, AND PLACE AVERAGE 3” AC PAVING		
41	Minimum charge	Minimum Charge	\$ 1750. ⁰⁰
42	100 SF to 500 SF	Square Foot	\$ 5. ⁵⁰
43	501 SF to 1000 SF	Square Foot	\$ 4. ⁵⁰
44	1001 SF to 3000 SF	Square Foot	\$ 4. ⁰⁰
45	3001 SF to 6000 SF	Square Foot	\$ 3. ²⁵

ITEM #	DESCRIPTION	UNIT OF MEASURE	BID PRICE
46	6001 SF to 10,000 SF	Square Foot	\$ <u>3⁰⁰</u>
47	10,001 SF to 15,000 SF	Square Foot	\$ <u>2⁵⁰</u>
48	Place 1" thick AGG base, including removal	Square Foot to each unit	\$ <u>.50</u>
	RAMP TRANSITION		
49	Minimum move-in per site	Site	\$ <u>1500⁰⁰</u>
50	Minimum move-in per ramp	Ramp	\$ <u>150⁰⁰</u>
	REDWOOD HEADERS		
51	2" x 4"	Lineal Foot	\$ <u>3⁰⁰</u>
52	2" x 6"	Lineal Foot	\$ <u>3⁵⁰</u>
	SLURRY		
53	1 SF to 2000 SF	Square Foot	\$ <u>.50</u>
54	2001 SF to 10,000 SF	Square Foot	\$ <u>.20</u>
55	10,001 SF to 20,000 SF	Square Foot	\$ <u>.10</u>
56	20,001 SF to 40,000 SF	Square Foot	\$ <u>.10</u>
57	40,001 SF and over	Square Foot	\$ <u>.10</u>
	DOUBLE SLURRY - slurry, flash dry, slurry		
58	1 SF to 2000 SF	Square Foot	\$ <u>.75</u>
59	2001 SF to 10,000 SF	Square Foot	\$ <u>.30</u>
60	10,001 SF to 20,000 SF	Square Foot	\$ <u>.15</u>
61	20,001 SF to 40,000 SF	Square Foot	\$ <u>.15</u>
62	40,001 SF and over	Square Foot	\$ <u>.15</u>
	STRIPING AND STENCIL		
63	3" Wide Solid Lines	Lineal Foot	\$ <u>.25</u>
64	4" Wide Solid Lines	Lineal Foot	\$ <u>.30</u>
65	Miscellaneous legends	Lineal Foot	\$ <u>.40</u>
66	Stencils 8"-12" (Letters & Numbers)	Per Letter	\$ <u>1⁰⁰</u>
67	Stencils 24" (Letters & Numbers)	Per Letter	\$ <u>2⁰⁰</u>
68	4 Square	Each	\$ <u>40⁰⁰</u>
69	Hop Scotch	Each	\$ <u>70⁰⁰</u>
70	Basketball Court	Each	\$ <u>250⁰⁰</u>
71	Stop Bar/Limit Line	Each	\$ <u>35⁰⁰</u>
72	Curb Painting (red/yellow/green/white)	Lineal Foot	\$ <u>.70</u>

ITEM #	DESCRIPTION	UNIT OF MEASURE	BID PRICE
	SEALCOAT – unit prices indicate one coat application		
73	1 SF to 2000 SF	Square Foot	\$.50
74	2001 SF to 10,000 SF	Square Foot	\$.20
75	10,001 SF and over	Square Foot	\$.08
76	CONCRETE CURB	Lineal Foot	\$ 15 ⁰⁰
77	GUTTER	Square Foot	\$ 10 ⁰⁰
78	ASPHALT RAMP EXTENSION – typically 4' x 5', 0 – 3" thick	Each	\$ 250 ⁰⁰
79	CRACK REPAIR – grind and fill	Lineal Foot	\$ 2 ⁰⁰
80	CONCRETE FLOW LINE – 3' x 6"	Lineal Foot	\$ 30 ⁰⁰
81	GRIND ASPHALT AT CONCRETE EDGES TO MATCH ELEVATIONS	Lineal Foot	\$ 2 ⁰⁰
82	CONCRETE DRAIN BOX 12" X 12" X 12" WITH TRAFFIC GRATE IN ASPHALT OR CONCRETE	Each	\$ 200 ⁰⁰
83	WHEEL STOPS/PARKING BLOCK	Each	\$ 25 ⁰⁰
84	FLATWORK – 4" concrete	Square Foot	\$ 4 ⁰⁰
	SCHEDULE 40 PVC DRAIN PIPE		
85	In dirt	Lineal Foot	\$.60
86	In asphalt	Lineal Foot	\$.60
87	In concrete	Lineal Foot	\$.60
	PARKING LOT SWEEPING		
88	Minimum Charge	Note Square Footage for minimum charge 10,000	\$ 500 ⁰⁰

ITEM #	DESCRIPTION	UNIT OF MEASURE	BID PRICE
	OPERATED EQUIPMENT		
89	Backhoe	Hour	\$ 115 ⁰⁰
90	Dump truck	Hour	\$ 80 ⁰⁰
91	Roller	Hour	\$ 75 ⁰⁰
92	Skip loader	Hour	\$ 75 ⁰⁰
93	Bobcat	Hour	\$ 115 ⁰⁰
94	Water truck	Hour	\$ 65 ⁰⁰
95	Blade	Hour	\$ 125 ⁰⁰
96	950 loader	Hour	\$ 140 ⁰⁰
97	LABOR – not covered in unit prices	Hour	\$ 70 ⁰⁰
98	MINIMUM CHARGE FOR ANY JOB	Lump Sum	\$ 1,500 ⁰⁰

Each individual bid term shall be determined from visiting the work site, reviewing the drawings and specifications and all portions of the Project Documents, and shall include all items necessary to complete the work, including the assumption of all obligations, duties, and responsibilities necessary to the successful completion of the Project, and the furnishing of all materials and equipment required to be incorporated in and form a permanent part of the work, and the furnishing of tools, equipment, supplies, transportation, facilities, labor, superintendence, and services required to perform and complete the work, all as per the requirements of the Project Documents, whether or not expressly listed or designated.

2. It is understood that the DISTRICT reserves the right to reject any or all bids or to waive any irregularities or informalities in any bids or in the bidding process. Bidder agrees that this bid shall remain open and not be withdrawn for the period specified in the Information for Bidders.

3. The required bid security is attached.

4. The required list(s) of proposed subcontractors is attached hereto, and the undersigned represents and warrants that such list(s) is complete and in compliance with the Subletting and Subcontracting Fair Practices Act. Public Contract Code Sections 4100, et seq.

5. It is understood and agreed that if written notice of the award of a contract is mailed, faxed, or delivered to the bidder, the bidder will execute and deliver to the DISTRICT the Agreement and will also furnish and deliver to the DISTRICT the Faithful Performance Bond and a separate Payment Bond as specified, and certificates and endorsements of insurance, the Workers' Compensation Certificate, Drug-Free Work Place Certification, the Criminal Records Check Certification, Contractor's Certificate Regarding Non-Asbestos Containing Materials, and the Disabled Veteran Business Enterprises Certification, if applicable, within five (5) working days of the notice of award of the contract, or as otherwise requested in writing by the DISTRICT. It is understood that should bidder fail or refuse to return these documents as

required by the DISTRICT, the bid security shall be forfeited to the DISTRICT. The bidder further agrees that the work shall be commenced by the bidder, if awarded the contract, on or before the seventh (7th) day after receiving the DISTRICT'S Notice to Proceed, and shall be completed by the bidder in the time specified by the DISTRICT.

6. Communications conveying notice of award of the contract, requests for additional information or other correspondence should be addressed to the bidder at the address stated below.

7. The name(s) of all persons interested in the bid as principals are as follows:
WILLIAM SKEFFINGTON - PRESIDENT
JOHN SKEFFINGTON - CFO

8. In submitting this bid, the bidder offers and agrees that if the bid is accepted, it will assign to DISTRICT all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Business & Professions Code Section 16700, et seq.) arising from purchases of goods, materials, or services by the bidder for sale to the DISTRICT pursuant to the bid. Such assignment shall be made and become effective at the time the DISTRICT tenders final payment under the contract. (Public Contract Code Section 7103.5; Government Code Section 4450, 4451 and 4452).

9. The undersigned hereby warrants that the bidder has an appropriate license, License No. 808897, Class A, C13, at the time of the bid opening, that such license entitles bidder to provide the work, that such license will be in full force and effect throughout the duration of performance of this Project. Bidder shall be nonresponsive if the Bidder is not licensed as required by the DISTRICT at the time of the bid opening. Any and all subcontractors to be employed by the undersigned shall have appropriate licenses at the time of the bid opening.

10. The bidder hereby certifies that it is, and at all times during the performance of work hereunder shall be, in full compliance with the provisions of the Immigration Reform and Control Act of 1986 ("IRCA") in the hiring of its employees, and the bidder shall indemnify, hold harmless and defend the DISTRICT against any and all actions, proceedings, penalties or claims arising out of the bidder's failure to comply strictly with the IRCA.

11. It is understood and agreed that if requested by the DISTRICT, the bidder shall furnish a notarized financial statement, references, and other information required by the DISTRICT sufficiently comprehensive to permit an appraisal of bidder's ability to perform the Project.

12. The undersigned hereby warrants that all work shall be completed within the time specified in the purchase order or Notice to Proceed. Time is of the essence. The undersigned agrees that failure to complete the work within the time set forth herein will result in the imposition of liquidated damages for each consecutive calendar day of delay in the amount of **two hundred dollars (\$200.00)** (Government Code Section 53069.85)

13. The required noncollusion affidavit properly notarized is attached as required by Public Contract Code Section 7106. Bidder understands and agrees that failure to submit a completed and signed affidavit will render the bidder automatically nonresponsive.

14. It is understood and agreed that all change order requests must be submitted in the form set forth in the Project Documents and pursuant to Article 59 of the General Conditions. The amount of allowable charges submitted pursuant to a change order shall be limited to the charges allowed under Article 59 of the General Conditions. Indirect, consequential and incidental costs, project management costs, extended home office and field office overhead, administrative costs and profit and other charges not specifically authorized under Article 59 of the General Conditions will not be allowed.

15. The Information Required of Bidder form has been fully completed and is attached hereto.

The undersigned hereby declares that all of the representations of this bid are made under penalty of perjury under the laws of the State of California.

Individual Name: _____
Signed by: _____
Print Name: _____
Date: _____
Business Address: _____

Telephone: _____

Partnership Name: _____
Signed by: _____
Print Name: _____
Date: _____
Business Address: _____

Telephone: _____
Other Partner(s): _____

Corporation Name: BEN'S ASPHATT
(a CALIFORNIA Corporation)
Business Address: 2200 SOUTH YALE ST.
SANTA ANA CA 92704
Telephone: (714) 840 1700
Signed by: [Signature], President, Date: 4/12/16
Print Name: WILLIAM SKIFFINGTON, President
Signed by: [Signature], Secretary, Date: 4/12/16
Print Name: JOHN SKIFFINGTON, Secretary
[Seal]

¹ A corporation awarded the contract shall furnish evidence of its corporate existence and evidence that the officer signing the Agreement and bonds is duly authorized to do so.

Joint Venturer

Name: _____

Signed by: _____, Joint Venturer

Print Name: _____

Date: _____

Business Address: _____

Telephone: _____

Other Parties to
Joint Venture:

If an individual: _____
(Name)

Signed by: _____

Print Name: _____

Date: _____

Doing Business as: _____;

Business Address: _____

Telephone: _____

If a Partnership: _____
(Name)

Signed by: _____, Partner

Print Name: _____

Date: _____

Business Address: _____

Telephone: _____

If a Corporation: _____
(a _____ Corporation)

Signed By: _____ Date: _____

Print Name: _____

Title: _____

Date: _____

Business Address: _____

Telephone: _____

XIV. AGREEMENT

THIS AGREEMENT, dated May 12, 2016, , in the County of Orange, State of California, is by and between Capistrano Unified School District, (hereinafter referred to as "DISTRICT"), and Ben's Asphalt, Inc. (hereinafter referred to as "CONTRACTOR").

The DISTRICT and the CONTRACTOR, for the consideration stated herein, agree as follows:

1. CONTRACTOR agrees to complete the Project known as **BID NO. 1516-25, ASPHALT PAVING, SEALCOATING AND REPAIR** according to all the terms and conditions set forth in the Project Documents, including but not limited to the Notice Calling For Bids, Information for Bidders, Bid Form, Bid Security, Designation of Subcontractors, Information Required of Bidder, all prequalification forms submitted pursuant to Public Contract Code Section 20111.5, if any, Noncollusion Affidavit, Workers' Compensation Certificate, Faithful Performance Bond, Payment Bond, Drug-Free Workplace Certification, Criminal Records Check Certification, Insurance Certificates and Endorsements, Guarantees, Contractor's Certificate Regarding Non-Asbestos Containing Materials, Disabled Veteran Business Enterprises Certification, if applicable, General Conditions, Supplemental Conditions, if any, Special Conditions, if any, Drawings, Specifications, and all modifications, addenda and amendments thereto by this reference incorporated herein. The Project Documents are complementary, and what is called for by any one shall be as binding as if called for by all.

2. CONTRACTOR shall perform within the time set forth in Paragraph 4 of this Agreement everything required to be performed, and shall provide, furnish and pay for all the labor, materials, necessary tools, expendable equipment, and all taxes, utility and transportation services required for construction of the Project. All of said work shall be performed and completed in a good workmanlike manner in strict accordance with the drawings, specifications and all provisions of this Agreement as hereinabove defined and in accordance with applicable laws, codes, regulations, ordinances and any other legal requirements governing the Project. The CONTRACTOR shall be liable to the DISTRICT for any damages arising as a result of a failure to fully comply with this obligation, and the CONTRACTOR shall not be excused with respect to any failure to so comply by any act or omission of the Architect, Engineer, Inspector, Division of State Architect, or representative of any of them, unless such act or omission actually prevents the CONTRACTOR from fully complying with the requirements of the Project Documents, and unless the CONTRACTOR protests at the time of such alleged prevention that the act or omission is preventing the CONTRACTOR from fully complying with the Project Documents. Such protest shall not be effective unless reduced to writing and filed with the DISTRICT within three (3) working days of the date of occurrence of the act or omission preventing the CONTRACTOR from fully complying with the Project Documents.

3. DISTRICT shall pay to the CONTRACTOR, as full consideration for the faithful performance of this Agreement, subject to any additions or deductions as provided in the Project Documents, the sum as specified in attached bid price sheet.

4. The work shall be commenced on or before the seventh (7th) day after receiving the DISTRICT'S Notice to Proceed and shall be completed within **thirty (30)** consecutive

calendar days from the date specified in the Notice to Proceed. The initial term of this agreement will be for one year, with two (2) one year renewal periods, at the option of the Board of Trustees, for a total contract term not to exceed 36 months.

5. **Time is of the essence.** If the work is not completed in accordance with Paragraph 4 above, it is understood that the DISTRICT will suffer damage. It being impractical and infeasible to determine the amount of actual damage, in accordance with Government Code Section 53069.85, it is agreed that CONTRACTOR shall pay to DISTRICT as fixed and liquidated damages, and not as a penalty, the sum of **two hundred dollars (\$200.00)** for each calendar day of delay until work is completed and accepted. Time extensions may be granted by the DISTRICT as provided in Article 63 of the General Conditions. Liquidated damages shall be imposed as set forth in Article 63 of the General Conditions.

6. **Termination for Cause or Nonappropriation.** In the event CONTRACTOR defaults in the performance of the Agreement as set forth in General Conditions Article 13(a) or if there is a nonappropriation of funds or insufficient funds as set forth in General Conditions Article 13(d), then this Agreement shall terminate or be suspended as set forth in General Conditions Article 13.

Termination for Convenience. DISTRICT has discretion to terminate this Agreement at any time and require CONTRACTOR to cease all work on the Project by providing CONTRACTOR written notice of termination specifying the desired date of termination. Upon receipt of written notice from DISTRICT of such termination for DISTRICT'S convenience, CONTRACTOR shall:

- (i) Cease operations as directed by DISTRICT in the notice;
- (ii) Take any actions necessary, or that DISTRICT may direct, for the protection and preservation of the work; and
- (iii) Not terminate any insurance provisions required by the Project Documents.

In case of such termination for DISTRICT'S convenience, CONTRACTOR shall be entitled to receive payment from DISTRICT for work satisfactorily executed and for proven loss with respect to materials, equipment, and tools, including overhead and profit for that portion of the work completed. In the case of Termination for Convenience, DISTRICT shall have the right to accept assignment of subcontractors. The foregoing provisions are in addition to and not in limitation of any other rights or remedies available to the DISTRICT.

7. The CONTRACTOR agrees to and does hereby indemnify and hold harmless the DISTRICT, its Governing Board, officers, agents, and employees from every claim or demand made, and every liability, loss, damage, or expense, of any nature whatsoever, which may be incurred by reason of:

(a) Any injury to or death of any person(s) or damage to, loss or theft of any property sustained by the CONTRACTOR or any person, firm or corporation employed by the CONTRACTOR, either directly or by independent contract, upon or in connection with the work called for in this AGREEMENT, except for liability resulting from the sole active negligence, or willful misconduct of the DISTRICT.

(b) Any injury to or death of any person(s) or damage, loss or theft of any property caused by any act, neglect, default or omission of the CONTRACTOR, or any person, firm, or corporation employed by the CONTRACTOR, either directly or by independent contract, arising out of, or in any way connected with the work covered by this Agreement, whether said injury or damage occurs either on or off DISTRICT property, if the liability arose due to the negligence or willful misconduct of anyone employed by the CONTRACTOR, either directly or by independent contract,

The CONTRACTOR, at CONTRACTOR'S own expense, cost, and risk shall defend any and all actions, suits, or other proceedings that may be brought or instituted against the DISTRICT, its Governing Board, officers, agents or employees, on any such claim, demand or liability, and shall pay or satisfy any judgment that may be rendered against the DISTRICT, its Governing Board, officers, agents or employees in any action, suit or other proceedings as a result thereof.

8. Hold Harmless and Indemnification. To the fullest extent permitted by law, the CONTRACTOR, at the CONTRACTOR'S sole cost and expense, agrees to fully defend, indemnify and hold harmless, the DISTRICT, including but not limited to any of its governing board members, officers, employees and agents, from and against any and all claims, actions, demands, costs, judgments, liens, penalties, liabilities, damages, losses, anticipated losses of revenues, and expenses, including any fees of accountants, attorneys or other professionals, arising out of, in connection with, resulting from or related to, or claimed to be arising out of, in connection with, resulting from or related to any act or omission by the CONTRACTOR or any of its officers, agents, employees, subcontractors, sub-subcontractors, any person performing any of the work pursuant to a direct or indirect contract with the CONTRACTOR or individual entities comprising the CONTRACTOR, in connection with or relating to, or claimed to be in connection with or relating to the work, this Agreement, or the Project, including but not limited to any costs or liabilities arising out of or in connection with:

- (a) failure to comply with any applicable law, statute, code, ordinance, regulation, permit or orders;
- (b) any misrepresentation, misstatement or omission with respect to any statement made in the Project Documents or any document furnished by the CONTRACTOR in connection therewith;
- (c) any breach of duty, obligation or requirement under the Project Documents;
- (d) any failure to coordinate the work of other contractors;
- (e) any failure to provide notice to any party as required under the Project Documents;

- (f) any failure to act in such a manner as to protect the DISTRICT and the Project from loss, cost, expense or liability; or
- (g) any failure to protect the property of any utility company or property owner.

This indemnity shall survive termination of the contract or final payment thereunder. This indemnity is in addition to any other rights or remedies which the DISTRICT may have under the law or under the Project Documents. In the event of any claim or demand made against any party which is entitled to be indemnified hereunder, the DISTRICT may in its sole discretion reserve, retain or apply any monies due to the CONTRACTOR under the Project Documents for the purpose of resolving such claims; provided, however, that the DISTRICT may release such funds if the CONTRACTOR provides the DISTRICT with reasonable assurance of protection of the DISTRICT'S interests. The DISTRICT shall in its sole discretion determine whether such assurances are reasonable.

9. CONTRACTOR shall take out, prior to commencing the work, and maintain, during the life of this Agreement, and shall require all subcontractors, if any, whether primary or secondary, to take out and maintain the insurance coverages set forth below and in Articles 16, 17, 18 and 19 of the General Conditions. CONTRACTOR agrees to provide all evidences of coverage required by DISTRICT including certificates of insurance and endorsements.

Public Liability Insurance for injuries including accidental death, to any one person in an amount not less than	\$1,000,000.00
--	-----------------------

and

Subject to the same limit for each person on account of one accident, in an amount not less than	\$1,000,000.00
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Property Damage Insurance in an amount not less than	\$1,000,000.00
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Course of Construction Insurance without exclusion or limitation in an amount not less than	\$1,000,000.00
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Insurance Covering Special Hazards: The following special hazards shall be covered by rider or riders to above-mentioned public liability insurance or property damage insurance policy or policies of insurance, or by special policies of insurance in amounts as follows:

Automotive and truck where operated in amounts as above

Material hoist where used in amounts as above

10. Escrow Account: N/

11. Labor Compliance Program: N/A

12. If CONTRACTOR is a corporation, the undersigned hereby represents and warrants that the corporation is duly incorporated and in good standing in the State of _____, and that _____, whose title is _____, is authorized to act for and bind the corporation.

13. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not currently inserted, then upon application of either party the Agreement shall forthwith be physically amended to make such insertion or correction.

14. This Agreement constitutes the entire agreement of the parties. No other agreements, oral or written, pertaining to the work to be performed, exists between the parties. This Agreement can be modified only by an amendment in writing, signed by both parties and pursuant to action of the Governing Board of the District. This Agreement shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed including all contract documents as indicated:

CONTRACT DOCUMENTS:

1. _____ Bid Bond
2. _____ Bid Form
3. _____ Designation of Subcontractors
4. _____ Information Required of Bidder
5. _____ Contractor's Certificate Regarding Workers' Compensation
6. _____ Certification – Participation of Disabled Veteran Business Enterprise
7. _____ Noncollusion Declaration
8. X Faithful Performance Bond
9. X Payment Bond
10. X Agreement
11. _____ Drug-Free Workplace Certification
12. _____ Certification by Contractor Criminal Records Check
13. _____ Contractor's Certificate Non-Asbestos Containing Materials
14. _____ Tobacco Use Policy
15. _____ Conflict of Interest
16. _____ Compliance With Safety Regulations
17. _____ Certificate Of Liability Insurance

18. _____ W-9 Form
19. _____ DIR Registration Number: _____

CONTRACT TERM

The terms of this base contract is for one year beginning July 1, 2016 through June 30, 2017, with two (2) one-year renewal terms at the option of the Board of Trustees, for a total contract term not to exceed 36 months.

DISTRICT

By: _____
Signature

Print Name

Title

CONTRACTOR

By: _____
Signature

Print Name

Title

Contractor's License No.

Tax ID/Social Security No.

(CORPORATE SEAL OF CONTRACTOR,
if corporation)

**CHARTER FACILITIES AGREEMENT
BY AND BETWEEN
CAPISTRANO UNIFIED SCHOOL DISTRICT AND
COMMUNITY ROOTS ACADEMY**

THIS AGREEMENT (“Agreement”) is made as of this 1st day of April, 2016 (the “Effective Date”), by and between the Capistrano Unified School District, a public school district organized and existing under the laws of the State of California (“District”) and Community Roots Academy (“Charter School” or “CRA”). The District and Charter School are collectively referred to as “the Parties.”

RECITALS

WHEREAS, Charter School received approval of its renewed Petition and Charter (“Charter”) from the District to operate from July 1, 2014 through June 30, 2019, to operate a charter school for students in grades kindergarten through 8th grade; and

WHEREAS, on or about October 21, 2015 the Parties entered into an Agreement to Defer Proposition 39 Timeline, deferring the date by which Charter School is required to submit to the District a request for facilities under the provisions of Education Code section 47614 and its implementing regulations set forth in Title 5 of the California Code of Regulations section 11969.9(a) *et seq.* for the 2015-2016 academic year, and the Agreement to Defer Proposition 39 Timeline was subsequently extended to expire no later than December 31, 2015; and

WHEREAS, the purpose of the Agreement to Defer Proposition 39 Timelines was to allow for the negotiation of this Agreement; and

WHEREAS, the Charter School and District have agreed to enter into this Agreement in-lieu of Proposition 39 whereby the Charter School will operate at the District’s Crown Valley Elementary School site, located at 29292 Crown Valley Parkway, Laguna Niguel, California 92677 (“CVES”), with use of the administrative offices, classrooms, outdoor spaces, parking and other spaces as described and depicted /highlighted and limited in **Exhibit A** hereto and incorporated herein by this reference (“Subject Property”), from July 1, 2016 through June 30, 2019 (“Applicable Years”), pursuant to the conditions set forth below, giving preference to District residents and students residing in the former CVES attendance area, with a goal of at least 85% in-district student attendance, as defined as of November 18, 2015 and reflected in CRA’s charter; and

WHEREAS, the Parties desire to set forth the terms and conditions herein, pursuant to which the Charter School will have use of the classrooms, facilities and other areas of the Subject Property for the Applicable Years.

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the Parties agree as follows:

1. **Use of the Subject Property.** District agrees to allow Charter School’s use of the Subject Property and cooperative, shared use of certain fields and facilities at CVES, as described and depicted/highlighted and limited in **Exhibit A**, for the sole purpose of operating the Charter School educational program in accordance with the Charter under which Charter School became an

independent Charter School, including Charter School's before and after school program open exclusively to students enrolled in the Charter School. Charter School's right to use of the Subject Property, and any cooperative, shared use of certain fields and facilities of CVES, shall be for the Applicable Years, beginning on July 1, 2016 and shall conclude at the expiration of CRA's charter on June 30, 2019, unless earlier terminated in accordance with the terms of this Agreement. It is the intent of this Agreement that cooperative, shared use of certain fields and facilities of CVES shall provide CRA with the use of such fields and facilities based roughly on CRA's proportion of enrollment at CVES, versus enrollment at any other charter school utilizing a portion of the campus, unless otherwise agreed upon between the two charter schools. Consistent with current practices between CRA administrators and administrators of the other program at its shared campus, CRA and the other charter school will meet and determine a schedule for cooperative, shared use. Furthermore, if either party provides written notice prior to January 1 of any school year during this Agreement of a desire to negotiate changes to the Subject Property available for Charter School use, effective on the subsequent July 1, the parties agree to immediately commence negotiations on proposed changes. Any negotiated changes shall be in the form of a written amendment to this Agreement, and is subject to the approval of the District Board of Trustees. Unless the District and the Charter School have negotiated a change to this Agreement providing for Charter School's use of the lower campus at CVES, District shall notify Charter School annually by March 1 of the planned use of the lower campus for the next school year.

A. As-is Condition of Subject Property. Charter School acknowledges that the Subject Property is being made available to Charter School in an "As Is" "Where Is" condition, and neither the District nor any agent of the District has made any representation or warranty with respect to the Subject Property or the condition thereof, or any improvement located on the campus, except as otherwise expressly stated herein. Entering onto the Subject Property by the Charter School shall be at Charter School's sole risk and Charter School acknowledges that it has assumed the risk of entry upon the Subject Property for Charter School persons, invitees, users, guests, clients, contractors and property, and shall conclusively establish that the Subject Property is in satisfactory condition for Charter School activities. Notwithstanding the foregoing, the District shall, in consultation with CRA, conduct a safety survey of the Subject Property as soon as possible after execution of this Agreement in order to begin site preparation immediately after June 9, 2016 for completion prior to the first day of Charter School student attendance for the 2016-17 school year. The District's site preparation work includes removal of certain previously identified interior dividing walls to restore subdivided rooms, and any repairs to fencing, replacement of carpeting, painting, and correction of other conditions the District deems unsafe during its safety survey in consultation with CRA.

B. Reversion to District. Upon the termination or expiration of this Agreement by its terms, the right to use and occupation of the Subject Property and the facilities and District equipment thereon, if any, shall revert to the District, unless the Parties mutually negotiate a successor agreement regarding the Charter School's continued use of the Subject Property for its educational program. If the Charter School desires to have facilities provided by the District for the school year after termination or expiration of this Agreement, including any agreement for continued use hereof per the terms of this Agreement or any amendment hereto, the Charter School must submit a facilities request pursuant to Proposition 39 no later than November 1, of the year preceding the school year for which facilities are requested, or the then-applicable submission deadline under Proposition 39 or its successor, if any. Upon termination of this Agreement, the District shall recoup the full rights and benefits of its ownership of the Subject Property, including, but not limited to, use of such Subject Property for District programs and services.

C. Civic Center Act. Charter School shall comply with District policies and regulations regarding the operations and maintenance of the facilities, furnishings, and equipment. Upon request, District shall provide Charter School with copies of such policies and regulations. Although Charter School shall have use of the Subject Property and cooperative, shared use of certain fields and facilities at CVES, Charter School agrees to comply with the provisions of the Civic Center Act (Education Code section 38130, *et seq.*) in making use of the facilities accessible to members of the community. For purposes of Civic Center Act compliance, with respect to the Subject Property only, the Charter School's governing board shall hold the same powers and obligations applicable to a School District Board of Trustees under Education Code sections 38130-38139 and shall also follow District Board Policy and Administrative Regulations in making the facilities accessible to members of the community, provided that the CRA board's authority may be delegated per the charter of CRA. District shall forward all Civic Center Act requests it receives for use of the Subject Property to the Charter School, and Charter School shall provide the District copies of all requests, invoices and other correspondence between the Charter School and any third parties requesting use of the Subject Property. Charter School shall provide District with notice of all Civic Center Act applicants and District shall have final approval over Civic Center Act uses. Charter School may not charge third-party users fees in excess of those allowed under the Civic Center Act. All proceeds derived from the use of the School Site pursuant to the Civic Center Act shall be the property of the District and shall be forwarded to the District within five (5) business days of receipt by the Charter School, provided that CRA shall be promptly reimbursed for custodial services required to accommodate Civic Center Act uses.

D. Full and Complete Satisfaction. Charter School agrees that the provision of the Subject Property pursuant to this Agreement constitutes full and complete satisfaction of the District's obligation to provide facilities, including furnishings and equipment, to Charter School under Education Code section 47614 and the Proposition 39 regulations for the Applicable Years. Charter School agrees that the District has fully and completely satisfied the District's obligation to provide furnishings and equipment by providing the items described in Section 1E below. Charter School agrees that, by accepting the Subject Property, it certifies that the District has fully and completely satisfied the District's obligation to provide facilities, including furnishings and equipment, to the Charter School under Education Code section 47614 and all Proposition 39 implementing regulations for the Applicable Years. The Charter School waives and forever releases the District from any claim that the Charter School, or any successor entity, may have against the District regarding any allegation that the District has taken action to impede the Charter School from expanding its enrollment to meet pupil demand for the Applicable Years. The District agrees to cooperate with Charter School's request(s) to install portable classrooms at its own cost and expense on the Subject Property, if needed for enrollment demand, and the Charter School agrees and acknowledges that it must comply with Division of State Architect (DSA) and any other regulatory requirements related to the installation of portable classrooms. Furthermore, the Charter School waives any rights it may have to subsequently object to the District's perceived failure to offer facilities, including furnishings and equipment, in accordance with applicable law and waives any rights it may have to challenge those aspects of the District's offer of facilities, including furnishings and equipment, that the Charter School believes violates the substantive or procedural requirements of Proposition 39 and its implementing regulations for the Applicable Years. Notwithstanding the foregoing, the Charter School preserves the right to argue that a similar allocation of facilities for a future academic year does not satisfy the obligations of Proposition 39 and the implementing regulations, and to enforce District's obligations or pursue other legal remedies under this Agreement.

E. Furniture, Equipment, Library Books. Most furnishings and equipment secured to the wall or floor will remain available during the term of the Agreement at the Subject Property, as well as all technology infrastructure such as wiring, switches, routers, cables and telephones. Additionally, the playground equipment, whiteboards, shelves, lunch tables, student desks, chairs and teachers' desks will remain or will be replaced with equivalent items in an amount consistent with the District's standard K-8 school site allotment. Within 14 calendar days following a joint site visit of the Subject Property by representatives of District and Charter School prior to May 15, 2016, Charter School will provide a description of any furnishings and equipment reasonably needed for the grade levels expected to be served by the Charter School on a classroom by classroom basis; District will use its best efforts to accommodate such requests prior to seven (7) calendar days prior to the first day of student attendance for the 2016-17 school year. Books in the Library will remain, with the exception of library books that were donated to CVES on behalf of a student who attended the school, in which case the library book will be forwarded to the school the student attends. The District will not provide computers to the Charter School. The District will remove any furnishings and equipment that were acquired through categorical, QEIA, Title I and/or grants or special programs unique to CVES, in order to continue the existing school plan created by the School Site Council and approved by District's Board at the new schools former CVES students will attend. District shall advise Charter School of the materials to be removed prior to June 30, 2016 to allow ample time for Charter School to consider whether any steps are needed to replace them. The District will retain ownership of all furniture and equipment provided to Charter School and will expect all furniture and equipment to be returned to the District at the end of its occupation in the same condition as received, reasonable wear and tear excepted. Furniture and equipment will be replaced in accordance with District schedules and practices.

F. Crown Valley Elementary School References. Under no circumstances may the Charter School or any of its board members, administrators, employees, agents, representatives, volunteers, subcontractors, invitees, successors and/or assigns obscure, remove, paint over, permanently conceal or otherwise alter any sign, decal, mural, mascot or other reference to "Crown Valley Elementary School" on the Subject Property ("Crown Valley Reference") in any way, with the sole exception that the marquee in front of the Subject Property may be changed to "Community Roots Academy." Charter School must specifically communicate this to its on-site staff. In the event that any Crown Valley Reference is damaged or obscured in any way during the Charter School's use of the Subject Property, Charter School shall be responsible for all costs associated with the full restoration of the Crown Valley Reference to its prior condition. Charter School may install interior directional and building identification signage reasonably necessary for school operations.

G. Signs, Plaques and Murals. Under no circumstances may the Charter School or any of its board members, administrators, employees, agents, representatives, volunteers, subcontractors, invitees, successors and/or assigns obscure, remove, paint over, permanently conceal or otherwise alter any other sign, tile, mural, or plaque currently affixed to walls or buildings in the Subject Property, including but not limited to those depicting dedications and/or naming of rooms or buildings. Further, Charter School shall not have the right to place, construct or maintain any sign, advertisement, awning, banner, mural or other external decorations on the improvements that are a part of the Subject Property without District Superintendent or designee's prior written consent. Subject to District's approval as described herein, and subject to any other applicable laws or regulations, the Charter School may install signage customarily used by other schools in the District at the Subject Property. The Charter School shall seek approval from the District of all signage, including location and size, but the District shall not unreasonably deny approval of signage that complies with District

custom and practice. District hereby approves the placement of temporary fabric or paper banners identifying or advertising school-related activities and events, as customarily used by other public schools. "Temporary" means a period of 30 days or less, of a size and weight that poses no safety hazard (and not subject to DSA approval), erected or affixed in a safe, non-structural manner.

H. Changes to Existing Uses of Subject Property. The Parties acknowledge that the Charter School will have use and private enjoyment of the Subject Property, which may be in excess of that required to be provided under Proposition 39, for the duration of this Agreement and any negotiated extensions. The District reserves the right to use the areas not designated for exclusive use in Exhibit A for District use including, but not limited to, storage and placement of portables for future programs including use by other charter schools. Such designated areas will be excluded from the calculation of square feet for which Charter School is charged pursuant to Paragraph 2, below. The District will ensure that any program placed on in the areas not designated for exclusive use in Exhibit A shall be appropriate for co-location with an elementary and middle school program, and shall notify the Charter School prior to placing another school program on the site and provide Charter School the projected enrollment of the other school program. The District will cooperate with Charter School to ensure any future programs at CVES are located in areas to limit the need to share facilities with the Charter School, and the Charter School agrees to cooperate in good faith with any co-located program and any shared use. Charter School may install additional portable classrooms at CVES for Charter School's exclusive use pursuant to Section 6 of this Agreement, which shall become part of the Subject Property upon installation, or removed at Charter School's sole expense, at the election of the District upon termination of Charter School's occupancy, and the Charter School agrees and acknowledges that it must comply with Division of State Architect (DSA) and any other regulatory requirements related to the installation of portable classrooms. The District and Charter School shall cooperate to ensure Charter School's portable classrooms, if any, are located in areas to avoid the need for Charter School to share facilities with other uses on the CVES campus.

I. Charter School Summer Program at Wood Canyon. As part of this Agreement, the District grants Charter School continued occupancy and exclusive use of two classrooms (P29 and 43) at Charter School's current facility at Wood Canyon Elementary School through July 31, 2016, for operation of Charter School's summer program, with the option to extend Charter School's occupancy and exclusive use for one (1) additional month, if needed. The District shall notify Charter School by May 15, 2016 of the cost, if any, for Charter School's continued occupancy, which shall be pro-rated per square foot based on Charter School's current facilities use agreement for this site.

2. Fees. The Charter School shall pay to the District payments for the use of the Subject Property, and any cooperative, shared use of certain fields and facilities at CVES, calculated at \$ 0.5517 per month per square foot of 50,352 square feet of building space for a total of \$ 333,323.12 for one year or \$27,776.93 per month for twelve months. This rate is based on an 80%/20% split of in-district/out-of-district students. On or before October 31 of each year of this Agreement, including any negotiated extension thereof, the Charter School shall provide evidence to the District establishing the percentage of enrolled students who are residents of the District. In the event the percentage of enrolled students who are residents is demonstrated to be 85% (rounded to the nearest whole number) or higher, or 75% (rounded to the nearest whole number) or lower, the rate above will be adjusted to reflect the actual percentage split of in-district/out-of-district students for that year. The District shall notify Charter School of the methodology and calculations to be used for such adjustments, if any, on or before December 1 of each year of this Agreement, including any negotiated extension thereof. All charges and payments due and owing from the Charter School to the District shall be invoiced by the District to the Charter School, and shall become due fifteen (15) business days thereafter. Late

payments shall be subject to interest at the rate of ten percent (10%) per annum. If the Charter School does not pay the invoice within fifteen (15) business days, the amount owed may be deducted by the District from any state or federal revenues of the Charter School which are passed through the District, in-lieu property tax allocations or from the Charter School's State Apportionment. District shall provide prompt notice of any such deductions.

3. **Cooperation in Mitigation of Any Traffic Impacts on Neighborhood.** Charter School agrees to reasonably cooperate with District, the City of Laguna Niguel, and the neighborhood surrounding the campus to address concerns that may arise concerning the impact on traffic near the Subject Property, during student drop-off and pick-up times during the school day, brought about by operations of the Charter School. District agrees to promptly forward any complaints or concerns which may be received regarding traffic to Charter School to allow Charter School an opportunity to respond to same. Charter School will monitor traffic conditions surrounding the campus and will be proactive in taking steps to minimize safety and congestion affecting the school community. District shall require any charter schools or other programs co-located on the Subject Property to cooperate to the same degree as Charter School to address these concerns, and to monitor and mitigate traffic impacts caused by their use. The parties agree that uses contemplated under this Agreement will remain within the designed capacity of the Subject Property and that no additional review is required under CEQA.

4. **Utilities.** Charter School shall secure all necessary utility services (such as water, power, gas, insect control, fire extinguisher maintenance, security monitoring/alarm (if any), internet, telephone, cable, etc.) and be responsible for 100% of the utilities costs during the Applicable Years, regardless of actual usage; provided that use of the Lower Fields under the joint use agreement between District and the City of Laguna Niguel will be separately metered and charged to the City or District, as appropriate; further provided that use by the District or any other entity of buildings on the lower portion of the campus will also be separately metered if possible and charged to the appropriate entity. In the event separate metering of the buildings on the lower portion of the campus is not possible, Charter School will be responsible only for utilities costs equal to the percentage of the square footage it occupies on the campus. Charter School shall obtain its own internet service provider, internet and cable provider and shall assume sole responsibility for all costs, upkeep and maintenance of all telephone systems, data lines, and related equipment, software and hardware.

5. **Maintenance.** Facilities provided to the Charter School shall remain the property of the District. The ongoing operations and maintenance of the facilities, as well as major maintenance and any items that would previously have been considered deferred maintenance under Education Code Section 17582, shall be the responsibility of the District. This includes HVAC, electrical, plumbing, roofing, exterior and interior painting, and floor systems. Prior to Charter School's occupancy, representatives of District will survey the site for health and safety issues to be addressed prior to the attendance of students for the 2016-17 school year. District shall consider Charter School's requests for maintenance submitted through the District's work order system.

In the event that the Charter School requires the District to perform maintenance and repairs, as allowed for above and beyond the health and safety issues identified prior to occupancy, Charter School must submit such request via appropriate District work order processes. Currently, and until further written notice, the Charter School must submit such requests on a form developed by the District via mail, email, or personal delivery, to the Maintenance & Operations Work Order Clerk. The District reserves the right to implement a different process for submission of maintenance/repair requests. The District will need to access the Subject Property during normal District hours of

operation, which may coincide with Charter School's hours of operation, in order to perform maintenance and repairs. District staff shall be allowed to access the Subject Property during Charter School's hours of operation.

For an emergency request for service, Charter School should call the District's after hours on call contact, at (949) 493-2748. Emergency request is defined as a situation requiring immediate attention, generally characterized by a dangerous or hazardous condition. Emergency work should be of such importance that immediate action is required to prevent a safety or health hazard, or prevent significant damage to District property.

Notwithstanding the District's maintenance obligations, Charter School shall be responsible for and shall pay for any repairs or replacements of any character whatsoever which are occasioned or are made necessary by reason of the negligence or misuse of the Subject Property by Charter School.

The Charter School shall be responsible for custodial services and any equipment or technology purchased by the Charter School. Charter School shall perform custodial services in a manner equivalent to those performed at other District school sites. Should the Charter School neglect or fail to perform custodial services consistent with current District policy and practice, the District reserves the right to charge the Charter School reasonable cost for such maintenance. The District shall be responsible for the maintenance of the landscaping of the Subject Property. Charter School shall not maintain, remove or otherwise alter any trees at the Subject Property in any manner, unless Charter School receives written permission from the District.

6. **Installation of Improvements or Alterations by Charter School.** Charter School shall not construct or install any improvements (as defined in Civil Code 660) on the Subject Property or otherwise alter the Subject Property without the prior written consent of District, and if required, the DSA. Any request to construct or install an improvement must be initiated by the submission of a "Site Improvement Request" form, a copy of which is attached as **Exhibit B**. District's approval of any improvements, including the construction schedule, work hours, and modifications, shall be at District's sole and absolute discretion, and District may disapprove of such improvements for any reason. Unless otherwise specified in this Agreement, in each case where prior written consent of the District is required under Section 6 or any other provision of this Agreement, such consent shall be obtained exclusively from the District's Superintendent or designated representative and consent obtained from any other source shall be invalid. Contractors retained by Charter School with respect to the construction or installation of improvements shall be fully licensed and bonded as required by law and must maintain levels of casualty, liability and workers' compensation insurance and performance and payment bonds consistent with District construction requirements. The construction or installation of improvements shall be performed in a sound and workmanlike manner, in compliance with all laws applicable including, but not limited to building codes, fingerprinting requirements and prevailing wage laws. District or District's agent shall have a continuing right at all times during the period that improvements are being constructed or installed to enter the premises and to inspect the work, provided that such entries and inspections do not unreasonably interfere with the progress of the construction or interrupt instruction to students. Charter School shall indemnify, defend and hold harmless District, its directors, officers and employees from any loss, damage, claim, cause of action, cost, expense or liability arising out or caused by any violation by the Charter School or its directors, officers, employees or contractors of any applicable federal, state or local statute, ordinance, order, governmental requirement, law or regulation that applies to any work, including, without limitation, any labor laws and/or regulations requiring that persons performing work on any improvements be paid prevailing wage.

Charter School shall deliver to District, promptly after Charter School's receipt thereof, originals or, if originals are not available, copies of any and all of the following instruments and documents pertaining to any testing, construction, repair or replacement of improvements on the Subject Property: (a) plans and specifications for the subject improvements, (b) test results, physical condition and environmental reports and assessments, inspections, and other due diligence materials related to the subject improvements, (c) permits, licenses, certificates of occupancy, and any and all other governmental approvals issued in connection with the subject improvements, (d) agreements and contracts with architects, engineers and other design professionals executed with respect to the design of the subject improvements, (e) construction contracts and other agreements with consultants, construction managers, general and other contractors, and equipment suppliers pertaining to the construction, repair or replacement, as the case may be, of the subject improvements and (f) all guaranties and warranties pertaining to the construction, repair or replacement, as the case may be, of the subject improvements.

Charter School will not permit any liens or claims to stand against the Subject Property for labor or material furnished in connection with any work performed by Charter School. Upon reasonable and timely notice of any such lien or claim delivered to Charter School by District, Charter School may bond and contest the validity and the amount of such lien, but Charter School will immediately pay any judgment rendered, will pay all proper costs and charges, and will have the lien or claim released at its sole expense. Additionally, Charter School may not use or operate the improvements until the project is closed-out and certified by DSA, if applicable, and/or final approval is received from any applicable agency. Charter School shall provide evidence of close-out and certification or approval, in a form reasonably acceptable to the District.

7. **Provision of Facilities; Enrollment and Enrollment Preference.** The facilities to be provided by the District to the Charter School for the Applicable Years are also subject to the following:

A. **Exclusive Use.** Charter School shall have exclusive use of the buildings, administrative offices, classrooms, outdoor spaces, and other spaces described in and limited in Exhibit A, for the Applicable Years unless amended in accordance with this Agreement. The District will provide furniture, equipment and library books, etc., as described in Section 1E, above. Any additional furniture, equipment or books required shall be at the sole cost and responsibility of the Charter School.

B. **Existing Portables and Third-Party Use.** Charter School acknowledges that the other areas of the CVES site, such as the lower campus, includes portable buildings currently owned by other entities (YMCA, OCDE), which may be used to operate programs by those or other entities, and that those other programs may operate at CVES. Charter School agrees that it will not engage in any conduct which has the purpose or effect of disrupting or undermining the operation of these third-party programs. Additionally, Charter School acknowledges and agrees that joint use of CVES between the District and the City of Laguna Niguel will continue during the course of this Agreement, as specified in any agreement for joint use between the District and the City of Laguna Niguel.

C. **Access to CVES for Pullouts/SELPA Use.** Charter School acknowledges that the District may need access to the lower campus areas of CVES for student pullout/SELPA use. The District shall not interfere with Charter School's use of the Subject Property for student pullout/SELPA, or other special education uses.

D. Enrollment Preference for Current Crown Valley Elementary School Students.

Charter School acknowledges that in order to address the impact on current students at the Subject Property, its Board has adopted the following lottery preference, and Charter School agrees, as a condition of this Agreement, to apply the lottery preference: "Currently, CRA admissions provides 'preferences' for 1) existing students; 2) children of CRA employees; and 3) siblings. CRA also provides a preference for 'in-district' students. Thereafter, in order to meet the requirement that preference for admission be offered to in-district students, CRA will ensure that approximately 85% of slots for admissions will be allocated to in-district zip codes. Within this preference, an additional preference will be afforded to students residing within the former attendance area of Crown Valley Elementary School, prior to its use as CRA's campus. Specifically, a weighting mechanism will be employed to ensure that approximately 85% of such school enrollment comes from in-district students, and 50% of those given such preference reside within the former attendance boundaries of Crown Valley Elementary School. This will be in effect for the next 3 years."

8. **Security.** The Parties acknowledge that the Charter School is responsible for ensuring the security of the Subject Property through security devices, including, but not limited to, locks, and gates to the extent feasible with use of the site by the third parties referenced in this Agreement, and compliance with the Civic Center Act. The Charter School is required at all times to maintain the security of the Subject Property by the proper use of all such security devices. All locks and keys shall not be changed without first obtaining approval from the Executive Director of Maintenance, Facilities and Operations. Within five (5) working days after new alarm codes, locks or keys have been changed or added, the Charter School shall provide new alarm codes, locks or keys to the Executive Director of Maintenance, Facilities and Operations.

9. **Condition of Subject Property.** The District is not aware of any defect in or condition of the Subject Property that would prevent their use for the Charter School's purposes. The District has not received any notice of violation of statute, ordinance, regulation, order or holding from any state or federal agency with jurisdiction over the Subject Property that calls into question the appropriateness or sufficiency of the Subject Property for their intended purpose. The District, at its expense, shall remain responsible for compliance with all applicable laws regarding the Subject Property during the Term of this Agreement. Charter School, at its expense, shall comply with all applicable laws, regulations, rules and orders with respect to its use and occupancy of the Subject Property, including, without limitation, those relating to health, safety, noise, environmental protection, zoning compliance and approvals, waste disposal, and water and air quality. The Charter School shall not be responsible for any and all environmental conditions that existed prior to the Charter School's occupancy of the Subject Property, so long as such environmental conditions are not exacerbated by the Charter School's negligence or willful misconduct. The District shall remain responsible for compliance with the ADA, FEHA, and other applicable building code standards for any existing compliance issue prior to the date of execution of this Agreement or that are not triggered by any modifications or improvements made by the Charter School. The Charter School shall only assume responsibility for compliance with ADA and FEHA access rights to the extent of any modifications or improvement made by the Charter School. Should any modifications or improvements made by the Charter School change or affect the character of any existing improvements, Charter School shall be responsible for bringing said existing improvements into compliance with ADA, FEHA, and other applicable building code standards. Charter School shall comply with all applicable licensing, payment and performance bond and prevailing wage laws with respect to all modifications.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Subject Property due to the Charter School's use and occupancy thereof, Charter School, at its

expense, shall be obligated to clean all the property affected, including, if applicable, any properties in the vicinity of the Subject Property, to the satisfaction of District and any governmental agencies having jurisdiction over the Subject Property or any other properties affected by the discharge, leakage, spillage, emission, or pollution. If the Charter School fails to take steps to clean the property(ies) or otherwise fails to comply with any requirements regarding the clean up, remediation, removal, response, abatement or amelioration of any discharge, leakage, spillage, emission, or pollution of any type, or fails to pay any legal, investigative, and monitoring costs, penalties, fines and disbursements the District reserves the right to takeover the required action and to take all necessary steps to recoup any and all costs associated therewith from the Charter School.

10. **Title to Subject Property.** The Parties acknowledge that title to the Subject Property is held by the District and shall remain in the District's name at all times.

11. **Insurance.** The District will maintain its current levels of insurance on the structures on the Subject Property. Parties agree that self insurance through a Joint Powers Authority shall satisfy District's obligations under this section. District shall not be responsible for insuring any of the Charter School's personal property or persons (including without limitation students or members of staff). Charter School shall procure and maintain, for the duration of this Agreement insurance coverage as set forth in **Exhibit C**, attached hereto and incorporated by this reference, with insurance carriers that are admitted or authorized non-admitted insurers by the State of California and with a rating equivalent to an A:VII by A.M. Best Company. Charter School may use a self-insurance and/or joint powers authority mechanism to meet the described insurance requirements.

Each policy required above shall be endorsed to provide for thirty (30) days prior written notice of cancellation to the District and to establish that coverage is primary and that any insurance or self-insurance held by the District, its officials, employees and agents shall be excess and shall not contribute to it.

District's insurance shall be primary for claims for damage to the Subject Property's physical structures caused by the actions of third parties, except to the extent that the third party's actions arose as a result of the negligence, intentional disregard or malfeasance of the Charter School.

District may, at its reasonable discretion, require additional coverage or additional limits based upon the nature of the services provided. Any waiver or modification of these insurance requirements can only be made with the prior written approval of the Superintendent or his or her designee.

The coverage and limits required hereunder shall not in any way limit the liability of the Charter School nor are the insurance requirements herein intended to represent adequate or sufficient coverage for the Charter School's risks hereunder.

Concurrently with the execution of the Agreement, Charter School will provide District with a certificate(s) of insurance verifying such insurance and the terms described herein.

12. **Indemnification.** With the exception of any liability, claims, or damages caused by the negligence or willful misconduct of the District, the Charter School shall indemnify, hold harmless, and defend the District, its trustees, officers, employees and agents against and from any and all claims, demands, actions, causes of action, suits, losses, liability, expenses, penalties, obligations, errors, omissions and costs, including legal costs, attorney's fees and expert witness fees, whether or not suit is actually filed, and/or any judgment rendered against the District, its trustees, officers,

employees and agents, that may be asserted or claimed by any person, firm or entity for any injury, death or damage to any person or property occurring in, on or about the Subject Property after the Effective Date, arising from, or in connection with, the Charter School's use of the Subject Property or from the conduct of its business, including conduct of its board of directors, administrators, employees, agents, representatives, volunteers, subcontractors, invitees, successors and/or assigns or from any activity, work, or other things done, permitted or suffered by Charter School in or about the Subject Property. Charter School's obligation to defend the District and the other indemnitees identified herein is not contingent upon there being an acknowledgement or determination of the merit of any claims, demands, actions, causes of action, suits, losses, liability, expenses, penalties, obligations, errors, omissions and/or costs.

With exception of any liability, claims or damages caused by the negligence or willful misconduct of the Charter School, the District shall indemnify, hold harmless, and defend the Charter School, its trustees, officers, employees and agents against and from any and all claims, demands, actions, causes of action, suits, losses, liability, expenses, penalties, obligations, errors, omissions, and costs, including legal costs, attorney's fees and expert witness fees, whether or not suit is actually filed, and/or any judgment rendered against the Charter School, its trustees, officers, employees and agents, that may be asserted or claimed by any person, firm or entity for any injury, death or damage to any person or property occurring in, on or about the Subject Property after the Effective Date, arising from, or in connection with, the District's use of the Subject Property or from the conduct of its business, including conduct of its board of directors, administrators, employees, agents, representatives, volunteers, subcontractors, invitees, successors and/or assigns or from any activity, work, or other things done, permitted or suffered by the District in or about the Subject Property. The District's obligation to defend the Charter School and the other indemnities identified herein is not contingent upon there being an acknowledgement or determination of the merit of any claims, demands, actions, causes of action, suits, losses, liability, expenses, penalties, obligations, errors, omissions and/or costs.

13. Damage and Destruction of Facilities.

A. Partial Damage. If the Subject Property is damaged by any casualty which is covered by applicable insurance, and the Charter School still has access to at least sixty percent (60%) of the usable classroom space, then the Subject Property shall be restored provided insurance proceeds are available to pay for the cost of restoration, and provided such restoration can be completed within one hundred twenty (120) days after the commencement of the work in the opinion of a registered architect or engineer approved by District. In such event, this Agreement shall continue in full force and effect, except that Charter School shall be entitled to proportionate reduction of all fees and payments while such restoration takes place, such proportionate reduction to be based upon the extent to which the restoration efforts interfere with Charter School's business on the Subject Property. The District shall provide the Charter School temporary housing on the Subject Property, or another school site that is near to the Subject Property for any part of the Charter School program that is displaced by the partial damage and/or the repair work of the same.

B. Total Destruction. If the Subject Property is totally destroyed (defined as the destruction of more than forty percent (40%) of the usable classroom space), or the Subject Property cannot be restored as required herein, notwithstanding the availability of insurance proceeds, then this Agreement shall be terminated effective the date of the damage. Immediately upon the effective date of the damage, the District will comply with Proposition 39 and provide a school facility to the Charter School as soon as possible so as to avoid any interruption in the educational program of the Charter School.

14. **Access.** Charter School shall permit District, its agents, representatives or employees, to enter upon the Subject Property for the purpose of inspecting same or to make repairs, alterations, or additions to any portion of the Subject Property. District shall attempt to give reasonable notice where practicable but shall not be obligated to do so in the event of emergency or imminent threat to health or safety of occupants, or if access is for purposes of meeting the District's oversight obligations. Those entering the Subject Property under this paragraph shall provide or carry identification allowing Charter School to verify their right to entry. In addition, such visitors shall comply with Charter School's security procedures for the protection of health and safety on the Subject Property.

15. **Notice.** Any notice required or permitted to be given under this Agreement shall be deemed to have been given, served and received if given in writing and personally delivered or either deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service or facsimile transmission, addressed as follows:

If to the District:

Capistrano Unified School District
Attention: Superintendent
33122 Valle Road
San Juan Capistrano, CA 92675

Phone: (949) 234-9200
Facsimile: (949) 493-8729

If to the Charter School:

Community Roots Academy
Attention: Eve Fein
29292 Crown Valley Parkway,
Laguna Niguel, CA 92677

Phone: (949) 831-4272
Facsimile: (949) 643-2434

Any notice personally given or sent by facsimile transmission shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next following delivery thereof to the overnight delivery service. Any notice given by mail shall be effective three (3) days after deposit in the United States mail.

16. **California Environmental Quality Act.** Charter School acknowledges that the California Environmental Quality Act ("CEQA") may require the District to undertake certain studies and/or seek certain exemptions with regard to any projects described herein. Charter School acknowledges that obtaining CEQA approval for a project may cause delays and/or require that a project be modified or abandoned. The Charter School waives any claims against the District regarding delays, modifications or abandonment of a project or use due to any inability to meet CEQA requirements. However, neither party is currently aware of any such obligations arising out of the performance of the parties' obligations under this Agreement, as it contemplates continuation of an existing set of uses of the Subject Property.

17. **Subcontract and Assignment.** Charter School may not assign or sublet this Agreement or any rights, benefits, liabilities and obligations hereunder, to any person or business entity without District's express written consent, which consent shall be granted at District's sole and absolute discretion and, if granted, may be conditioned or delayed.

18. **Termination.** This Agreement will automatically terminate upon the effective date of any termination, non-renewal, or revocation of Approved Charter or the cessation of Charter School's operations for any reason, or upon the commission of a default or breach of its obligations by Charter School, without impact to Charter School's rights under Education Code section 47614 and the Proposition 39 regulations. A default and material breach of this Agreement by Charter School includes but is not necessarily limited to the occurrence of any one or more of the following events:

A. The failure by Charter School to make timely payment of any fees due under this Agreement where such failure shall continue for a period of thirty (30) days after receipt of written notice thereof by District to Charter School;

B. The failure by Charter School to observe or perform any of the covenants, conditions or material provisions of this Agreement to be observed or performed by Charter School (including, but not limited to, shared use or neighborhood issues, or failure by the Charter School to cooperate in a timely manner to minimize or eliminate such issues) where such failure shall continue for a period of thirty (30) days after receipt of written notice thereof by District to Charter School (hereinafter "Notice of Failure"). In the event that the Charter School makes a diligent effort to cure its failure to observe or perform any of the covenants, conditions or material provisions of this Agreement after receipt of the Notice of Failure from the District, then this Agreement shall continue for a reasonable period of time to permit Charter School to cure its failure. However, such reasonable period of time to cure shall not exceed ninety (90) days from the date of the Notice of Failure, unless agreed to in writing by the parties;

C. The revocation or non-renewal of Charter School's charter by the District or cessation of the Charter School's program for any reason; however, if the Charter School appeals any such revocation or non-renewal, this Agreement shall not terminate before either the Charter School has completed the appeals process and has not prevailed, or the end of the Term, whichever occurs first. Notwithstanding the foregoing, if Charter School does not prevail in appealing the non-renewal of its charter during the 2018-19 school year, then this Agreement shall not terminate until the end of the Term;

D. The failure by Charter School to utilize the Subject Property for the sole purpose of operating a charter school as authorized by this Agreement and the Charter School's charter and any MOU where such failure shall continue for a period of fifteen (15) days after receipt of written notice thereof by District to Charter School;

E. The failure of Charter School to limit its use of the Subject Property to the space allocated to the Charter School pursuant to this Agreement and in conformity with the District's policies and practices for use of District facilities where such failure shall continue for a period of fifteen (15) days after receipt of written notice thereof by District to Charter School.

19. **Independent Status.** This Agreement is by and between two independent entities and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association.

20. **Entire Agreement of Parties.** This Agreement, together with its attachments, constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations and agreements, whether oral or written. In the event of a conflict between this Agreement and the Charter, this Agreement shall control. This Agreement may be amended or modified only by a written instrument executed by the Parties.

21. **Legal Interpretation.** This Agreement shall be governed by and the rights, duties and obligations of the Parties shall be determined and enforced in accordance with the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of this Agreement shall be maintained in Orange County, California. The Parties expressly understand and agree that this Agreement constitutes a license for use of the Subject Property, and is neither intended by the Parties, nor shall it be legally construed, to convey a leasehold, easement, or other interest in real property. Should either Party be compelled to institute arbitration, legal, or other proceedings against the other for or on account of the other Party's failure or refusal to perform or fulfill any of the covenants or conditions of this Agreement on its part to be performed or fulfilled, the Parties agree that the rules and principles applicable to licenses shall govern such actions or proceedings.

22. **Waiver.** The waiver by any Party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

23. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, and assigns.

24. **Counterparts.** This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one document.

25. **Severability.** Should any provision of this Agreement be determined to be invalid, illegal or unenforceable in any respect, such provision shall be severed and the remaining provisions shall continue as valid, legal and enforceable.

26. **Incorporation of Recitals and Exhibits.** The Recitals and each exhibit attached hereto are incorporated herein by reference.

27. **Facsimile Signatures.** This Agreement may be executed and transmitted to any other party by facsimile, which facsimile shall be deemed to be, and utilized in all respects as, an original, wet-inked document.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the Effective Date.

CAPISTRANO UNIFIED SCHOOL
DISTRICT

By _____
Its _____

COMMUNITY ROOTS ACADEMY

By 
Its Executive Director of Education

Exhibit A

Description of Subject Property

Charter School's use of the Subject Property includes the following administrative offices, classrooms, outdoor spaces, parking and other spaces at the CVES campus as depicted/ highlighted and limited on the attached "Crown Valley Elementary School Shut Off Map 2015/16" attached hereto, and the Subject Property includes restrooms, custodial closets or other spaces that are adjacent to and a part of these spaces but are not identified on the map.

The Charter School shall have exclusive use of:

- Administrative building with the following identified spaces: Nurse and an adjacent room, Office Manager, Office, Principal, two Workrooms, and Staff Lounge;
- Classrooms: K1 (606), K2 (607), P2, P3 (703), and P4 (704);
- Classrooms: A1 (101), A2 (102), A3 (103), A4 (104), A5 (104), A6, the adjacent numbered classroom, and A8 (106);
- Classrooms: B1 (201), B2 (202), B3 (203), B4 (204), B5 (205), and B6;
- Classrooms: C1 (301), C2 (Int-2302), C2A (Int-2121), C3 (303), C4 (304), C5 (305), and C6 (306);
- Classrooms: P8, P9, and P10;
- Classrooms: D2, D3 (402), D4 (403), D6 (502), D7 (405), and D8 (406);
- Occupational Therapy/E1 (502);
- The Computer Lab/D5 (Int 205); and,
- Outdoor spaces: Primary Grade Playground, Courtyard, , and the blacktop and playground areas not indicated on the attached map that wrap around the backside of the classroom buildings from the Primary Grade Playground to but not including the Food Service Area adjacent to the C Building.

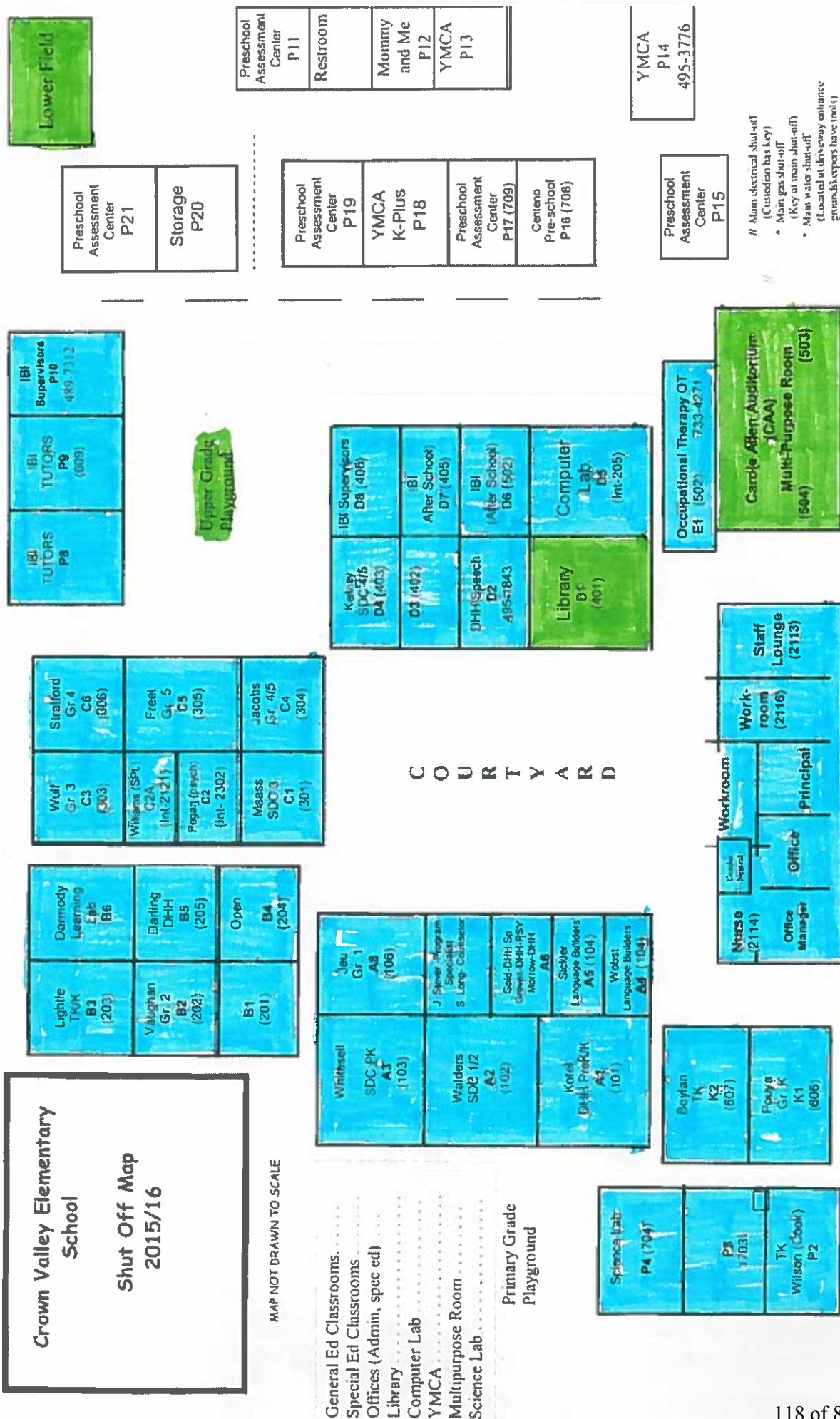
The Charter School shall have cooperative, shared use of the following spaces in accordance with the shared use provisions of this Agreement:

- The Multi-Purpose Room (503 and 504);
- The Lower Field;
- The Upper Playground;
- The Food Service Area adjacent to the C Building;
- The Library/D1 (401); and,

- Parking: all parking lots and spaces at CVES; and the hardcourts and baseball fields that are not depicted on the attached map and surround the Lower Field.

CRA SPACE
Shared space

C.R.A



21-11-16

Exhibit B
Site Improvement Form



Capistrano Unified School District
Site Improvement Project Request Form
(Site or Community Sponsored Modifications to CUSD Property)

Written authorization is required from the Department of Facilities/Maintenance and Operations before proceeding with any site (building and/or grounds) improvement. Please allow thirty (30) days for Facilities/Maintenance and Operations to review your Site Improvement Request.

1. Date: _____
2. School: _____
3. Contact Name: _____
4. Contact Organization: _____ Daytime Phone: _____
5. Contact Address: _____
6. Describe Proposed Project: _____

7. Please **attach a site plan** and show the **proposed project location**.
8. Cost estimate for proposed project (including planning, design, materials, implementation, etc.):

9. Will there be ongoing costs for proposed project once implemented? Yes No
10. List funding source (s) SIP, PTA, etc. and CUSD SACS budget code: _____
____ - ____ - ____ - ____ - ____ - ____ - ____ - ____ - ____ - ____ - ____ - ____
11. Are funds available now? Yes No
12. Anticipated implementation schedule: (please identify month, day and year)
Start Date: ____/____/____ Completion Date: ____/____/____
13. Please provide any additional information (such as: photos, drawings or specifications) that might be helpful to Facilities/Maintenance and Operations in its evaluation of your request: _____

SITE IMPROVEMENT REQUEST FORM
SITE ADMINISTRATOR APPROVAL

I am aware of the proposed project described above (initial) _____

I have the following comments/concerns: _____

I support this project:

Site Principal's Signature: _____ **Site:** _____
Phone: () _____ **Date:** _____

Facilities Approval _____	Signature: _____	Date: _____
M&O Approval _____	Signature: _____	Date: _____
Comments: _____		

DIABLO VALLEY COLLEGE
ACADEMY SUPPORT CENTER (ASC)
Western Academy Support and Training Center
AFFILIATION AGREEMENT

This Affiliation Agreement is entered into between Contra Costa Community College District's Diablo Valley College (the "ASC") Capistrano Unified School District (formerly South Coast Regional Occupational Program) (the "ACADEMY") as of the July 1, 2016. Your academy ID# is: 20034409. Please include this ID# in the note if submitting your payment via check.

ASC (Academy Support Center):

Authorized Representative

Signed: Kim Schenk

Printed: Kim Schenk

Title: Manager, Community Education

ACADEMY (Local Cisco Academy):

Authorized Representative

Signed: _____

Printed: _____

Title: _____

Network Academy Contact:

Same as above ____

Name: _____

Title: _____

Effective Date: July 1, 2016

1. DURATION

The duration, or term, of this Agreement shall be one year, commencing on the Effective Date. This Agreement may be renewed on a year-to-year basis by written agreement of the parties. The parties may revise or modify this Agreement only by a written amendment signed by both parties. An ACADEMY that joins between July 1, 2016 and December 31, 2016 is subject to the terms of this agreement.

2. GENERAL TERMS

2.1. The purpose of this Agreement is to establish an affiliation between the ASC and the ACADEMY to provide operational support to the ACADEMY in a relevant format (email, phone, web, or in-person).

2.2. The ACADEMY shall be responsible for paying an initial fee of \$550 for the first year of service to the ASC, due upon Effective Date. After the first year, the annual renewal fee is \$550.00. An "early bird" discounted rate of \$300 is available if payment is received before **September 30, 2016**.

2.3. Upon receiving the annual fee, the ASC shall provide up to 10 hours of operational support to the ACADEMY annually.

2.4. Additional operational support beyond that included in annual membership (10 hours) will be billed to the ACADEMY (payable within 30 days) at a rate of \$100.00 per hour.

3. ASC'S OBLIGATIONS

- 3.1. Assist the ACADEMY with finding training and setting up their classroom.
- 3.2. Be a resource expert, assisting ACADEMY in finding available information, resources and tools.
- 3.3. Provide Administrator Orientation to the ACADEMY.
- 3.4. Maintain regular contact with the ACADEMY.
- 3.5. Assist the ACADEMY with navigating NetSpace.
- 3.6. Relay critical operational communications from Cisco to the ACADEMY.
- 3.7. Help the ACADEMY understand and utilize new tools.

4. ACADEMY'S OBLIGATIONS

- 4.1. Appoint a Network Academy Contact who is responsible for the primary point of contact with the ASC, and maintaining compliance with this Agreement.
- 4.2. Make a best effort to obtain operational support first from the ASC before escalation to Cisco.
- 4.3. Allow 24 hours for a reply from the ASC to requests for support before escalation to Cisco.

5. EARLY TERMINATION

- 5.1. This Agreement may be terminated by either party upon thirty (30) days written notice to the other.

6. MISCELLANEOUS

- 6.1. Both parties will be responsible for the negligent acts or omissions of its own employees, officers or agents in the performance of this agreement. Neither will be considered the agent of the other and neither assumes any responsibility to the other for the consequences or any act or omission of any person, firm, or corporation not a party to this agreement.
- 6.2. Neither party shall have the right to assign this Agreement without the prior written consent of the other party.
- 6.3. This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter. No prior or contemporaneous agreement or understanding will be effective.
- 6.4. The individual signing on behalf of ACADEMY hereby represents and warrants that s/he is duly authorized to execute and deliver this Agreement on behalf of ACADEMY and that this Agreement is binding upon ACADEMY in accordance with its terms.

Mail Agreement to:

Diablo Valley College Community Education

c/o Kim Schenk

321 Golf Club Rd, Pleasant Hill, CA 94523

Scan and Email Agreement to: wastc@dvc.edu

Donation of Funds
May 11, 2016

DONATED BY	AMOUNT	PURPOSE	SCHOOL
Disney Worldwide Services, Inc.	\$1,000.00	Instructional Materials and Supplies	Aliso Niguel High School
Wells Fargo Matching Gifts Program	\$100.00	Instructional Materials and Supplies	Aliso Viejo Middle School
San Juan Capistrano Education Foundation	\$375.50	Field Trip Transportation	Ambuehl Elementary School
Kroger	\$51.31	Instructional Materials and Supplies	Bathgate Elementary School
Bergeson Elementary School- Friends of MIP	\$472.50	Substitutes for the Mandarin Program	Bergeson Elementary School
Disney Worldwide Services, Inc.	\$2,000.00	Instructional Materials and Supplies	Capistrano Valley High School
Huffman Group-Kona Ice Truck	\$215.00	Instructional Materials and Supplies	Castille Elementary School
Clarence Lobo Elementary School PTA	\$11,000.00	Music Program	Clarence Lobo Elementary School
Clarence Lobo Elementary School PTA	\$639.00	4th Grade Field Trip	Clarence Lobo Elementary School
Del Obispo Elementary School PTA	\$445.00	Field Trip	Del Obispo Elementary School
George White Elementary School PTA	\$1,280.00	Kindergarten Assembly	George White Elementary School
Harold Ambuehl Elementary School PTA	\$94.50	Field Trip Transportation	Harold Ambuehl Elementary School
DoTopia/Wells Fargo Matching Gift Program	\$60.00	Instructional Materials and Supplies	Hidden Hills Elementary School
Capistrano Unified School District Foundation	\$10,943.00	Instructional Materials and Supplies	Hidden Hills Elementary School
Marblehead Elementary School Aloha Education Foundation	\$1,121.68	Walkie-Talkies	Marblehead Elementary School
Marblehead Elementary School PTA	\$1,511.67	Art Masters Program	Marblehead Elementary School
Marian Bergeson Elementary PTA	\$2,046.00	Art Masters Program	Marian Bergeson Elementary
Pacific Life Foundation	\$3,000.00	Instructional Materials and Supplies	Marian Bergeson Elementary
Moulton Elementary School PTA	\$500.00	Additional Assignment for Science Week	Moulton Elementary School
Kroger	\$29.17	Instructional Materials and Supplies	Phillip Reilly Elementary
Target	\$733.17	Instructional Materials and Supplies	San Juan Hills High School
Pacific Life Foundation	\$4,000.00	Instructional Materials and Supplies	San Juan Hills High School
Kroger	\$59.09	Instructional Assistants	Tijeras Creek Elementary School
Mrs. Chrissie Sulkess		Kay Violin, Bow, and Case	Truman Benedict Elementary School
Vista del Mar Elementary School PTA	\$1,482.50	3rd Grade Field Trip	Vista del Mar Elementary School
Vista del Mar Elementary School PTA	\$1,278.75	4th Grade Field Trip	Vista del Mar Elementary School
Vista Del Mar Middle School PTA	\$9,834.90	Instructional Materials and Supplies	Vista del Mar Middle School
Mako Foundation	\$16,000.00	Deposit for Security System	Vista del Mar Middle School
	\$70,272.74		

NEW AGREEMENT RATIFICATIONS

TYPE	CONTRACT NO	WIG	FUNDING SOURCE	VENDOR	SERVICES	CONTRACT TERM	ESTIMATED EXPENDITURES
ICA	1516247	3	Deferred Maintenance	P2S Engineering, Incorporated	Commissioning Services for San Clemente High School Classroom Addition	10/28/2015-10/27/16	\$ 19,150.00
PSA	1516248	1	Special Ed	Language Network, Incorporated	Provide Professional Interpreters and Translators	4/01/2016-6/30/2016	\$ 1,500.00
FSA	1516250	3	Deferred Maintenance	Irvine Valley Air Conditioning	Install Two (2) New Fuji 18,000 BTU Heat Pump Systems With New Condenser and Wall-Mounted Unit, Condensate Pump, Copper Lines Dyer, and Main Electrical Low-Voltage Line at Don Juan Avila Middle School	3/16/2016 - Upon Completion of Work	\$ 25,500.00

TOTAL \$ 46,150.00

AMENDMENT RATIFICATIONS

TYPE	CONTRACT NO	WIG	FUNDING SOURCE	VENDOR	SERVICES	JUSTIFICATION	ESTIMATED EXPENDITURES
ICA	1516133	1	Title I	1 2 3 Math, Incorporated	No Child Left Behind Supplemental Educational Services	Increase Contract From \$4,997.25 to \$6,397.25	\$ 1,400.00
ICA	1516148	1	Title I	A Better Tomorrow Education	No Child Left Behind Supplemental Educational Services	Increase Contract From \$9,994.50 to \$10,394.50	\$ 400.00
ICA	1516156	1	Title I	Apple Learning Company	No Child Left Behind Supplemental Educational Services	Increase Contract From \$24,997.25 to \$41,997.25	\$ 17,000.00
ICA	1516165	1	Title I	Professional Tutors of American, Incorporated	No Child Left Behind Supplemental Educational Services	Increase Contract From \$59,978.00 to \$83,978.00	\$ 24,000.00
ICA	1516166	1	Title I	Reach Professional in Home Tutoring	No Child Left Behind Supplemental Educational Services	Increase Contract From \$5,697.25 to \$25,997.25	\$ 20,000.00
ICA	1516170	1	Title I	Teach-n-Tutor, Incorporated	No Child Left Behind Supplemental Educational Services	Increase Contract From \$3,997.25 to \$7,197.25	\$ 3,200.00
ICA	1516242		General Fund	Fairbank, Maslin, Maullin, Metz, & Associates	Public Opinion and Research Services - Feasability of Districtwide General Obligation Bond Issuance	Increase Contract From \$37,000 to \$58,000	\$ 21,000.00

TOTAL \$ 87,000.00

ICA - Independent Contractors Agreement

PSA - Professional Services Agreement

MCA- Master Contract Agreement

FSA - Field Service Agreement

CUSD WIG 1: Teaching and Learning Engage students in meaningful, challenging, and innovative educational experiences to increase post-secondary options for all students.

CUSD WIG 2: Communications – Communicate with, and engage students, parents, employees, and community members in Districtwide and community-specific decisions.

CUSD WIG 3: Facilities Optimize facilities and learning environments for all students.

*No not to exceed" amount included in the master contract. The master contract agreements do not include a not to exceed dollars amount as it may limit the flexibility to place special education students in a timely manner.



INDEPENDENT CONTRACTOR MASTER AGREEMENT

This Agreement for Contracted Services ("Agreement") is effective as of May 12, 2016 by and between Capistrano Unified School District, located at 33122 Valle Road, San Juan Capistrano, California 92675 ("District") and the contractor listed below ("Contractor"). District and Contractor may hereafter be referred to as "Party" or collectively as the "Parties".

P2S ENGINEERING, INCORPORATED

WHEREAS, District is authorized, following approval of this Agreement by its Board of Trustees, pursuant to its general authority set forth in California Education Code §35160, to contract with and employ persons for the furnishing of certain services on an as-needed basis;

WHEREAS, District is in need of such services from time to time, specifically those described in Exhibit A; and

WHEREAS, Contractor is specially trained, experienced, licensed, and competent to perform the services required by District, and such services are needed on a limited basis;

NOW, THEREFORE, the Parties agree as follows:

Scope of Work/Services. Contractor shall perform the services as set forth in the Proposal, which is attached hereto as Exhibit A (hereinafter referred to as "Contracted Services"), and incorporated as if fully set forth herein. Contractor's specific scope of work shall be set forth in Exhibit A and/or supplemented by purchase orders subsequently issued by the District, on an as needed basis.

Fees and Expenses. For the Contracted Services provided for hereunder, Contractor shall be compensated as set forth in Exhibit A. The total cost of services requested by District and provided by Contractor under this agreement shall be specifically authorized by Purchase Order (PO) and is estimated to be no more than: \$19,150 in the aggregate under the term of this Agreement.

Term of Agreement. The term of this base Agreement is for October 28, 2015, through October 27, 2016, with the option to extend annually by mutual agreement and upon Board approval for a total contract term not to exceed a total of five (5) years, as allowed by Education Code §17596.

Additional Terms. This Agreement contains additional terms that are set forth in the attached documents titled General Conditions, Special Conditions and Required Documents and Certifications, and associated Purchase Order(s), which by this reference are incorporated herein. District and Contractor acknowledge, and agree to be bound by, the terms set forth in the selected documents attached to this Agreement, as if such additional terms were fully set forth herein.

☒ General Conditions ☐ Special Conditions ☒ Required Documents and Certification ☒ Purchase Order(s)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

Capistrano Unified School District

Contractor

By: _____
Name: Janet Polite
Title: Supervisor, Purchasing
Board Approval Date: May 11, 2016

Signature: _____
Name: _____
Title: _____
Address: _____

Email Address: _____
FEIN: _____

EXHIBIT A

October 28, 2015

Ryan Carter
Capistrano Unified School District
33122 Valle Road
San Juan Capistrano, CA 92675

Subject: Commissioning Services Proposal for CUSD San Clemente HS Classroom Addition

Dear Ryan,

Thank you very much for considering P2S Commissioning for the referenced project. This proposal is based on our meeting at Capistrano Unified School District (CUSD) on 10/1/15 and the Schematic Design package prepared by HMC. We are pleased to provide you our following proposal that defines our statement of understanding, scope of services, deliverables, and fees.

STATEMENT OF UNDERSTANDING

San Clemente High School, located in San Clemente, intends construct a new 19,776 SF classroom building on the campus. The building will be 2-stories and include 24 classrooms as well as core space, restrooms, electrical and other minor support spaces.

The Owner would like to pursue all the commissioning requirements set forth in the 2013 California Energy Code, Title 24, Part 6.

In addition, as the project manager for this project I will be the main point of contact for P2S' Cx Team and will be involved in the attendance at the meetings identified in the scope below.

SCOPE OF SERVICES

T24 Required Commissioned Systems

1. Building energy management and control (EMS) systems
2. Heating, ventilating and air conditioning systems
3. Indoor lighting system and controls
4. Landscape irrigation systems
5. Scheduled or occupancy sensor lighting controls
6. Daylight dimming controls
7. Domestic hot water heating systems for general use.

Design Phase Commissioning Services

1. Perform commissioning reviews of the design, drawings and specifications for the 50% DD, 100% DD, 50% CD and 100% CD submittals, coinciding with the mechanical systems review. Reviewed documents will include Owner's Project Requirements (OPR), Basis of Design (BOD), and project documents.
2. Develop full commissioning specifications for commissioned equipment and systems.
3. Prepare and provide necessary commissioning documentation related to Title 24, Part 6. At a minimum, this will include the Cx Plan and CXR Forms required for plan check.
4. Attend (2) on-site meetings during the design phase.

Construction Phase Commissioning Services

1. Coordinate the commissioning work and, with the contractor and construction manager (CM), ensure that commissioning activities are being incorporated into the master schedule.
2. Plan and conduct a commissioning kickoff meeting and distribute minutes.
3. During construction plan and conduct (2) on-site Cx specific meetings and distribute minutes.
4. Review applicable submittals from the contractor related to commissioning. This includes HVAC, controls, testing and balancing (TAB) submittals and O&M materials.
5. Gather and review the current control sequences and interlocks and work with contractors and design engineers until sufficient clarity has been obtained.
6. Review requests for information and change orders for impact on commissioning and Owner objectives. The review of such change orders related to commissioning will be at no additional cost to the District.
7. Write and distribute prefunctional checklists for commissioned equipment.
8. Review HVAC piping pressure test and flushing documentation, sufficient to be confident that proper procedures were followed.
9. Review any ductwork testing and cleaning documentation sufficient to be confident that proper procedures were followed.
10. Document construction checklist completion and systems startup by reviewing completed prefunctional checklists and startup reports and by selected site observation.
11. Review air and water balancing reports.
12. Write the functional performance test procedures for equipment and systems.
13. Coordinate, witness and document manual functional performance tests performed by installing contractors.
14. Analyze functional performance trend logs and monitoring data to verify performance.
15. Review and comment on training material prepared by the Contractor.
16. Compile a Commissioning Record.
17. Compile a Systems Manual.
18. Prepare and provide necessary commissioning documentation related to Title 24, Part 6. Subject documentation is required for Certificate of Occupancy.

Warranty Period Commissioning Services

The following warranty period commissioning services will be provided as an add service with the following scope:

1. Supervise the required opposite season or deferred testing and deficiency corrections; and provide the final testing documentation.
2. Return to the site at 10 months into the 12-month warranty period and review with campus facility staff the current facility operation and the condition of outstanding issues related to the original and seasonal commissioning.
 - a) Make suggestions for improvements and for recording these changes in the O&M manuals.
 - b) Identify areas that may come under warranty or under the original construction contract.
 - c) Assist facility staff in developing reports and documents and requests for services

to remedy outstanding problems.

ASSUMPTIONS

1. During functional testing, one re-test of each of the commissioned systems will be allowed (excluding time to fix minor issues). Any further retesting that must be conducted after the first re-test will be performed on a time and expense basis upon approval by the Owner. It is the intent that the readiness of the equipment to be tested will be coordinated by the CxA team with the Contractor and verified prior to testing. If the Contractor has requested the CxA team to perform testing prior to being ready, this will be a back-charge to the Contractor after the first re-test. This language will be included in the Commissioning Specifications to put the burden on the Contractor.
2. Testing of any other building systems than those described are not included in this proposal. Any such services could be added upon the request of the Owner.
3. On-site renewable energy, site-built fenestration, and building enclosure testing are not currently part of the project and have been excluded from the Cx scope.
4. Electrical Lighting Compliance Testing is excluded from the proposal, but could be added upon request of the Owner.

FEES

We propose to undertake the Cx portion of this project defined in this proposal for a fixed fee of **NINETEEN THOUSAND ONE HUNDRED FIFTY DOLLARS (\$19,150)**. Invoicing will be monthly based on percent of work complete. Following is a breakdown of the fees by services:

Title 24 Commissioning Services	\$16,650
Warranty Period Commissioning	\$2,500

We look forward to the opportunity of working with you on the subject project. If you have any questions, please contact me.

Sincerely,

P2S ENGINEERING, INC.



James Del Monaco, P.E., CxA, LEED AP BD&C
Sustainability Director/Mechanical Group Manager

P15-1100 Ltr20151028-RC
jd



PROFESSIONAL SERVICES MASTER AGREEMENT

This Agreement for Professional Services ("Agreement") is effective as of May 12, 2016 by and between Capistrano Unified School District, located at 33122 Valle Road, San Juan Capistrano, California 92675 ("District") and the consultant listed below ("Consultant"). District and Consultant may be referred to as "Party" or collectively as the "Parties".

LANGUAGE NETWORK, INCORPORATED

WHEREAS, District is authorized, following approval of this Agreement by its Board of Trustees, pursuant to its general authority set forth in California Education Code §35160, Government Code §§4526 and 53060, to contract with and employ any persons for the furnishing of special professional services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required;

WHEREAS, District is in need of such special services and advice, specifically those described in [Exhibit A], and

WHEREAS, Consultant represents that he/she/it is specially trained, experienced, licensed, and competent to perform the special professional services required by the District, and such services are needed on a limited basis (hereinafter referred to as "Consulting Services");

NOW, THEREFORE, the Parties agree as follows:

Scope of Work/Services. Consultant shall perform the Consulting Services as set forth in Consultant's Proposal which is attached hereto, marked as Exhibit A (hereinafter referred to as "Contracted Services"), and incorporated as if fully set forth herein. Consultant's specific scope of work shall be set forth in Exhibit A and/or supplemented by purchase orders or other written instructions subsequently issued by the District.

Fees and Expenses. For the Consulting Services provided for hereunder, Consultant shall be compensated as set forth in Exhibit A. The total cost of services requested by District and provided by Consultant under this agreement is estimated to be **\$1,500** in the aggregate under term of this Agreement.

Term of Agreement. The term of this base Agreement is for April 1, 2016, through June 30, 2016, with the option to extend annually by mutual agreement and upon Board approval for a total contract term not to exceed a total of five (5) years, as allowed by Education Code section 17596.

Additional Terms. This Agreement contains additional terms that are set forth in the attached documents titled General Conditions, Special Conditions and Required Documents and Certifications, and associated Purchase Order(s), which by this reference are incorporated herein. District and Consultant acknowledge, and agree to be bound by, the terms set forth in the selected documents attached to this Agreement, as if such additional terms were fully set forth in full herein.

[X] General Conditions [] Special Conditions [X] Required Documents and Certifications [X] Purchase Order(s)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

DISTRICT

By: _____
Name: Janet Polite
Title: Supervisor, Purchasing
Board Approval Date: May 11, 2016

CONSULTANT

Signature: _____
Name: _____
Title: _____
Address: _____
Email Address: _____
FEIN: _____

Language



DISCOUNTED RATES FOR SCHOOLS *

In an effort to provide **professional interpreters and translators** at a reduced rate, we have partnered with our language specialists to offer the following reduced rates to non-profits and schools because *we believe there is no substitute for linguistic and cultural competence*:

SPANISH *

IEP: \$180.00 minimum for the first 2 hours; thereafter, \$90.00 per hour prorated in 15 minute increments. IEP after 5 p.m. -- \$225.00 for minimum of two hours; thereafter, \$112.50 per hour prorated in 15 minute increments.

Non-IEP – Example: Parent/Teacher conferences

\$150.00 min. for the first 2 hours; thereafter, \$75.00 per hour prorated in 15 minute increments.

Meetings after 5 p.m. -- \$205.00 for minimum of two hours

SIGN LANGUAGE*

\$205.00 minimum for the first 2 hours; thereafter, \$102.50.00 per hour prorated in 15 minute increments. Meetings after 5 p.m. -- \$230.00 for minimum of two hours

IN-PERSON I * Chinese: Cantonese, Mandarin & other Chinese dialects; French, Italian, Portuguese, Vietnamese

\$265.00 minimum for the first 2 hours; thereafter, \$132.50 per hour prorated in 15 minute increments. Meetings after 5 p.m. -- \$295.00 for minimum of two hours

IN-PERSON II * Arabic, Armenian, Cambodian/Khmer, Farsi, German, Hindi, Korean, Lao, Punjabi, Romanian, Russian, Tagalog, Thai, Urdu

\$275.00 minimum for the first 2 hours; thereafter, \$137.50 per hour prorated in 15 minute increments. Meetings after 5 p.m. -- \$295.00 for minimum of two hours

**Exceptions: Japanese, Hmong, Turkish, Bengali and Indonesian fees may be higher than the above. All fees can vary depending on which interpreter is available but every effort is made to keep within rates mentioned above*

Phone Conference Rates:

Languages other than Spanish

Spanish

Length Of Call:

0-10 Minutes	\$60.00
11-20 "	\$70.00
21-30 "	\$80.00
31-40 "	\$90.00
41-60 "	\$100.00

Length Of Call:

0-10 Minutes	\$35.00
11-20 "	\$45.00
21-30 "	\$55.00
31-40 "	\$65.00
41-60 "	\$75.00

101 E. Redlands Blvd. Suite 247, Redlands, CA 92373 (949) 733-2446 Fax (949) 215-9608

E mail: staff@languagenetworkusa.com

Please visit our website: www.LanguageNetworkUSA.com

Language



TRANSLATION OF DOCUMENTS by certified translators:

\$.22/word SPANISH

\$.30 -.35/word OTHER LANGUAGES

Note: **Formatting** fees are separate and may vary depending on complexity of layout.

Minimum Fee: \$90.00 (depending on language)

Will negotiate lower fees for volume.

SIGN LANGUAGE American Sign Language:

\$205.00 minimum fee for the first 2 hours; thereafter, \$102.50.00 per hour prorated in 15 minute increments.

Meetings after 5 p.m. -- \$230.00 two hours

**(Prices effective through 6/30/16. A reduced late cancellation rate applicable if appointment cancelled less than 24 hours before appointment.)*

101 E. Redlands Blvd. Suite 247, Redlands, CA 92373 (949) 733-2446 Fax (949) 215-9608

E mail: staff@languagenetworkusa.com

Please visit our website: www.LanguageNetworkUSA.com

Language

NETWORK, INC.

SCOPE OF SERVICES

Language Network Inc. will provide professional, experienced interpreters, translators and sign language interpreters to Capistrano Unified School District (CUSD) in a collaborative environment to help the school district's staff achieve accurate communication with students and parents who don't speak English or speak it fluently. If CUSD has a language barrier issue, we are willing and ready to provide the solution.

We respond to language assistance requests in a fast and timely manner. We are available to receive requests for language assistance via a phone call or email from authorized CUSD personnel. Please instruct your personnel to call us at 949/733-2446 or email us at: staff@languagenetworkusa.com. Our interpreters of all languages are available for onsite language assistance to all schools in the district. The interpreters are also available for telephone interpreting. Certified translators are available for any document translations.

Our network of interpreters is a group of independent contractors who we have carefully chosen for their experience and professionalism to represent Language Network at CUSD. They routinely provide interpreting to the private and legal sector of Southern California. We are committed to provide our professional interpreters at discounted rates to schools. A rate sheet is enclosed with the Scope of Services.



CAPISTRANO UNIFIED SCHOOL DISTRICT
33122 Valle Road
San Juan Capistrano, CA 92675

FIELD SERVICES AGREEMENT

THIS CONTRACT is made and entered into this 12th day of May 2016, by and between Irvine Valley Air Conditioning, hereinafter called the CONTRACTOR, and CAPISTRANO UNIFIED SCHOOL DISTRICT, hereinafter called the DISTRICT.

The CONTRACTOR and the DISTRICT do hereby contract and agree as follows:

1. The Contractor shall furnish the District for an amount estimated to be \$ 25,500 the following:
Install two (2) new Fuji 18,000 BTU heat pump systems with new condenser and wall-mounted unit, condensate pump, copper lines dyer, and main electrical low-voltage line at Don Juan Avila Middle School.
- As described in the attached Exhibit A.
2. The term of the Contract shall begin on March 16, 2016 and end upon completion of work.
3. Payment schedule: Payment is to be made upon satisfactory completion of and acceptance of work as well as receipt of labor and material releases and invoice.
4. Inspection shall be performed by the Director of Maintenance & Operations or Designee on behalf of District, who will, if appropriate, recommend acceptance to the Board of Trustees.
5. This contract includes the attached General Conditions which are incorporated herein by reference. Contractor, by executing this contract, agrees to comply with each and every such term and condition.
6. Contractor shall guarantee all labor and materials used in the performance of this contract for a period of 365 days (1 year) from the date of acceptance by District.

7. This Contract includes all Contract Documents as indicated below:

- ☒ W-9 Request for Taxpayer Identification Number and Certification
- ☒ Quote/Proposal, dated 3-16-16
- ☒ Plans and Specifications/Scope of Work
- ☒ Worker's Compensation Certificate
- ☒ Purchase Order Number 356116
- ☒ Liability Insurance Certificate
- ☒ Guarantee
- ☒ Certification by Contractor of Criminal Records Check
- ☒ Contractor's Certificate Regarding Non-Asbestos Containing Materials
- ☐ Payment Bond \$ _____
- ☐ Faithful Performance Bond \$ _____
- ☒ California State Contractor's License Number _____
- ☒ Drug-Free Workplace Certification
- ☒ Tobacco Use Policy
- ☒ DIR Registrations No. _____
- ☐ _____
- ☐ Other _____

8. IN WITNESS WHEREOF, said parties have executed this Contract as of the date first written above.

CAPISTRANO UNIFIED SCHOOL DISTRICT

CONTRACTOR:

By: _____
Signature

By: _____
Signature

Janet Polite
Print Name

Print Name

Supervisor, Purchasing
Title

Title

Board Approval Date: May 11, 2016

Contractor's License No.

Tax ID/Social Security No.

(Corporate Seal, if Incorporated)

Field Service Agreement
Capistrano Unified School District

Irvine Valley Air Conditioning, Inc.

Contractor License No. 641001
Phone: (714) 575-5244
Fax: (714) 575-5246

2961 E. Coronado Street
Anaheim, CA 92806

EXHIBIT A

WORK AUTHORIZATION

Purchaser: Capistrano Unified School District

Date: 3/16/16

Address: 32972 Calle Perfecto
San Juan Capistrano, Ca. 92675

Job Name: Don Juan Avila Middle School (Women's locker room and office 2 units)

Description of Work: To install (2) new Fuji 18,000 BTU heat pump system with new condenser and wall mounted unit, also with condensate pump, copper lines drier, and main electrical also low voltage line.

All roof penetration will be sealed

Test and balance the complete system

Perform a complete start-up and test the system

AUTHORIZED TO PROCEED ON PRICE NOT TO EXCEED

\$12,750.00

PRICE VALID FOR A PERIOD OF (30) DAYS FROM DATE OF PROPOSAL

Irvine Valley will not be held responsible for additional problems arising from failure to do recommended repairs.

Irvine Valley Air Conditioning, Inc.'s ("IVAC") liability under this Work Proposal, if accepted by Customer, is limited to the lesser of Five Hundred Dollars (\$500.00) or the total price of this Work Proposal. There are no other agreements between IVAC and the Customer other than as set forth in this Work Proposal. IVAC makes no warranty, expressed or implied with regard to this Work Proposal. **Customer agrees to pay the contract price within thirty (30) days of completion of the work. If the price is not paid within thirty (30) days, Customer agrees that a service charge of one and one-half percent (1½%) of the unpaid balance will be added to the price per month until paid.** IVAC will honor the manufacturer's warranty on parts and labor for a period of one (1) year only. In the event that any legal action is necessary to enforce the terms of this Work Proposal then IVAC shall be entitled to reasonable collection costs and attorney's fees. Title 24 Not Included

Prepared for Irvine Valley:

Authorized by Purchaser's Representative:

Title:
Date:

Title:
Date:

Director *[Signature]*
3/18/16

Irvine Valley Air Conditioning, Inc.

Contractor License No. 641001
Phone: (714) 575-5244
Fax: (714) 575-5246

2961 E. Coronado Street
Anaheim, CA 92806

WORK AUTHORIZATION

Purchaser: Capistrano Unified School District

Date: 3/16/16

Address: 32972 Calle Perfecto
San Juan Capistrano, Ca. 92675

Job Name: Don Juan Avila Middle School (Men's locker room and office 2 units)

Description of Work: To install (2) new Fuji 18,000 BTU heat pump system with new condenser and wall mounted unit, also with condensate pump, copper lines drier, and main electrical also low voltage line.

All roof penetration will be sealed

Test and balance the complete system

Perform a complete start-up and test the system

AUTHORIZED TO PROCEED ON PRICE NOT TO EXCEED

\$12,750.00

PRICE VALID FOR A PERIOD OF (30) DAYS FROM DATE OF PROPOSAL

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Prepared for Irvine Valley:

Authorized by Purchaser's Representative:

Title:
Date:

Title:
Date:

Director *[Signature]*
3/18/16

**AMENDMENT NO. 2 TO INDEPENDENT CONTRACTOR AGREEMENT
ICA 1516133**

WITH

1 2 3 MATH, INCORPORATED

Independent Contractor Agreement No. ICA 1516133 with Capistrano Unified School District and 1 2 3 Math, Incorporated called for services to be rendered at the rates shown in the agreement.

On April 13, 2016, ICA 1516133 was amended to increase the total cost of services estimated to be \$4,997.25. The total cost of services requested by the District under this contract and provided by the Consultant is estimated to be \$6,397.25 for additional services requested by the District to supplement ICA 1516133.

Except as set forth in this Amendment, and Board approved on October 28, 2015, and April 13, 2016, all other terms of the contract remain in full force and effect.

Capistrano Unified School District

1 2 3 Math, Incorporated

By: _____
Signature

By: _____
Signature

Janet Polite

Print Name

Supervisor, Purchasing

Title

Board Approval Date: May 11, 2016

Date: _____

**INDEPENDENT CONTRACTOR AGREEMENT**

This Agreement for Contracted Services ("Agreement") is effective as of October 29, 2015 by and between Capistrano Unified School District, located at 33122 Valle Road, San Juan Capistrano, California 92675 ("District") and the contractor listed below ("Contractor"). District and Contractor may hereafter be referred to as ("Party") or collectively as ("Parties").

123 MATH, INCORPORATED

WHEREAS, District is authorized by Section 4526 and 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required,

WHEREAS, District is in need of such special services and advice, specifically Nu Child Left Behind Supplemental Educational Services as described in Exhibit A; and

WHEREAS, Contractor is specially trained, experienced, licensed, and competent to perform the special services required by District, and such services are needed on a limited basis (hereinafter referred to as "Contracted Services");

NOW, THEREFORE, the Parties agree as follows:

Scope of Work/Services. Contractor shall perform the Contracted Services as set forth in Contractor's Proposal which is attached hereto, marked as Exhibit "A," and incorporated herein by this reference

Fees and Expenses. For the Contracted Services provided for hereunder, Contractor shall be compensated as set forth in Exhibit "A." The total amount of services request by District and provided by Contractor under this agreement shall be authorized by Purchase Order (PO) and is estimated to be \$3,997.25 in aggregate under the term of this Agreement.

Term of Agreement The term of this base Agreement is for the period commencing October 29, 2015, and ending June 30, 2016, with the option to extend annually by mutual agreement and upon Board approval for a total contract term not to exceed a total of five (5) years as allowed by Education Code section 17596.

Additional Terms. This Agreement contains additional terms that are set forth in the attached documents titled General Conditions, Special Conditions and Required Documents and Certifications, and associated Purchase Order(s), which by this reference are incorporated herein. District and Contractor acknowledge, and agree to be bound by, the terms set forth in the attached documents as if such additional terms were set forth in full herein.

☒ General Conditions ☐ Special Conditions ☒ Required Documents and Certification ☒ Purchase Order(s)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

DISTRICT

By: 

Name: Lyn N. Rust

Title: Executive Director, Contracts & Purchasing

Board Approval Date: October 28, 2015

CONTRACTOR

Signature: 

Name: Irene Pinzon Santos

Title: Director

Address: 2050 Rangeview Drive
Glendale, CA 91201

Email Address: isantos@123math.org

FEIN: 46-1244165

EXHIBIT A

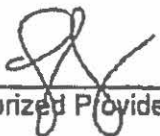


Fee Schedule 2015-2016

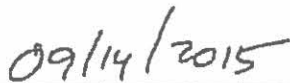
To: Capistrano Unified School District

From: 1 2 3 MATH
Address: 2050 Rangeview Drive, Glendale, CA 91201
Contact Person: Irene Pinzon Santos
Phone: 877-251-6284
Email: isantos@123math.org

One-one-One Tutoring	\$60.00 per hour
Small group (2-5 students)	\$60.00 per student per hour



Authorized Provider Signature



Date

1 2 3 MATH • www.123math.org
2050 Rangeview Drive • Glendale, CA 91201 • Phone: 877.251.6284 • Fax: 877.889.6891

**AMENDMENT NO. 1 TO INDEPENDENT CONTRACTOR AGREEMENT
ICA 1516133**

WITH

1 2 3 MATH, INCORPORATED

Independent Contractor Agreement No. ICA 1516133 with Capistrano Unified School District and 1 2 3 Math, Incorporated called for services to be rendered at the rates shown in the agreement.

The total cost of services requested by the District under this contract and provided by the Consultant is estimated to be \$4,997.25 for additional services requested by the District to supplement ICA 1516133.

Except as set forth in this Amendment, and Board approved on October 28, 2015, all other terms of the contract remain in full force and effect.


Capistrano Unified School District

By: 
Signature

Janet Polite

Supervisor, Purchasing

1 2 3 Math, Incorporated

By: 
Signature

Irene Pinzon Santos

Print Name

Director

Title

Board Approval Date: April 13, 2016

Date: 03/28/2016

**AMENDMENT NO. 2 TO INDEPENDENT CONTRACTOR AGREEMENT
ICA 1516148**

WITH

A BETTER TOMORROW EDUCATION

Independent Contractor Agreement No. ICA 1516148 with Capistrano Unified School District and A Better Tomorrow Education called for services to be rendered at the rates shown in the agreement.

On April 13, 2016, ICA 1516148 was amended to increase the total cost of services estimated to be \$9,994.50. The total cost of services requested by the District under this contract and provided by the Consultant is estimated to be \$10,394.50 for additional services requested by the District to supplement ICA 1516148.

Except as set forth in this Amendment, and Board approved on October 28, 2015, and April 13, 2016, all other terms of the contract remain in full force and effect.

Capistrano Unified School District

A Better Tomorrow Education

By: _____
Signature

By: _____
Signature

Janet Polite

Print Name

Supervisor, Purchasing

Title

Board Approval Date: May 11, 2016

Date: _____

**AMENDMENT NO. 1 TO INDEPENDENT CONTRACTOR AGREEMENT
ICA 1516148**

WITH

A BETTER TOMORROW EDUCATION

Independent Contractor Agreement No. ICA 1516148 with Capistrano Unified School District and A Better Tomorrow Education called for services to be rendered at the rates shown in the agreement.

The total cost of services requested by the District under this contract and provided by the Consultant is estimated to be \$9,994.50 for additional services requested by the District to supplement ICA 1516148.

Except as set forth in this Amendment, and Board approved on October 28, 2015, all other terms of the contract remain in full force and effect.

Capistrano Unified School District

A Better Tomorrow Education

By: _____
Signature

By: _____
Signature

Janet Polite

Print Name

Supervisor, Purchasing

Title

Board Approval Date: April 13, 2016

Date: _____



INDEPENDENT CONTRACTOR AGREEMENT

This Agreement for Contracted Services ("Agreement") is effective as of October 29, 2015 by and between Capistrano Unified School District, located at 33122 Valle Road, San Juan Capistrano, California 92675 ("District") and the contractor listed below ("Contractor"). District and Contractor may hereafter be referred to as ("Party") or collectively as ("Parties").

A BETTER TOMORROW EDUCATION

WHEREAS, District is authorized by Section 4526 and 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required;

WHEREAS, District is in need of such special services and advice, specifically No Child Left Behind Supplemental Educational Services as described in Exhibit A; and

WHEREAS, Contractor is specially trained, experienced, licensed, and competent to perform the special services required by District, and such services are needed on a limited basis (hereinafter referred to as "Contracted Services"),

NOW, THEREFORE, the Parties agree as follows:

Scope of Work/Services. Contractor shall perform the Contracted Services as set forth in Contractor's Proposal which is attached hereto, marked as Exhibit "A," and incorporated herein by this reference

Fees and Expenses. For the Contracted Services provided for hereunder, Contractor shall be compensated as set forth in Exhibit "A." The total amount of services request by District and provided by Contractor under this agreement shall be authorized by Purchase Order (PO) and is estimated to be \$7,994.50 in aggregate under the term of this Agreement

Term of Agreement. The term of this base Agreement is for the period commencing October 29, 2015, and ending June 30, 2016, with the option to extend annually by mutual agreement and upon Board approval for a total contract term not to exceed a total of five (5) years as allowed by Education Code section 17596.

Additional Terms. This Agreement contains additional terms that are set forth in the attached documents titled General Conditions, Special Conditions and Required Documents and Certifications, and associated Purchase Order(s), which by this reference are incorporated herein. District and Contractor acknowledge, and agree to be bound by, the terms set forth in the attached documents as if such additional terms were set forth in full herein.

☒ General Conditions ☐ Special Conditions ☒ Required Documents and Certification ☒ Purchase Order(s)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

DISTRICT

By: 

Name: Lynn N. Lust

Title: Executive Director, Contracts & Purchasing

Board Approval Date: October 28, 2015

CONTRACTOR

Signature: 

Name: Hario L. Vasquez

Title: CEO

Address: 14241 E. Frestone Blvd, #200

La Mirada, CA 90638

Email Address: hariov@abettertomorrowedu.com

FEIN: 46-1239658

EXHIBIT A

<u>Fee Schedule 2015-2016</u>
Provider: A Better Tomorrow Education
Address: 14241 E. Firestone Blvd., #200 La Mirada, CA 90638
Contact Person: Hario L. Vasquez
Phone: (888) 968-2283 or (562) 926-3755
Email: Hariov@abettertomorrowedu.com

Cost Associated with tutoring program (Hourly Rate)

•\$39.00

•One to One Tutoring



09/01/2015

Provider Signature/ Date

**AMENDMENT NO. 2 TO INDEPENDENT CONTRACTOR AGREEMENT
ICA 1516156**

WITH

APPLE LEARNING COMPANY

Independent Contractor Agreement No. ICA 1516156 with Capistrano Unified School District and Above and Beyond Learning, Incorporated called for services to be rendered at the rates shown in the agreement.

On April 13, 2016, ICA 1516156 was amended to increase the total cost of services estimated to be \$24,997.25. The total cost of services requested by the District under this contract and provided by the Consultant is estimated to be \$41,997.25 for additional services requested by the District to supplement ICA 1516156.

Except as set forth in this Amendment, and Board approved on October 28, 2015, and April 13, 2016, all other terms of the contract remain in full force and effect.

Capistrano Unified School District

Apple Learning Company

By: _____
Signature

By: _____
Signature

Janet Polite

Print Name

Supervisor, Purchasing

Title

Board Approval Date: May 11, 2016

Date: _____

**AMENDMENT NO. 1 TO INDEPENDENT CONTRACTOR AGREEMENT
ICA 1516156**

WITH

APPLE LEARNING COMPANY

Independent Contractor Agreement No. ICA 1516156 with Capistrano Unified School District and Apple Learning Company called for services to be rendered at the rates shown in the agreement.

The total cost of services requested by the District under this contract and provided by the Consultant is estimated to be \$24,997.25 for additional services requested by the District to supplement ICA 1516156.

Except as set forth in this Amendment, and Board approved on October 28, 2015, all other terms of the contract remain in full force and effect.

Capistrano Unified School District

Apple Learning Company

By: _____
Signature

By: _____
Signature

Janet Polite

Print Name

Supervisor, Purchasing

Title

Board Approval Date: April 13, 2016

Date: _____



INDEPENDENT CONTRACTOR AGREEMENT

This Agreement for Contracted Services ("Agreement") is effective as of October 29, 2015 by and between Capistrano Unified School District, located at 33122 Valle Road, San Juan Capistrano, California 92675 ("District") and the contractor listed below ("Contractor"). District and Contractor may hereafter be referred to as ("Party") or collectively as ("Parties").

APPLE LEARNING COMPANY

WHEREAS, District is authorized by Section 4526 and 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required;

WHEREAS, District is in need of such special services and advice, specifically No Child Left Behind Supplemental Educational Services as described in Exhibit A; and

WHEREAS, Contractor is specially trained, experienced, licensed, and competent to perform the special services required by District, and such services are needed on a limited basis (hereinafter referred to as "Contracted Services");

NOW, THEREFORE, the Parties agree as follows:

Scope of Work/Services. Contractor shall perform the Contracted Services as set forth in Contractor's Proposal which is attached hereto, marked as Exhibit "A," and incorporated herein by this reference.

Fees and Expenses. For the Contracted Services provided for hereunder, Contractor shall be compensated as set forth in Exhibit "A." The total amount of services request by District and provided by Contractor under this agreement shall be authorized by Purchase Order (PO) and is estimated to be \$3,997.25 in aggregate under the term of this Agreement.

Term of Agreement. The term of this base Agreement is for the period commencing October 29, 2015, and ending June 30, 2016, with the option to extend annually by mutual agreement and upon Board approval for a total contract term not to exceed a total of five (5) years as allowed by Education Code section 17596.

Additional Terms. This Agreement contains additional terms that are set forth in the attached documents titled General Conditions, Special Conditions and Required Documents and Certifications, and associated Purchase Order(s), which by this reference are incorporated herein. District and Contractor acknowledge, and agree to be bound by, the terms set forth in the attached documents as if such additional terms were set forth in full herein.

☒ General Conditions ☐ Special Conditions ☒ Required Documents and Certification ☒ Purchase Order(s)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

DISTRICT

By: [Signature]

Name: Lynn N. Rust

Title: Executive Director, Contracts & Purchasing

Board Approval Date: October 28, 2015

CONTRACTOR

Signature: [Signature]

Name: Maria Lee

Title: President

Address: 3043 S. Bristol St. #185

Santa Ana, CA 92704

Email Address: maria@applelearningcompany.com

FED: 000219075

Fee Schedule 2015-16

Provider: Apple Learning Company

Address: 3843 S. Bristol St. #185, Santa Ana, CA 92704

Contact Person: Maria Lee

Phone: 888-287-1287

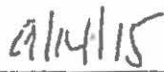
Email: maria@applelearningcompany.com

Cost associated with tutoring program (hourly rate):

- \$40/hr
- One-to-one tutoring



Provider Signature



Date

Apple Learning Company
P.O. Box 287, 1287
P.O. Box 287, 1287
3843 S. Bristol St. #185
Santa Ana, CA 92704
www.applelearningcompany.com

**AMENDMENT NO. 2 TO INDEPENDENT CONTRACTOR AGREEMENT
ICA 1516165**

WITH

PROFESSIONAL TUTORS OF AMERICA, INCORPORATED

Independent Contractor Agreement No. ICA 1516165 with Capistrano Unified School District and Professional Tutors of America, Incorporated called for services to be rendered at the rates shown in the agreement.

On April 13, 2016, ICA 1516165 was amended to increase the total cost of services estimated to be \$59,978. The total cost of services requested by the District under this contract and provided by the Consultant is estimated to be \$83,978 for additional services requested by the District to supplement ICA 1516165.

Except as set forth in this Amendment, and Board approved on October 28, 2015, and April 13, 2016, all other terms of the contract remain in full force and effect.

Capistrano Unified School District

**Professional Tutors of America,
Incorporated**

By: _____
Signature

By: _____
Signature

Janet Polite

Print Name

Supervisor, Purchasing

Title

Board Approval Date: May 11, 2016

Date: _____



INDEPENDENT CONTRACTOR AGREEMENT

This Agreement for Contracted Services ("Agreement") is effective as of October 29, 2015 by and between Capistrano Unified School District, located at 33122 Valle Road, San Juan Capistrano, California 92675 ("District") and the contractor listed below ("Contractor"). District and Contractor may hereafter be referred to as ("Party") or collectively as ("Parties").

PROFESSIONAL TUTORS OF AMERICA, INCORPORATED

WHEREAS, District is authorized by Section 4526 and 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required;

WHEREAS, District is in need of such special services and advice, specifically No Child Left Behind Supplemental Educational Services as described in Exhibit A; and

WHEREAS, Contractor is specially trained, experienced, licensed, and competent to perform the special services required by District, and such services are needed on a limited basis (hereinafter referred to as "Contracted Services");

NOW, THEREFORE, the Parties agree as follows:

Scope of Work/Services. Contractor shall perform the Contracted Services as set forth in Contractor's Proposal which is attached hereto, marked as Exhibit "A," and incorporated herein by this reference.

Fees and Expenses. For the Contracted Services provided for hereunder, Contractor shall be compensated as set forth in Exhibit "A." The total amount of services request by District and provided by Contractor under this agreement shall be authorized by Purchase Order (PO) and is estimated to be \$31,978.00 in aggregate under the term of this Agreement.

Term of Agreement. The term of this base Agreement is for the period commencing October 29, 2015, and ending June 30, 2016, with the option to extend annually by mutual agreement and upon Board approval for a total contract term not to exceed a total of five (5) years as allowed by Education Code section 17596.

Additional Terms. This Agreement contains additional terms that are set forth in the attached documents titled General Conditions, Special Conditions and Required Documents and Certifications, and associated Purchase Order(s), which by this reference are incorporated herein. District and Contractor acknowledge, and agree to be bound by, the terms set forth in the attached documents as if such additional terms were set forth in full herein.

☒ General Conditions ☐ Special Conditions ☒ Required Documents and Certification ☒ Purchase Order(s)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

DISTRICT

By: [Signature]

Name: Van N. Rust

Title: Executive Director, Contracts & Purchasing

Board Approval Date: October 28, 2015

CONTRACTOR

Signature: [Signature]

Name: Robert Gordon

Title: CEO

Address: 3350 E. Birch St., Suite 108

Brca, CA 92821

Email Address: Rgordon@professional tutors.com

FEIN: 33-0015574

EXHIBIT A

Fee Schedule 2015-2016

Provider: Professional Tutors of America, Inc.
Address: 3350 E. Birch Street, Suite 108, Brea, CA 92821
Contact Person: Robert Gordon
Phone: (800) 832-2487
Fax: (714) 671-1887
E-mail: Rgordon@professionaltutors.com

Cost(s) associated with your program (hourly rate): \$68.00 per hour for
One-to-One tutoring

Robert Gordon
9/11/15

**AMENDMENT NO. 1 TO INDEPENDENT CONTRACTOR AGREEMENT
ICA 1516165**

WITH


PROFESSIONAL TUTORS OF AMERICA, INCORPORATED

Independent Contractor Agreement No. ICA 1516165 with Capistrano Unified School District and Professional Tutors of America, Incorporated called for services to be rendered at the rates shown in the agreement.

The total cost of services requested by the District under this contract and provided by the Consultant is estimated to be \$59,978.00 for additional services requested by the District to supplement ICA 1516165.

Except as set forth in this Amendment, and Board approved on October 28, 2015, all other terms of the contract remain in full force and effect.

Capistrano Unified School District

By: 
Signature

Janet Polite

Supervisor, Purchasing

Board Approval Date: April 13, 2016

**Professional Tutors of America,
Incorporated**

By: 
Signature

Robert Gordon

Print Name

CEO

Title

Date: 3/25/16

**AMENDMENT NO. 2 TO INDEPENDENT CONTRACTOR AGREEMENT
ICA 1516166**

WITH

REACH PROFESSIONAL IN HOME TUTORING

Independent Contractor Agreement No. ICA 1516166 with Capistrano Unified School District and Reach Professional In Home Tutoring called for services to be rendered at the rates shown in the agreement.

On April 13, 2016, ICA 1516166 was amended to increase the total cost of services estimated to be \$5,697.25. The total cost of services requested by the District under this contract and provided by the Consultant is estimated to be \$25,697.25 for additional services requested by the District to supplement ICA 1516166.

Except as set forth in this Amendment, and Board approved on October 28, 2015, and April 13, 2016, all other terms of the contract remain in full force and effect.

Capistrano Unified School District

**Reach Professional In Home
Tutoring**

By: _____
Signature

By: _____
Signature

Janet Polite

Print Name

Supervisor, Purchasing

Title

Board Approval Date: May 11, 2016

Date: _____

**AMENDMENT NO. 1 TO INDEPENDENT CONTRACTOR AGREEMENT
ICA 1516166**

WITH

REACH PROFESSIONAL IN HOME TUTORING

Independent Contractor Agreement No. ICA 1516166 with Capistrano Unified School District and Reach Professional In Home Tutoring called for services to be rendered at the rates shown in the agreement.

The total cost of services requested by the District under this contract and provided by the Consultant is estimated to be \$5,697.25 for additional services requested by the District to supplement ICA 1516166.

Except as set forth in this Amendment, and Board approved on October 28, 2015, all other terms of the contract remain in full force and effect.

Capistrano Unified School District

**Reach Professional In Home
Tutoring**

By: _____
Signature

By: _____
Signature

Janet Polite

Print Name

Supervisor, Purchasing

Title

Board Approval Date: April 13, 2016

Date: _____

**INDEPENDENT CONTRACTOR AGREEMENT**

This Agreement for Contracted Services ("Agreement") is effective as of October 29, 2015 by and between Capistrano Unified School District, located at 33122 Valle Road, San Juan Capistrano, California 92675 ("District") and the contractor listed below ("Contractor") District and Contractor may hereafter be referred to as ("Party") or collectively as ("Parties").

REACH PROFESSIONAL IN-HOME TUTORING

WHEREAS, District is authorized by Section 4526 and 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required;

WHEREAS, District is in need of such special services and advice, specifically No Child Left Behind Supplemental Educational Services as described in Exhibit A; and

WHEREAS, Contractor is specially trained, experienced, licensed, and competent to perform the special services required by District, and such services are needed on a limited basis (hereinafter referred to as "Contracted Services").

NOW, THEREFORE, the Parties agree as follows:

Scope of Work/Services. Contractor shall perform the Contracted Services as set forth in Contractor's Proposal which is attached hereto, marked as Exhibit "A," and incorporated herein by this reference.

Fees and Expenses. For the Contracted Services provided for hereunder, Contractor shall be compensated as set forth in Exhibit "A." The total amount of services request by District and provided by Contractor under this agreement shall be authorized by Purchase Order (PO) and is estimated to be \$3,997.25 in aggregate under the term of this Agreement

Term of Agreement. The term of this base Agreement is for the period commencing October 29, 2015, and ending June 30, 2016, with the option to extend annually by mutual agreement and upon Board approval for a total contract term not to exceed a total of five (5) years as allowed by Education Code section 17596.

Additional Terms. This Agreement contains additional terms that are set forth in the attached documents titled General Conditions, Special Conditions and Required Documents and Certifications, and associated Purchase Order(s), which by this reference are incorporated herein. District and Contractor acknowledge, and agree to be bound by, the terms set forth in the attached documents as if such additional terms were set forth in full herein.

☒ General Conditions ☐ Special Conditions ☒ Required Documents and Certification ☒ Purchase Order(s)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

DISTRICT

By: [Signature]

Name: Lynn N. Rust

Title: Executive Director, Contracts & Purchasing

Board Approval Date: October 28, 2015

CONTRACTOR

Signature: [Signature]

Name: NORMAN DREXEL

Title: PRESIDENT

Address: 15338 CENTRAL AVE

CHINO CA. 91710

Email Address: NORMDREXEL@REACHPROTUTORING.COM

FEIN: 56-2537246

EXHIBIT A

Fee Schedule 2015-15


Provider: REACH Professional In-Home Tutoring
Address: 15338 Central Avenue, Chino, CA 91710
Contact Person: Dometrius McClain, Program Monitor
Phone: (323) 487-2478 or (909) 457-4149
Email: dometrius.mcclain@reachprotutoring.com

Cost associated with tutoring program (hourly rate):


\$50.00 per hour

1 to 1 tutoring

In-Home Tutoring



Provider's Signature



Date

**AMENDMENT NO. 1 TO INDEPENDENT CONTRACTOR AGREEMENT
ICA 1516170**

WITH

TEACH N TUTOR, INCORPORATED

Independent Contractor Agreement No. ICA 1516170 with Capistrano Unified School District and Teach N Tutor, Incorporated called for services to be rendered at the rates shown in the agreement.

The total cost of services requested by the District under this contract and provided by the Consultant is estimated to be \$7,197.25 for additional services requested by the District to supplement ICA 1516170.

Except as set forth in this Amendment, and Board approved on October 28, 2015, all other terms of the contract remain in full force and effect.

Capistrano Unified School District

Teach N Tutor, Incorporated

By: _____
Signature

By: _____
Signature

Janet Polite

Print Name

Supervisor, Purchasing

Title

Board Approval Date: May 11, 2016

Date: _____



INDEPENDENT CONTRACTOR AGREEMENT

This Agreement for Contracted Services ("Agreement") is effective as of October 29, 2015 by and between Capistrano Unified School District, located at 33122 Valle Road, San Juan Capistrano, California 92675 ("District") and the contractor listed below ("Contractor"). District and Contractor may hereafter be referred to as ("Party") or collectively as ("Parties").

TEACH-N-TUTOR, INCORPORATED

WHEREAS, District is authorized by Section 4526 and 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required;

WHEREAS, District is in need of such special services and advice, specifically No child Left Behind Supplemental Educational Services as described in Exhibit A; and

WHEREAS, Contractor is specially trained, experienced, licensed, and competent to perform the special services required by District, and such services are needed on a limited basis (hereinafter referred to as "Contracted Services");

NOW, THEREFORE, the Parties agree as follows:

Scope of Work/Services. Contractor shall perform the Contracted Services as set forth in Contractor's Proposal which is attached hereto, marked as Exhibit "A," and incorporated herein by this reference.

Fees and Expenses. For the Contracted Services provided for hereunder, Contractor shall be compensated as set forth in Exhibit "A." The total amount of services request by District and provided by Contractor under this agreement shall be authorized by Purchase Order (PO) and is estimated to be \$3,997.25 in aggregate under the term of this Agreement.

Term of Agreement. The term of this base Agreement is for the period commencing October 29, 2015, and ending June 30, 2016, with the option to extend annually by mutual agreement and upon Board approval for a total contract term not to exceed a total of five (5) years as allowed by Education Code section 17596.

Additional Terms. This Agreement contains additional terms that are set forth in the attached documents titled General Conditions, Special Conditions and Required Documents and Certifications, and associated Purchase Order(s), which by this reference are incorporated herein. District and Contractor acknowledge, and agree to be bound by, the terms set forth in the attached documents as if such additional terms were set forth in full herein.

☒ General Conditions ☐ Special Conditions ☒ Required Documents and Certification ☐ Purchase Order(s)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

DISTRICT

By: [Signature]

Name: Lynn N. Rust

Title: Executive Director, Contracts & Purchasing

Board Approval Date: October 28, 2015

CONTRACTOR

Signature: [Signature]

Name: Mike Getch

Title: President

Address: 8047 Mission Gorge Rd Suite H
Santee, CA 92071

Email Address: tutoryou@cox.net

FED: 83-0419593



8047 Mission Gorge Rd Suite H
Santee, CA 92071
619-938-2651 office
619-938-2751 fax

EXHIBIT A
Fee Schedule

Teach-n-Tutor, Inc
8047 Mission Gorge Rd Suite H
Santee, CA 92071
(619) 938-2651 / (800) 803-4565
tutoryou@cox.net

One-on-One Tutoring

Rate: \$55.00 per hour / per student

Services are invoiced within one month after being provided.

Provider Signature: Mike Getch
Provider Name: Mike Getch
Date: September 8, 2015

**AMENDMENT NO. 1 TO INDEPENDENT CONTRACTOR AGREEMENT
ICA 1516242**

WITH

FAIRBANK, MASLIN, MAULLIN, METZ, AND ASSOCIATES

Independent Contractor Agreement No. ICA 1516242 with Capistrano Unified School District and Fairbank, Maslin, Maullin, Metz, and Associates called for services to be rendered at the rates shown in the agreement.

The total cost of services requested by the District under this contract and provided by the Consultant is estimated to be \$58,000 for additional services requested by the District to supplement ICA 1516242.

Except as set forth in this Amendment, and Board approved on April 27, 2016, all other terms of the contract remain in full force and effect.

Capistrano Unified School District

**Fairbank, Maslin, Maullin, Metz,
and Associates**

By: _____
Signature

By: _____
Signature

Janet Polite

Print Name

Supervisor, Purchasing

Title

Board Approval Date: May 11, 2016

Date: _____



INDEPENDENT CONTRACTOR MASTER AGREEMENT

This Agreement for Contracted Services ("Agreement") is effective as of April 28, 2016 by and between Capistrano Unified School District, located at 33122 Valle Road, San Juan Capistrano, California 92675 ("District") and the contractor listed below ("Contractor"). District and Contractor may hereafter be referred to as "Party" or collectively as the "Parties".

FAIRBANK, MASLIN, MAULLIN, METZ AND ASSOCIATES

WHEREAS, District is authorized, following approval of this Agreement by its Board of Trustees, pursuant to its general authority set forth in California Education Code §35160, to contract with and employ persons for the furnishing of certain services on an as-needed basis;

WHEREAS, District is in need of such services from time to time, specifically those described in Exhibit A; and

WHEREAS, Contractor is specially trained, experienced, licensed, and competent to perform the services required by District, and such services are needed on a limited basis;

NOW, THEREFORE, the Parties agree as follows:

Scope of Work/Services. Contractor shall perform the services as set forth in the Proposal, which is attached hereto as Exhibit A (hereinafter referred to as "Contracted Services"), and incorporated as if fully set forth herein. Contractor's specific scope of work shall be set forth in Exhibit A and/or supplemented by purchase orders subsequently issued by the District, on an as needed basis.

Fees and Expenses. For the Contracted Services provided for hereunder, Contractor shall be compensated as set forth in Exhibit A. The total cost of services requested by District and provided by Contractor under this agreement shall be specifically authorized by Purchase Order (PO) and is estimated to be no more than: \$37,000 in the aggregate under the term of this Agreement.

Term of Agreement. The term of this base Agreement is for February 15, 2016 through June 20, 2016, with the option to extend annually by mutual agreement and upon Board approval for a total contract term not to exceed a total of five (5) years, as allowed by Education Code §17596.

Additional Terms. This Agreement contains additional terms that are set forth in the attached documents titled General Conditions, Special Conditions and Required Documents and Certifications, and associated Purchase Order(s), which by this reference are incorporated herein. District and Contractor acknowledge, and agree to be bound by, the terms set forth in the selected documents attached to this Agreement, as if such additional terms were fully set forth herein.

☒ General Conditions ☐ Special Conditions ☒ Required Documents and Certification ☒ Purchase Order(s)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

Capistrano Unified School District

Contractor

By: _____
 Name: Janet Polite
 Title: Supervisor, Purchasing
 Board Approval Date: April 27, 2016

Signature: _____
 Name: _____
 Title: _____
 Address: _____

 Email Address: _____
 FEIN: _____

EXHIBIT A

Fairbank, Maslin, Maulin and Metz and
Associates (FM3)
310-828-1183

310-453-6562

Bernard@fm3research.com

12100 Wilshire Blvd., Suite 350

Los Angeles, CA 90025

March 15, 2016

\$37,000.00

Communications

Ryan K. Burris

Polling \$37,000.00

Public Opinion and Research

All Professional and Staff time

Questionnaire design

Sample Preparation,

Translation of survey to Spanish

Telephoning Interviewing in English and Spanish

Data Analysis and Cross-Tabulation

Presentation of Survey Results

Public Opinion Research and
Strategy

01-0000-0-5800-0000-7180-
000-000-000-000



REQUEST FOR PROPOSALS

**E-RATE CATEGORY ONE COMMUNICATIONS/VOICE AND DATA
SERVICES AND CATEGORY TWO INTERNAL CONNECTIONS
EQUIPMENT AND SERVICES
RFP NO. 1-1617**

Contact: Lynh N. Rust, Exec. Director, Contracts & Purchasing
lnrust@capousd.org

RFP Deadline: Thursday, May 19, 2016 – 11:00 a.m., PST
Proposal to be delivered by e-mail to:
Rick Del Valle, E-Rate Consultant
(rick.delvalle@yahoo.com)

**CAPISTRANO UNIFIED SCHOOL DISTRICT
Purchasing Department
33122 Valle Road
San Juan Capistrano, CA 92675**

GENERAL OVERVIEW/BACKGROUND

Capistrano Unified School District (“District”) has 51 physical sites that qualify for E-Rate Categories One and Two funding discounts. The District desires to solicit bids for equipment and materials for those sites and the district office data center. Bidders must be currently certified as an E-Rate provider and have a valid SPIN number for 2016-2017 fiscal year (E-Rate Funding Year 19)

Category One - Internet access and/or telecommunications services bids, this agreement would consist of an initial three-year term plus two (2) one-year renewal periods at the option of the Board of Trustees.

Category Two - Internal Connections equipment and services, this agreement would consist of an initial one-year term with two (2) one-year renewal periods at the option of the Board of Trustees.

The District reserves the right to reject any and all proposals and to waive informalities and minor irregularities in any proposal reviewed. The District may reject any proposal that does not conform to the instructions herewith. Additionally, the District reserves the right to negotiate all final terms and conditions of any preliminary agreement entered into with the executive search firm. The District makes no representations that any contract will be awarded to any respondent.

The selection process will include a screening review and evaluation of proposals by District staff. All costs associated with any proposal shall be the sole responsibility of the proposer.

**INSTRUCTIONS FOR SUBMITTING PROPOSALS FOR
E-Rate Category One Internet Access and Telecommunications, and Category
Two Internal Connections Equipment and Services**

SCOPE OF SERVICES TO BE PROVIDED

Please respond to this Request for Proposal (RFP) based on the following criteria:

All materials and equipment will be drop-shipped to District-designated location(s) on one or more delivery dates to be designated by District staff after the award of the contract.

District shall evaluate each bid and may award to one vendor per listed item per category, one vendor for multiple listed items per category, or one vendor for all products requested on the bid for all categories, based on the evaluation criteria established in the RFP.

Optional Installation Services for Equipment

District also wishes to solicit bids for the optional installation of listed equipment and materials for those sites per the attached list by site. Bidders must be currently certified as an E-Rate provider and have a valid SPIN number for the 2016-2017 fiscal year (E-Rate Year 19). The District reserves the right to obtain installation services for all sites, for some of the sites, or for none of the sites. Please bid your services based on that possibility.

The winning vendor/bidder must incorporate the following contract options:

- Language in the contract (commonly referred to as an “E-Rate rider”) that allows the District to cancel the contract/project, without penalty, if E-Rate funding is not provided by the FCC or its designated agency (USAC) for the fiscal year in which funding is requested for this project (2016-2017);
- Language in the contract which allows the District to cancel the contract/project without penalty, if funds are not appropriated by the District’s governing board for the fiscal year 2016-2017 due to State of California funding shortfalls, or other economic conditions that would cause the District to have non-sufficient funds to move forward with this project.
- Governing law will be those of the State of California and applicable to public k-12 school districts.
- If there are any terms that conflict, those contained in District’s RFP document will control.
- District will be open to submission of bids or proposals starting, April 21, 2016. The Form 470 is posted online at USAC.org, and for 28 calendar days thereafter, until May 19, 2016 at 11:00am, we will accept bids or proposals from interested parties. Bids received after 11:00am will not be accepted.
- Bidders will be notified of District’s award by May 26, 2016, at 5:00 PM. Fully executed contracts will be provided and effective beginning July 1, 2016 District will not be invoiced until July 1, 2016.
- Materials provided by winning bidder will be drop-shipped, to a location designated by the District, on or after July 1, 2016. The District reserves the right to designate staggered delivery dates.

END OF SCOPE OF SERVICES TO BE PROVIDED

PROPOSAL FORMAT

1. **Experience/References:** Provide a list of contracts from the past five (5) years for services similar in scope to this proposal. Include a minimum of three (3) educational client references with whom you have contracted within the last three (3) years. List must include the following information for each contract:
 - Client name and complete address
 - Contact name and telephone number
 - Dates of service
 - Description of service
 - Contract amount
2. Outline, in detail, the tasks your firm will perform to produce information and services requested under the applicable services discussed in “Scope of Services to be Provided.” As necessary, indicate any additional or optional tasks.
3. **Fees/Services Schedule** - You are requested to submit a proposal to furnish all of the labor, materials, and other related items required for the performance of the contract resulting from this RFP No. 1-1617, E-rate category one communications/voice and data services and category two internal connections equipment and services on a Labor Rate and Total Cost basis.
4. **Be as thorough and specific as possible as this will form the basis of any contract for services that may be presented by the District.** Provide your fees on the Price Sheet included with this RFP.

 All pricing as proposed must conform to E-Rate rules and regulations, as well as FCC mandates, as it applies to Lowest Corresponding Price, and must be proposed as a separate contract price, independent of the District’s ability to use any ‘master contract’ or ‘piggyback contract’ pricing element.
5. **Additional Data** - Provide additional information about your firm as it may relate to this RFP. Include letters of reference or testimonials if appropriate. Indicate ongoing commitment to professional education of staff, total number of permanent employees, and any other data that may assist the evaluation teams in understanding your Proposals and expertise.
6. **Certification** - Complete, sign, and date the enclosed “Certification” with this RFP.
7. **Certification by Contractor of Criminal Records Check** – Pursuant to Education Code 45125.1, complete, sign, and date the enclosed form AB 1610, 1612 and 2102 included with this RFP.
8. **Insurance** – Contractor agrees to carry a comprehensive general and automobile liability insurance with limits of One Million Dollars (\$1,000,000) per occurrence combined single limit for bodily injury and property damage in a

form mutually acceptable to both parties to protect vendor and District against liability or claims of liability, which may arise out of the agreement. The insurance required for professional liability is \$1,000,000 minimum limit per occurrence; and for Errors & Omissions, \$2,000,000 minimum general aggregate. In addition, contractor agrees to provide an endorsement to this policy stating, "Such insurance as is afforded by this policy shall be primary, and any insurance carried by District shall be excess and noncontributory." No later than the actual start date, contractor shall provide District with certificates of insurance evidencing all coverages and endorsements required hereunder including a thirty (30) day written notice of cancellation or reduction in coverage. Contractor agrees to name District and its officers, agents and employees as additional insureds under aid policy. See attached sample in this RFP.

9. **W-9 Form** – All firms must provide the following documentation to the District: See attached sample in this RFP.
10. **Conflict of Interest Certification** - Included with this RFP.
11. **Non-Collusion Declaration** – Included with this RFP.
12. **Tobacco Use Policy** – Included with this RFP.
12. **Vendor Statement of Compliance** – Included with this RFP.

END OF PROPOSAL FORMAT

AWARD

1. **Award of Proposal** - Award will be made to the vendor offering the most advantageous proposal for the equipment and services requested as listed in each category. District shall not be obligated to accept the lowest priced proposal, but will make an award in the best interest of the District after all factors enumerated below have been evaluated from one of the three lowest bidders. The District reserves the right to award to one vendor per item per category, one vendor for multiple items per category, or one vendor for all products requested on the bid for all categories.
2. **Categorical Award Evaluation Criteria** - Evaluation criteria factors and percentages assigned to each factor used to evaluate all proposals received are listed below:

Category One:

- a. Costs & Discounts – CA contracts – 40%
- b. Ability to provide all services (including District-wide coverage) – 30%
- c. Cost for equipment or provider transition – 20%
- d. Prior experience with E-Rate, CMAS, or WSCA; References from other districts or like-size public education institutions, prior experience with Capistrano USD – 10%

Category Two:

- e. Price – 30%
- f. Availability of local support & prior project management experience with like-size districts – 20%
- g. Ability to meet bid qualifications including preferred service and hardware specifications (Cisco compatible or equivalent) – 30%
- h. Company experience & references – 20%

The Evaluation Committee may also contact and evaluate the firm's references; contact any vendor representative to clarify any response; contact any current users of the firm's services; solicit information from any available source concerning any aspect of a proposal; and seek and review any other information deemed pertinent to the evaluation process. The Evaluation Committee shall not be obligated to accept the lowest priced proposal, but shall make an award in the best interest of the District.

Discussions may, at the District's sole option, be conducted with responsible representatives who submit proposals determined to be reasonably susceptible of being selected for an award. Discussions may be for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Firms shall be given fair and equal treatment with respect to any opportunity for discussion and written revision of proposals. Revisions may be permitted after submissions and before award for obtaining best and final proposals. In conducting discussions, the District will not disclose information derived from proposals submitted by competing firms.

- 3. Award Selection Process** - Selection of qualified firms will be based on the above discussed criteria. District shall award to a bidder from one of the three lowest bidders per line, per category or per entire proposal, as deemed in the best interests of the District. Additional questions may be asked of firms and interviews may be conducted if District staff deem necessary. Proposer must provide District a copy of any contract and terms and conditions for review with the proposal. All contract terms and conditions to be negotiated prior to award of RFP.

KEY ACTION DATES

The anticipated schedule for completion of this Procurement is shown below. The dates are subject to change.

Milestone	Date
RFP Release (470)	April 21, 2016
RFP Advertise	April 25 th and May 2 nd 2016
Proposal Due Date	Thursday, May 19, 2016, 11:00 a.m. PST
Evaluation of Proposals	May 19, 2016
Board Approval	May 25, 2016
Delivery of Product	On or after July 1, 2016

ADDITIONAL INFORMATION

All questions and requests for information must be made in writing no later than **Thursday, May 9, 2016, 11:00 a.m., PST** and e-mailed to:

Rick Del Valle, E-Rate Consultant (rick.delvalle@yahoo.com)

**CONTACT WITH ANYONE OTHER THAN THE INDIVIDUAL NAMED HEREIN IS
STRICTLY PROHIBITED**

Proposals must be received by Thursday, May 19, 2016, 11:00 a.m. PST, e-mailed to:

Rick Del Valle, E-Rate Consultant (rick.delvalle@yahoo.com)

Solicitation Disclaimer: All proposals received as part of this solicitation become the property of Capistrano Unified School District upon submission. The cost to prepare and submit the proposals becomes the sole expense of each firm.

The emphasis of your proposal should be on the completeness and clarity of content. RFP's may be rejected if not prepared in the format described, if submitted without all required information and signatures, or by failing to adhere to all requirements as stated in the RFP.

All materials submitted in response to this Request for Proposals shall become the property of the District and shall be considered a part of public record.

Capistrano Unified School District reserves the right to reject any or all Requests for Proposals.

Thank you for your participation!

CERTIFICATION
REQUEST FOR PROPOSALS (RFP) NO. 1-1617
E- Rate Category One Communications/Voice and Date Services and
Category Two Internal Connections Equipment and Services

I certify that I have read the attached **Request for Proposals (RFP) No. 1-1617 E-Rate Category One Communications/Voice and Date Services and Category Two Internal Connections Equipment and Services** and the instructions for submitting an RFP. I further certify that I must submit electronic copies or hard copies of the firm's proposal in response to this request, completed Certification by Contractor Criminal Records Check, W9, form, Non-Collusion Declaration, Tobacco Use, Pricing Sheet, Conflict of Interest Certification, and Vendor Statement of Compliance, and that I am authorized to commit the firm to the proposal submitted.

Signature

Typed or Printed Name

Title

Company

Address

Address

Telephone

Fax

Date

E-Mail Address

If you are bidding as a corporation,
please provide your corporate
seal here:

CERTIFICATION BY CONTRACTOR
CRIMINAL RECORDS CHECK
AB 1610, 1612 and 2102

To the Board of Trustees of Capistrano Unified School DISTRICT:

I, _____ certify that:
(Name of Contractor)

1. I have carefully read and understand the Notice to Contractors Regarding Criminal Record Checks (Education Code §45125.1) required by the passage of AB 1610, 1612 and 2102.
2. Due to the nature of the work I will be performing for the DISTRICT, my employees ☐ will **OR** ☐ will not have contact with students of the District.
3. My employees and volunteers who may have contact with District students must complete background checks with the California Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI).
4. None of the employees who will be performing the work have been convicted of a violent or serious felony as defined in the Notice and in Penal Code sections §667.5 and §1192.7. This determination was made by a fingerprint check through the Department of Justice and the Federal Bureau of Investigation.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at _____, _____ on _____.
(city) (state) (date)

Signature

Typed or printed name

Title

Address

Telephone

NOTICE TO CONTRACTORS REGARDING CRIMINAL RECORDS CHECK
(EDUCATION CODE §45125.1)

Education Code §45125.1 provides that if the employees of any entity that has a contract with a school DISTRICT may have any contact with pupils, those employees shall submit or have submitted their fingerprints in a manner authorized by the Department of Justice together with a fee determined by the Department of Justice to be sufficient to reimburse the Department for its costs incurred in processing the application.

The Department of Justice shall ascertain whether the individual whose fingerprints were submitted to it has been arrested or convicted of any crime insofar as that fact can be ascertained from information available to the Department. When the Department of Justice ascertains that an individual whose fingerprints were submitted to it has a pending criminal proceeding for a violent felony listed in Penal Code §1192.7(c) or has been convicted of such a felony, the Department shall notify the employer designated by the individual of the criminal information pertaining to the individual. The notification shall be delivered by telephone and shall be confirmed in writing and delivered to the employer by first-class mail.

The contract shall not permit an employee to come in contact with pupils until both the Department of Justice and the Federal Bureau of Investigation has ascertained that the employee has not been convicted of a violent or serious felony. The contractor shall certify in writing to the Board of Trustees of the school DISTRICT that none of its employees who may come in contact with pupils have been convicted of a violent or serious felony.

Penal Code §667.5(c) lists the following “violent” felonies: murder; voluntary manslaughter; mayhem; rape; sodomy by force; oral copulation by force; lewd acts on a child under the age of 14 years; any felony punishable by death or imprisonment in the state prison for life; any felony in which the defendant inflicts great bodily injury on another; any robbery perpetrated in an inhabited dwelling; arson; penetration of a person’s genital or anal openings by foreign or unknown objects against the victim’s will; attempted murder; explosion or attempt to explode or ignite a destructive device or explosive with the intent to commit murder; kidnapping; continuous sexual abuse of a child; and carjacking.

Penal Code §1192.7 lists the following : “serious” felonies: murder; voluntary manslaughter; mayhem; rape; sodomy by force; oral copulation by force; a lewd or lascivious act on a child under the age of 14 years; any felony punishable by death or imprisonment in the state prison for life; any felony in which the defendant personally inflicts great bodily injury on another, or in which the defendant personally uses a firearm; attempted murder; assault with intent to commit rape or robbery; assault with a deadly weapon on a peace officer; assault by a life prisoner on a non-inmate; assault with a deadly weapon by an inmate; arson; exploding a destructive device with intent to injure or to murder, or explosion causing great bodily injury or mayhem; burglary of an inhabited dwelling; robbery or bank robbery; kidnapping; holding of a hostage by a person confined in a state prison; attempt to commit a felony punishable by death or imprisonment in the state prison for life; any felony in which the defendant personally uses a dangerous or deadly weapon; selling or furnishing specified controlled substances to a minor; penetration of genital or anal openings by foreign objects against the victim’s will; grand theft involving a firearm; carjacking; and a conspiracy to commit specified controlled substances offenses.

CRIMINAL RECORDS CHECK CONTRACTOR’S

EMPLOYEE / VOLUNTEER LIST

(INSERT NAMES OF EMPLOYEES OR VOLUNTEERS WHO MAY COME IN CONTACT WITH PUPILS)

Use additional copies of page as needed

Name of Contractor: _____

Name of Employee or Volunteer	Position

IMPORTANT! Changes to the criminal status of anyone listed on this form must be reported immediately to Lynh Rust at lnrust@capousd.org.

Certificate of Liability Insurance

Contractors are not permitted to provide services without a Certificate of Liability Insurance being on file with the Purchasing Department.

The insurance requirement is a two page document of the following:

The Capistrano Unified School District must be named as additional insured and certificate holder on the Certificate of Liability Insurance form **Acord 25** (Page 1, see attached)

The second page is a separate endorsement page (Page 2, see attached) is required and should include your policy number and name the **Capistrano Unified School District** as an additional insured.

Blanket endorsements are not acceptable.

Required Endorsement:

The Capistrano Unified School District is named as additional insured. Such insurance as is afforded by this policy shall be primary, and any insurance carried by DISTRICT shall be excess and noncontributory.

See the following example.



CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
 07/19/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
INSURED	E-MAIL ADDRESS:	
	PRODUCER CUSTOMER ID #:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A:	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY RATIO CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADOL SUBR INSR WYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EX (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY		XYZ12450987654	07/19/2011		EACH OCCURRENCE \$
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	<input checked="" type="checkbox"/> Y				DAMAGE TO RENTED PREMISES (Ea occurrence) \$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR					MED EXP (Any one person) \$
						PERSONAL & ADV INJURY \$
						GENERAL AGGREGATE \$
	GEN'L AGGREGATE LIMIT APPLIES PER:					PRODUCTS - COMP/OP AGG \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					\$
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS					PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS					\$
	<input type="checkbox"/> NON-OWNED AUTOS					\$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR				EACH OCCURRENCE \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$
	DEDUCTIBLE					\$
	RETENTION \$					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	<input type="checkbox"/> Y/N	N/A			WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)					E.L. EACH ACCIDENT \$
	If yes, describe under SPECIAL PROVISIONS below					E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

CANCELLATION

	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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ACORD 25 (2009/09)

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POLICY NUMBER: _____ **COMMERCIAL GENERAL LIABILITY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED-DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART.
SCHEDULE**

Name of Person or Organization: **CAPISTRANO UNIFIED SCHOOL DISTRICT**
33122 VALLE RD
SAN JUAN CAPISTRANO, CA 92675

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule as an insured but only with respect to liability arising out of your operations or premises owned by or rented to you.

Professional Liability:	\$1,000,000 minimum limit per occurrence
(Errors & Omissions)	\$2,000,000 minimum general aggregate

Form W-9 (Rev. December 2014) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give Form to the requester. Do not send to the IRS.					
Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.						
	2 Business name/disregarded entity name, if different from above						
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <i>Note.</i> For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____						
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)						
	5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)					
	6 City, state, and ZIP code						
	7 List account number(s) here (optional)						
Part I Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3. <i>Note.</i> If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Social security number</td> </tr> <tr> <td style="text-align: center;"> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> </td> </tr> <tr> <td style="text-align: center;">or</td> </tr> <tr> <td style="text-align: center;">Employer identification number</td> </tr> <tr> <td style="text-align: center;"> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> </td> </tr> </table>			Social security number	<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div>	or	Employer identification number	<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div>
Social security number							
<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div>							
or							
Employer identification number							
<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div>							
Part II Certification Under penalties of perjury, I certify that:							
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 3. I am a U.S. citizen or other U.S. person (defined below); and 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.							
Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.							
Sign Here	Signature of U.S. person ▶ _____	Date ▶ _____					
General Instructions Section references are to the Internal Revenue Code unless otherwise noted. Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9 .							
Purpose of Form An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:							
<ul style="list-style-type: none"> • Form 1099-INT (interest earned or paid) • Form 1099-DIV (dividends, including those from stocks or mutual funds) • Form 1099-MISC (various types of income, prizes, awards, or gross proceeds) • Form 1099-B (stock or mutual fund sales and certain other transactions by brokers) • Form 1099-S (proceeds from real estate transactions) • Form 1099-K (merchant card and third party network transactions) 							
<ul style="list-style-type: none"> • Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition) • Form 1099-C (canceled debt) • Form 1099-A (acquisition or abandonment of secured property) 							
Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN. If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See <i>What is backup withholding?</i> on page 2.							
By signing the filled-out form, you:							
1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued). 2. Certify that you are not subject to backup withholding, or 3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and 4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See <i>What is FATCA reporting?</i> on page 2 for further information.							

Cat. No. 10231X

Form W-9 (Rev. 12-2014)

CONFLICT OF INTEREST CERTIFICATION**CONFLICT OF INTEREST**

All Contractors shall respond to each of the following questions to determine whether any actual or perceived conflict of interest exist

PRINT NAME _____

SIGNATURE AND DATE _____

TITLE OF OFFICER _____

NAME OF COMPANY _____

As part of your Certification, please respond to the following questions listed below:

1. Have you or any of your team member(s) or consultant(s) been employed by the DISTRICT in the last three years? [Yes] [No]. If your answer is "Yes", please provide the following information:

- | | | | |
|----|--------------------------------|-------|------|
| a. | Were you a full-time employee? | [Yes] | [No] |
| | Part-Time employee? | [Yes] | [No] |
| | As-Needed employee? | [Yes] | [No] |
| | Consultant? | [Yes] | [No] |
| | Or other, please | | |

Explain: _____

- b. What were the date(s) of your employment/employment contract/consulting contract?

- c. In which department(s) of DISTRICT did you work?

- d. Who was/were your Supervisor(s)?

- e. Please describe your job duties and responsibilities for each DISTRICT position held?

- f. What was your last date of employment?

2. Do any Board of Education Member(s) or DISTRICT employee(s) have a business position or serve as an Officer(s), Partner(s) or Shareholder(s) in your company? [Yes] [No]. If the answer is "Yes", please provide the following information:
- a. What is the name of the Board Member(s) or employee(s)?

- b. What is his/her position with your company?

- c. If a Board of Education Member(s) or employee(s)/Shareholder(s) - what percentage of your company's shares does he/she own?

3. Are any of your former employee(s), (Consultants) presently employed by the DISTRICT? [Yes] [No]. If the answer is "Yes", please provide the following information for each such employee(s).

a. What is the name of the former employee(s)?

b. What was his/her title at your company?

If he/she held more than one position(s) with your company, please provide the title of each position(s) held.

c. Please describe his/her duties and responsibilities for each position(s) held at your company?

d. What were the date(s) of his/her employment?

I declare under the Penalty of Perjury under the laws of the State of California that the abovementioned statements are true and correct to the best of my knowledge, and this declaration was executed on this day _____, 20____; in the _____, (City) _____, (State)

(Signature)

(Printed Name)

(Title)

NON-COLLUSION DECLARATION
IN ACCORDANCE WITH PUBLIC CONTRACT CODE SECTION 7106

The undersigned declares:

I am the _____ of _____, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____[date], at _____[city], _____[state].

Signature

Print Name

TOBACCO USE POLICY

In the interest of public health, the Capistrano Unified School District provides a tobacco-free environment. Smoking or the use of any tobacco products are prohibited in buildings and vehicles, and on any property owned, leased or contracted for, by the Capistrano Unified School District. Failure to abide with conditions could result in the termination of this agreement.

Each employee engaged in the performance of the contract will be given a copy of this statement and, as a condition of this Agreement; the Bidder agrees to abide by the terms.

I acknowledge that I am aware of Tobacco Use Policy and hereby certify that I will adhere to the requirements of the policy.

Name of Bidder

Signature

Date

PRICE SHEET

Category 1 Services -A - Internet Access and/or Telecommunications

Transport Only - No ISP Service Included

For Internet Access, Transport, and/or bundled service, we are looking for connectivity starting at 5Gbps and up to 25Gbps including growth over the next 3 years. Service today is provided as a separate Transport from one vendor and separate ISP service from another vendor.

Site Name	Location Address	City	Speed	Price
Shops at Mission Viejo	555 Shops at Mission Viejo, Mission Viejo, CA 92691	Mission Viejo	1.54 MB	
Adult Transition/Bridges	31576 El Camino Real, San Juan Capistrano, CA 92675	San Juan Capistrano	100mb	
Transportation South	26126 Victoria, Capo Beach, CA, CA 92675	Capo Beach	100mb	
CUSD-Adult Education	31431 El Camino Real, San Juan Capistrano, CA 92675	San Juan Capistrano	500mb	
Aliso Viejo Middle School	111 Park Ave., Aliso Viejo, CA 92656	Aliso Viejo	300mb	
Ambuehl	28001 San Juan Creek Rd, San Juan Capistrano, CA 92675	San Juan Capistrano	300mb	
Arroya Vista	23371 Arroya Vista, Ranch Santa Margarita, CA 92688	Rancho Santa Margarita	300mb	
Bathgate	27642 Napoli Way, Mission Viejo, CA 92692	Mission Viejo	300mb	
Benedict	1251 Sarmentoso, San Clemente, CA 92673	San Clemente	300mb	
Bergeson	25302 Rancho Niguel Road, Laguna Niguel, CA 92677	Laguna Niguel	300mb	
Bernice Ayers Middle School	1271 Sarmentoso, San Clemente, CA 92673	San Clemente	300mb	
Canyon Vista	27800 Oak View Drive, Aliso Viejo, CA 92656	Aliso Viejo	300mb	
Castille	24042 Via La Coruna, Mission Viejo, CA 92691	Mission Viejo	300mb	
Clarence Lobo	200 Avenida Vista Montana, San Clemente, CA 92672	San Clemente	300mb	
Concordia	3120 Avenida del Presidente, San Clemente, CA 92672	San Clemente	300mb	
Crown Valley	29292 Crown Valley Parkway, Laguna Niguel, CA 92677	Laguna Niguel	300mb	
George White	25422 Chapparosa Park Road, Laguna Niguel, CA 92677	Laguna Niguel	300mb	
Hidden Hills	25142 Hidden Hills Road, Laguna Niguel, CA 92677	Laguna Niguel	300mb	
Laguna Niguel	27922 Niguel Heights Blvd, Laguna Niguel, CA 92677	Laguna Niguel	300mb	
Las Palmas	1101 Calle Puente, San Clemente, CA 92672	San Juan Capistrano	300mb	
Malcom	32261 Charles Road, Laguna Niguel, CA 92677	Laguna Niguel	300mb	
Marblehead	2410 Via Turqueza , San Clemente , CA 92673	San Clemente	300mb	
Moulton	29851 Highlands Ave, Laguna Niguel, CA 92675	Laguna Niguel	300mb	
Newhart Middle School	25001 Veterans Way, Mission Viejo, CA 92692	Mission Viejo	300mb	
Niguel Hills Middle School	29070 Paseo Escuela, Laguna Niguel, CA 92677	Laguna Niguel	300mb	
Oak Grove	22705 Sanborn , Aliso Viejo, CA 92656	Aliso Viejo	300mb	
Oso Grande	30251 Sienna Parkway, Ladera Ranch, CA 92694	Ladera Ranch	300mb	
Palisades	26462 Via Sacramento, Capistrano Beach, CA 92624	Capistrano Beach	300mb	
Phillip Reilly	24171 Pavion, Mission Viejo, CA 92692	Mission Viejo	300mb	
R.H. Dana/ENF	24242 La Cresta Dr, Dana Point, CA 92629	Dana Point	300mb	
San Juan	31642 El Camino Real, San Juan Capistrano, CA 92675	San Juan Capistrano	300mb	
Shorecliffs Middle School	240 Via Socorro, San Clemente, CA 92672	San Clemente	300mb	
Tijeras Creek	23072 Ave Empresa, Rancho Santa Margarita, CA 92688	Rancho Santa Margarita	300mb	
Viejo	26782 Via Grande, Mission Viejo, CA 92691	Mission Viejo	300mb	
Wagon Wheel	30912 Bridle Path, Coto de Caza, CA 92679	Coto de Caza	300mb	
Wood Canyon	23431 Knollwood, Aliso Viejo, CA 92656	Aliso Viejo	300mb	

PRICE SHEET

Aliso Niguel High School	28000 Wolverine Way, Aliso Viejo, CA 92656	Aliso Viejo	500mb	
Arroyo Vista Middle School	23371 Arroyo Vista, Rancho Santa Margarita, CA 92688	Rancho Santa Margarita	500mb	
Capo Valley High School	26301 Via Escolar, Mission Viejo, California 92692	Mission Viejo	500mb	
Carl Hankey Middle School	27252 Nubles, Mission Viejo, CA 92692	Mission Viejo	500mb	
Chaparral	29001 Sienna Parkway, Ladera Ranch, California 92694	Ladera Ranch	500mb	
Dana Hills High School	33333 Golden Lantern, Dana Point, CA 92629	Dana Point	500mb	
Don Juan Avila Middle School	26278 Wood Canyon Dr., Aliso Viejo, CA 92656	Aliso Viejo	500mb	
Ladera Ranch Middle School	29551 Sienna Parkway, Ladera Ranch, CA 92694	Ladera Ranch	500mb	
Las Flores Middle School	25862 Antonio Parkway, Las Flores, CA 92688	Las Flores	500mb	
Marco Forster Middle School	25601 Camino del Avion, San Juan Capistrano, CA 92675	San Juan Capistrano	500mb	
San Clemente High School	700 Avenida Pico, San Clemente, CA 92673	San Clemente	500mb	
San Juan Hills High School	29211 Vista Montana, San Juan Capistrano, CA 92675	San Juan Capistrano	500mb	
Serra High School	31422 Camino Cap., San Juan Capistrano, CA 92675	San Juan Capistrano	500mb	
Tesoro High School	1 Tesoro Creek Road, Las Flores, CA 92688	Las Flores	500mb	
Vista del Mar Middle School	1130 Avenida Talega , San Clemente , CA 92673	San Clemente	500mb	
California Prep Academy	32972 Calle Perfecto, San Juan Capistrano, CA 92675	San Juan Capistrano	1 Gig	
OCDE	200 Kalmus Dr, Costa Mesa, CA 92626	Costa Mesa	10 Gig	
Transportation North	2B Liberty, Aliso Viejo, CA 92656	Aliso Viejo	1 Gig	
D.O. Aggregation Port	33122 Valle Rd., San Juan Capistrano, CA 92675	San Juan Capistrano	10 Gig	

PRICE SHEET
Category 1 -B - Internet Access and/or Telecommunications

Internet Access and Transport Bundled

For Internet Access and/or bundled service, we are looking for connectivity starting at 500Mbps and up to 10Gbs including growth over the next 3 years.

Site Name	Location Address	City	Speed	Price
CUSD-Adult Education	31431 El Camino Real, San Juan Capistrano, CA 92675	San Juan Capistrano	500mb	

PRICE SHEET

Category 1 –C - Internet Access and/or Telecommunications

Internet Access: ISP Service Only

Narrative: For Internet Access and/or bundled service, we are looking for connectivity starting at 5Gbps and up to 25Gbps including growth over the next 3 years. Service today is provided as a separate Transport from one vendor and separate ISP service from another vendor.

Site Name	Location Address	City	Speed	Price
From OCDE to CUSD DO	200 Kalmus Dr, Costa Mesa, CA 92626 To 33122 Valle Road, San Juan Capistrano, CA 92675	Costa Mesa	10 Gig	
From CUSD DO to OCDE	33122 Valle Road, San Juan Capistrano, CA 92675 To 200 Kalmus Dr, Costa Mesa, CA 92626	San Juan Capistrano	10 Gig	
From OCDE to TN	200 Kalmus Dr, Costa Mesa, CA 92626 To 2B Liberty, Aliso Viejo, CA 92656	Costa Mesa	10 Gig	
From TN to OCDE	2B Liberty, Aliso Viejo, CA 92656 To 200 Kalmus Dr, Costa Mesa, CA 92626	Aliso Viejo	10 Gig	

Category 1 –D - Internet Access and/or Telecommunications

Cellular Voice: Voice and Data plans

Site Name	Location Address	Services	Device/Line QTY	Cost Per Line
CUSD	33122 Valle Road, San Juan Capistrano, CA 92675	Mobile Cell Services	300	
	Vendor must also provide a price breakdown for handsets for both Smart and Non-Smart phone options. Minimum of 400min pooled per month, unlimited text and data (for phones with data), and free in carrier mobile-to mobile preferred.			

PRICE SHEET

Category 2 - A - Internal Connections

Network Equipment – Switches, Access Points and Related Components

ITEM #	EQUIPMENT DESCRIPTION MFG/MODEL	EQUALIVENT MFG/MODEL	EST QTY	UNIT PRICE
1.	Cisco 2960 IDF Switch/ WS-C2960X-48LPS-L		250	
2.	Cisco 3850 IDF Switch/ WS-C3850-24XU-L C3850-NM-2-10G		200	
3.	Cisco 3850 IDF Switch/ WS-C3850-48F-L		200	
4.	SFP's /SFP-10G-SR		100	
5.	SFP's / 1000BASE-SX SFP TRANSCEIVER		100	
6.	Fiber Cords / 1M Fiber LC/LC MMF 62.5/124 Duplex		100	
7.	Cisco Access points 3800ac / AIR-AP3802I-AK910 – (10 pack)		10	

PRICE SHEET

Category 2 - B - Internal Connections

Network Equipment –Load Balancer Firewall and Routers and Related Components

ITEM #	EQUIPMENT DESCRIPTION MFG/MODEL	EQUALIVENT MFG/MODEL	EST QTY	UNIT PRICE
1.	<i>*ASR1004 - Load balancer (See attachment "A" for router specifications)</i>		1	
2.	<i>Cisco ASA 5585-X Chassis with SSP-40, 6 GE ports, 4 10 GE SFP+ ports, 2 AC power supplies / ASA5585-S40-2A-K9</i>		1	
3.	<i>Cisco ASA 5585-X Chassis with SSP-40, 6 GE ports, 4 10 GE SFP+ ports, 2 AC power supplies / ASA5585-S60-2A-K9</i>		1	

Category 2 - C – Internal Connections

Data and Fiber Cable Installation at various locations, see Attachment B

ITEM #	DESCRIPTION	EST QTY	UNIT PRICE
1.	CAT6 Data drop cable Installations	2000	
	Drop to include CAT6, all pathways, conduits and patch panels, 1 st and 2 nd shift labor.		
2.	Install and termination of (1) Six strain Multi-Mode fiber from IDF to IDF	1	
	Armored, Multimode, 6 Strand, 50 Micron, OFCP, Plenum, Indoor/Outdoor.		
	Fiber installation to include all pathways, trenching, conduits and patch panels, 1st and 2nd shift labor.(See attachment "B" for Cabling locations specifications)		

PRICE SHEET

Bid price to include all costs for delivery to one location. District may request staggered delivery dates.
Do not include sales tax in bid price.
Provide specification sheets for all products bid that are an equivalent.

Print Name of Firm

Authorized Signature

Representative Name

Date

Federal Tax ID _____

Attachment A

***Item 8. ASR1004 Load balancer Router**

QTY	Model	Description
1	ASR1004	Cisco ASR1004 Chassis, Dual P/S
1	ASR1K-INTERNET	ASR1K-Int Edge/Peering incl. BGP/NAT/ZBFW - tracking only
1	ASR1000-ESP40	Cisco ASR1000 Embedded Services Processor
1	ASR1000-SIP-BLANK	Blank Cover ASR1000 SIP
1	ASR1000-RP2	Cisco ASR1000 Route Processor 2, 8GB DRAM
1	M-ASR1K-RP2-16GB	Cisco ASR1000 RP2 16GB DRAM
1	M-ASR1K-HDD-80GB	Cisco ASR1000 RP2 80GB HDD
1	SASR1R2-IPBK9-312S	Cisco ASR 1000 Series RP2 IP BASE
2	ASR1004-PWR-AC	Cisco ASR1004 AC Power Supply
1	ASR1000-6TGE	ASR1000 6 port 10 GE Line Card
1	XFP-10G-MM-SR	10GBASE-SR XFP Module
2	CAB-AC-RA	Power Cord,110V, Right Angle

Attachment B

Category 2 - C – Internal Connections

Data and Fiber Cable Installation at various locations

Vendor construction meeting to be held at 9am on Wednesday April 27, 2016, for site visit to three locations to give vendors a time to review sites and the buildings they will be working with. This is not a mandatory meeting; vendors do not need to attend this meeting to bid on this project.

Meeting date, time and location:

Date: April 27, 2016

Time: 9am

Location:

Capistrano Unified School District

33122 Valle Road

San Juan Capistrano, CA

Training Room 1

Data and Fiber Cable Installation at various locations

Cabling Item - 1

CAT6 Data drop cable Installations at various locations – 2000 data drops

Drop to include CAT6, all pathways, conduits and patch panels, 1st and 2nd shift labor.

Fiber Installation Item - 2

Install and termination of (1) Six strain Multi-Mode fiber from IDF to IDF

Vendor must bid the minimum specifications for the fiber; Armored, Multimode, 6 Strand, 50 Micron, OFCP, Plenum, Indoor/Outdoor.

Vendor bids should also include all pathways, trenching, conduits and patch panels, 1st and 2nd shift labor.

Vendor is also responsible for checking for all underground obstructions this includes but not limited to Gas, water and elect pipes, conduits or lines, prior to and trenching or any ground work.

Locations

Capistrano ROP location at: 31576 El Camino Real, San Juan Capistrano, CA 92675

Board of Trustees Purchase Order Listing
===== Fiscal Year: 2015-16 =====
Board of Trustees Meeting.....MAY 11, 2016

The following purchase orders have been issued in accordance with the District's Purchasing Policy and authorization of the Board of Trustees. It is recommended that the following Purchase Orders be approved and that payment be authorized upon delivery and acceptance of the items ordered.

PO No.	Fund	Vendor	Description	Amount
5557	98	DAVE BANG ASSOCIATES	F&EInstl/Fac Acq /OsoGrand	74,169.68
			1 Purchase Orders	\$74,169.68

Board of Trustees Purchase Order Listing
===== Fiscal Year: 2015-16 =====
Board of Trustees Meeting.....MAY 11, 2016

The following purchase orders have been issued in accordance with the District's Purchasing Policy and authorization of the Board of Trustees. It is recommended that the following Purchase Orders be approved and that payment be authorized upon delivery and acceptance of the items ordered.

PO No.	Fund	Vendor	Description	Amount
355772	13	SNA	Dues&Mmb/FoodServ/Dstrctwd	112.00
355773	1	STATE SELPA ADMINISTRATORS	CnfrNonI/SupvAdmn/Dstrctwd	65.00
			Serv& Op/PrntPart/Dstrctwd	130.00
355774	1	HANGSAFE HOOKS	SplsNonI/Sch Adm /San Juan	1,856.82
355775	1	JOSTENS	InstMtls/Instrctn/Cal Prep	275.40
355776	1	JOSTENS	SplsNonI/Sch Adm /Dstrctwd	1,863.00
355777	1	GORDON, TODD	Serv& Op/Instrctn/SVCS	69.12
355778	1	THOMAS, BARBARA	Serv& Op/Instrctn/Our Savr	99.00
355779	1	JENSEN, LORI	Serv& Op/Instrctn/SVCS	736.00
355780	1	AYERS, TERRIE	Serv& Op/Instrctn/Our Savr	99.00
355781	1	SMART & FINAL IRIS #399	InstMtls/Instrctn/DHHS	500.00
355782	14	ABOVE ALL NAMES CONSTRUCTION	Bldg Imp/Fac Acq /CVHS	7,878.00
355783	1	DAVE BANG ASSOCIATES	Rntl:Oth/RR:Bldgs/Dstrctwd	15,000.00
355784	1	GARY AND JILL DORRIS	Serv& Op/NPS /Dstrctwd	8,850.00
			Serv& Op/SEOthIns/Dstrctwd	1,470.00
355785	1	KIMBERLY STRIEGL	Serv& Op/NPS /Dstrctwd	24,999.00
			Subagmt/NPS /Dstrctwd	370,201.00
355786	1	KELLY PASKEY-BUTLER AND MORGAN	Serv& Op/SEOthIns/Dstrctwd	3,000.00
355787	14	SPORTS FACILITIES GROUP INC	Rntl:Oth/RR:Bldgs/CVHS	6,850.00
355788	1	DUANE YOSHIMURA AND TINA LEE	CnsltNon/PsychSer/Dstrctwd	4,300.00
355789	1	DENNIS PATRICK HANNA	Serv& Op/RR:Bldgs/Dstrctwd	5,000.00
355790	1	JOSEPH AND KATHLEEN FIORENZA	CnsltNon/PsychSer/Dstrctwd	5,100.00
355791	1	SWANSON, KIRSTEN	Serv& Op/Instrctn/SVCS	72.36
355792		VOID	VOID	0.00
355793	1	TAYLOR, CHRISTY	Serv& Op/Instrctn/SVCS	73.98
355794	1	NCS PEARSON INC.	SplsNonI/Spch Aud/Dstrctwd	1,536.80
355795	1	SHAW, BARBARA	Serv& Op/Instrctn/SVCS	62.64
355796	1	GOLDEN STAR TECHNOLOGY INC.	InstMtls/Instrctn/Dstrctwd	164.02
355797	1	JOHNSON, LAUREN	Serv& Op/Instrctn/Our Savr	99.00
355798	1	SEGOVIA, WENDY	Serv& Op/Instrctn/Our Savr	109.00
355799	1	NCS PEARSON INC.	SplsNonI/HlthServ/Dstrctwd	2,284.42
355800	1	CAMCOR INC	InstMtls/Instrctn/Dstrctwd	64.00
355801	1	WARDS MEDIA TECH	NonCapEq/Instrctn/Dstrctwd	673.92
355802	1	NASCO MODESTO A DIVISION OF	InstMtls/Instrctn/ArroyoEl	355.49
355803	1	GOPHER ATHLETIC	InstMtls/Instrctn/Chaparal	463.64
355804	1	GOPHER ATHLETIC	InstMtls/Instrctn/AVMS	153.32
355805	1	SUPER DUPER INC.	InstMtls/SEOthIns/Dstrctwd	237.54
355806	1	AARDVARK CLAY	SplsNonI/Sch Adm /CVHS	675.00
355807	1	AARDVARK CLAY	InstMtls/Instrctn/MFMS	421.25
355808	1	PHONAK LLC	NonCapEq/SEOthIns/Dstrctwd	888.87
355809	1	VERNIER SOFTWARE	InstMtls/Instrctn/Dstrctwd	2,507.95
355810	1	REALLY GOOD STUFF	InstMtls/Instrctn/Hiddn Hl	182.99
355811	1	FLINN SCIENTIFIC INC	InstMtls/Instrctn/ANHS	155.82
355812	1	KAPLAN SCHOOL SUPPLY	InstMtls/Instrctn/Hiddn Hl	50.37
355813	1	HEINEMANN	InstMtls/Instrctn/Kinoshta	1,032.50

Board of Trustees Purchase Order Listing
===== Fiscal Year: 2015-16 =====
Board of Trustees Meeting.....MAY 11, 2016

PO No.	Fund	Vendor	Description	Amount
355814	14	SPORTS FACILITIES GROUP INC	Rntl:Oth/RR:Bldgs/CVHS	11,975.00
355815	1	VERNON LIBRARY SUPPLIES INC	InstMtls/Instrctn/ArroyoMS	78.99
355816	1	FLINN SCIENTIFIC INC	InstMtls/Instrctn/ANHS	146.50
355817	1	PERMA-BOUND	InstMtls/Instrctn/MFMS	874.15
355818	1	NASCO MODESTO A DIVISION OF	InstMtls/Instrctn/LRMS	76.83
355819	1	LAKESHORE LEARNING MATERIALS	InstMtls/Instrctn/FNMS	153.85
355820	1	DISCOVERY SCIENCE CENTER OF OC	InstMtls/Instrctn/San Juan	840.00
355821		VOID	VOID	0.00
355822	12	THE REGENTS OF THE UNIVERSITY	Serv & Op/SupvAdmn/Dstrctwd	52,400.00
355823	1	LAKESHORE LEARNING MATERIALS	InstMtls/Instrctn/LF Elem	1,312.02
355824		VOID	VOID	0.00
355825	1	LAKESHORE LEARNING MATERIALS	InstMtls/Instrctn/LF Elem	800.22
355826		VOID	VOID	0.00
355827	1	SOCIAL STUDIES SCHOOL SERVICE	InstMtls/Instrctn/LRMS	475.35
355828	1	CDWG Inc	InstMtls/Instrctn/Dstrctwd	354.58
			InstMtls/Instrctn/Tijeras	39.40
355829	1	CAMCOR INC	InstMtls/Instrctn/Dstrctwd	639.17
355830	1	SOUTHWEST SCHOOL SUPPLY	SplsNonI/HlthServ/Dstrctwd	1,607.62
355831	1	D & H DISTRIBUTING	SplsNonI/Sch Adm /CVHS	316.69
355832	1	MUSICIAN'S FRIEND	NonCapEq/Instrctn/LFMS	972.00
355833	1	THE AINSLIE COMPANY	Rntl:Oth/RR:Bldgs/Dstrctwd	3,000.00
355834		VOID	VOID	0.00
355835	1	GOBO LLC	Serv & Op/SupvAdmn/Dstrctwd	505.00
355836		VOID	VOID	0.00
355837	1	SYNTEX GLOBAL	Serv & Op/PrntPart/Dstrctwd	8,000.00
355838	11	JOSTENS	SplsNonI/Sch Adm /Dstrctwd	10.26
355839	1	JOSTENS	SplsNonI/Sch Adm /Dstrctwd	2,864.76
355840		VOID	VOID	0.00
355841	1	CDWG Inc	InstMtls/SE0thIns/Dstrctwd	327.24
355842		VOID	VOID	0.00
355843	1	CDWG Inc	InstMtls/SE0thIns/Dstrctwd	327.00
355844	1	CDWG Inc	InstMtls/Instrctn/Las Palm	3,998.73
			InstMtls/Instrctn/Reilly	15,994.90
355845	1	FISHER SCIENTIFIC	InstMtls/Instrctn/LRMS	1,072.90
355846		VOID	VOID	0.00
355847		VOID	VOID	0.00
355848	1	SPORT CHALET	InstMtls/CurAthlt/Tesoro	958.37
355849	1	CDWG Inc	InstMtls/Instrctn/Del Obis	17,899.68
355850	1	CDWG Inc	InstMtls/Instrctn/Tesoro	4,905.00
355851	1	CDWG Inc	InstMtls/Instrctn/AVMS	7,701.51
			InstMtls/Instrctn/Dstrctwd	5,378.49
355852		VOID	VOID	0.00
355853	1	HOWARD TECHNOLOGY SOLUTIONS	InstMtls/SE0thIns/Dstrctwd	24.50
355854	1	HOWARD TECHNOLOGY SOLUTIONS	Serv & Op/Instrctn/LFMS	147.00
355855	1	HOWARD TECHNOLOGY SOLUTIONS	InstMtls/Instrctn/Las Palm	1,960.00
355856	1	HOWARD TECHNOLOGY SOLUTIONS	InstMtls/Instrctn/Viejo	784.00
355857		VOID	VOID	0.00
355858	1	HOWARD TECHNOLOGY SOLUTIONS	InstMtls/SE0thIns/Dstrctwd	24.50
355859	1	HOWARD TECHNOLOGY SOLUTIONS	Serv & Op/Instrctn/RH Dana	3,332.00
355860	1	HOWARD TECHNOLOGY SOLUTIONS	SplsNonI/Sch Adm /DJAMS	49.00
355861		VOID	VOID	0.00

Board of Trustees Purchase Order Listing
===== Fiscal Year: 2015-16 =====
Board of Trustees Meeting.....MAY 11, 2016

PO No.	Fund	Vendor	Description	Amount
355862		VOID	VOID	0.00
355863	1	HOWARD TECHNOLOGY SOLUTIONS	Serv& Op/Instrctn/Dstrctwd	441.00
355864	1	HOWARD TECHNOLOGY SOLUTIONS	Serv& Op/Instrctn/Tesoro	367.50
355865	1	HOWARD TECHNOLOGY SOLUTIONS	Serv& Op/Instrctn/GrgWhite	1,225.00
355866	1	HOWARD TECHNOLOGY SOLUTIONS	InstMtls/Instrctn/AVMS	980.00
355867	1	HOWARD TECHNOLOGY SOLUTIONS	InstMtls/Instrctn/Dstrctwd	122.50
355868	1	SOUTH COAST ROP	OthTsJPA/IntrAgnc/Dstrctwd	1,200,000.00
355869	1	CDWG Inc	InstMtls/Instrctn/RH Dana	29,635.65
355870		VOID	VOID	0.00
355871	1	CDWG Inc	InstMtls/Instrctn/Dstrctwd	35,737.11
355872		VOID	VOID	0.00
355873	1	CDWG Inc	NonCapEq/Instrctn/Viejo	6,973.09
355874	1	CDWG Inc	NonCapEq/Instrctn/Dstrctwd	1,089.55
355875	1	CDWG Inc	InstMtls/Instrctn/DJAMS	8,716.37
355876	1	CDWG Inc	InstMtls/Instrctn/Dstrctwd	3,922.37
355877	1	CDWG Inc	InstMtls/Instrctn/Dstrctwd	5,899.12
			SplsNonI/Sch Adm /GrgWhite	5,214.52
355878		VOID	VOID	0.00
355879	1	SNAP-ON TOOLS CORP	InstMtls/Instrctn/ANHS	6,406.04
355880	1	SNAP-ON TOOLS CORP	InstMtls/Instrctn/ANHS	1,070.92
355881	1	JOHNSTONE SUPPLY	SplsNonI/RR:Bldgs/Dstrctwd	1,143.53
355882	1	PAXTON/PATTERSON	InstMtls/Instrctn/DHHS	2,251.80
355883		VOID	VOID	0.00
355884	1	PC & MACEXCHANGE	InstMtls/Instrctn/SCHS	1,053.00
355885	1	GAYLE PARIDE	CnsltNon/Pub Info/Dstrctwd	25,000.00
355886	1	UC REGENTS	Conf:Ins/Instrctn/San Juan	225.00
355887	1	ORANGE COUNTY DEPT OF EDUCAT	CnfrNonI/SupvAdmn/Dstrctwd	100.00
355888	1	NEWPORT SEA BASE	I FieldTrp/Instrctn/Viejo	1,155.00
355889	1	SCHOOL ENERGY COALITION	CnfrNonI/M&OResOH/Dstrctwd	350.00
355890	1	CESCAL	CnfrNonI/Sch Adm /SJHHS	318.00
355891	1	ORANGE COUNTY SHERIFFS	CnfrNonI/Supt /Dstrctwd	700.00
355892	1	CITY OF SANTA ANA	FieldTrp/Instrctn/ArroyoEl	567.00
355893	1	SEHI COMPUTER	Rntl:Oth/TIS /Dstrctwd	2,000.00
355894	1	HATCH & CESARIO	Legal /SupvAdmn/Dstrctwd	10,000.00
355895	1	QUINTESSENTIAL SCHOOL SYSTEMS	Serv& Op/TIS /Dstrctwd	79,225.92
355896	1	BOYS TOWN CALIFORNIA INC.	SubNonCn/GuidCnsl/Dstrctwd	120,000.00
355897	1	PROFESSIONAL TUTORS OF AMERICA	CnsltSvs/Instrctn/Dstrctwd	28,000.00
355898	1	CREATIVE BEHAVIOR INTERVENTION	CnsltNon/PsychSer/Dstrctwd	2,800.00
355899	1	RIO HONDO EDUCATION CONSORTIUM	CnsltSvs/Instrctn/Dstrctwd	21,000.00
355900	1	MISSION VIEJO POST OFFICE	Cmmnctns/Warehse /Dstrctwd	20,000.00
355901	1	ORANGE & RIVERSIDE COUNTY	Rnt&Repr/Instrctn/ANHS	2,892.75
355902	1	A TREE OF KNOWLEDGE	CnsltSvs/Instrctn/Dstrctwd	8,900.00
355903	1	#1 IN LEARNING ONLINE INC	CnsltSvs/Instrctn/Dstrctwd	2,000.00
355904	1	LAURA S. PHILLIPS	CnsltNon/GuidCnsl/Dstrctwd	7,000.00
355905	1	123 MATH & READING INC.	CnsltSvs/Instrctn/Dstrctwd	1,000.00
355906	1	CERRELL ASSOCIATES INC	Serv& Op/Pub Info/Dstrctwd	22,500.00
355907	1	AGENCY FOR STUDENT HEALTH	SplsNonI/SupvAdmn/Dstrctwd	3,207.60
355908	1	APPLE COMPUTER INC	NonCapEq/DW Undst/Dstrctwd	824.64
355909	1	COMMITTEE FOR CHILDREN	CnfrNonI/GuidCnsl/Dstrctwd	395.00
355910	1	BUREAU EDUCATION & RESEARCH	CnfrNonI/HlthServ/Dstrctwd	239.00

Board of Trustees Purchase Order Listing
===== Fiscal Year: 2015-16 =====
Board of Trustees Meeting....MAY 11, 2016

PO No.	Fund	Vendor	Description	Amount
355911	1	CDWG Inc	InstMtls/Instrctn/Dstrctwd	241.90
355912	1	CDWG Inc	InstMtls/Instrctn/Dstrctwd	274.54
355913	25	DIGITAL NETWORKS GROUP INC	Bldg Imp/Fac Acq /Dstrctwd	1,650.30
355914	1	HOWARD TECHNOLOGY SOLUTIONS	InstMtls/Instrctn/Dstrctwd	245.00
355915	1	CDWG Inc	NonCapEq/Instrctn/Dstrctwd	2,179.09
355916	1	GOPHER ATHLETIC	InstMtls/SE0thIns/Dstrctwd	2,411.58
355917	1	SEON DESIGN INC.	Serv& Op/PuplTran/Dstrctwd	2,000.00
355918	1	SCHOOL SERVICES OF CALIFORNIA	CnfrNonI/SuppSvcs/Dstrctwd	155.00
			CnfrNonI/Bus/Fisc/Dstrctwd	620.00
			CnfrNonI/Supt /Dstrctwd	155.00
			CnfrNonI/SupvAdmn/Dstrctwd	155.00
			CnfrNonI/Prsnl:HR/Dstrctwd	155.00
			CnfrNonI/StaffNeg/Dstrctwd	465.00
			CnfrNonI/Enterprs/Dstrctwd	155.00
355919	1	COALITION FOR ADEQUATE SCHOOL	CnfrNonI/M&OUmrOH/Dstrctwd	339.00
355920	1	HOME ECONOMICS EDUCATION	Conf:Ins/Instrctn/ANHS	360.00
355921	1	BOOMERANG PROJECT	Conf:Ins/Instrctn/ANHS	2,495.00
355922	1	HERITAGE SCHOOLS INC	Residtl /NPS /Dstrctwd	9,570.00
			Sub MHBC/NPS /Dstrctwd	29,640.00
			Sub MHBC/PsychSer/Dstrctwd	9,750.00
355923	1	BEACON DAY SCHOOL	NPS /NPS /Dstrctwd	24,999.00
			Sub NPS /NPS /Dstrctwd	26,022.56
355924	1	PORT VIEW PREPARATORY SCHOOL	Sub NPS /NPS /Dstrctwd	24,840.00
355925	1	REALLY GOOD STUFF	SplsNonI/Sch Adm /Las Palm	378.18
355926	14	CULVER-NEULIN	Bldg Imp/Fac Acq /DJAMS	2,089.15
355927	1	NEOPOST USA INC.	SplsNonI/Grph Art/Dstrctwd	870.00
355928	1	SCHOOL ENERGY COALITION	Dues&Mmb/SuppSvcs/Dstrctwd	260.00
355929	1	PRINT & FINISHING SOLUTIONS	Rntl:Oth/Grph Art/Dstrctwd	1,000.00
355930	1	PRIORITY MAILING SYSTEMS LLC	SplsNonI/Grph Art/Dstrctwd	507.34
355931	1	CESCAL	Conf:Ins/Instrctn/MFMS	159.00
355932	1	CDWG Inc	SplsNonI/Bus/Fisc/Dstrctwd	10.55
355933	1	APPLE COMPUTER INC	InstMtls/Instrctn/LFMS	5,954.88
355934	1	PC MALL GOV	Serv& Op/Instrctn/SJHHS	3,807.25
355935	1	HUGH O'BRIAN YOUTH LEADERSHIP	Serv& Op/Instrctn/SCHS	545.00
355936	1	AIRWOLF 3D	NonCapEq/Instrctn/San Juan	3,234.60
355937	1	CDWG Inc	NonCapEq/Instrctn/Cal Prep	10,564.96
355938	1	ACORN MEDIA	InstMtls/Instrctn/Del Obis	464.94
355939	1	INSIGHT SYSTEMS EXCHANGE	SplsNonI/HlthServ/Dstrctwd	464.40
355940	1	APPLE COMPUTER INC	NonCapEq/Instrctn/Viejo	18,349.39
355941	1	APPLE COMPUTER INC	NonCapEq/Instrctn/SJHHS	4,901.76
355942	1	APPLE COMPUTER INC	NonCapEq/Instrctn/Tesoro	1,671.91
355943	1	APPLE COMPUTER INC	NonCapEq/Instrctn/SJHHS	60,582.20
355944	1	CDWG Inc	NonCapEq/SupvAdmn/Dstrctwd	1,734.22
355945	1	CDWG Inc	NonCapEq/SupvAdmn/Dstrctwd	1,259.55
355946	1	CDWG Inc	SplsNonI/Purch /Dstrctwd	142.24
355947	1	PAC TYPEWRITER & COMM	SplsNonI/Sch Adm /CanVistE	67.55
355948	1	JIM'S MUSIC CENTER	NonCapEq/Instrctn/SJHHS	4,860.00
355949	1	CASBO	Serv& Op/Prsnl:HR/Dstrctwd	50.00
355950	13	GOLD STAR FOODS INC	FdPrshbl/FoodServ/Dstrctwd	30,000.00
355951	1	FOLLETT SCHOOL SOLUTIONS INC	K-8Textb/Instrctn/Dstrctwd	1,037.61

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PO No.	Fund	Vendor	Description	Amount
355952	1	PERMA-BOUND	Bks&Ref /Instrctn/Las Palm	2,400.00
355953	1	FOLLETT SCHOOL SOLUTIONS INC	Bks&Ref /Instrctn/Las Palm	2,100.00
355954	1	B & H PHOTOGRAPHY	InstMtls/Instrctn/Tesoro	156.28
355955	1	WARDS MEDIA TECH	NonCapEq/Instrctn/Dstrctwd	673.92
355956	1	WARDS MEDIA TECH	InstMtls/Instrctn/Dstrctwd	2,695.68
355957	1	CDWG Inc	SpplsNonI/Sch Adm /VDMMS	274.54
355958	1	CDWG Inc	InstMtls/Instrctn/SJHHS	959.04
355959	1	WARDS MEDIA TECH	Serv& Op/Instrctn/Dstrctwd	945.00
355960	1	CAMCOR INC	InstMtls/Instrctn/Tesoro	820.20
355961	1	GOLDEN STAR TECHNOLOGY INC.	InstMtls/Instrctn/Dstrctwd	505.59
355962	1	CDWG Inc	InstMtls/Aid:Inst/Dstrctwd	2,093.55
355963	1	CDWG Inc	InstMtls/Instrctn/LF Elem	274.54
355964		VOID	VOID	0.00
355965	1	CAMCOR INC	Serv& Op/Instrctn/Dstrctwd	750.28
355966	1	COSTCO S.J.C.	SpplsNonI/Pup Serv/Dstrctwd	200.00
355967	1	CDWG Inc	InstMtls/Instrctn/DJAMS	177.88
355968	1	B & H PHOTOGRAPHY	NonCapEq/Instrctn/Tesoro	10,497.89
355969		VOID	VOID	0.00
355970	1	WARDS MEDIA TECH	NonCapEq/Instrctn/Dstrctwd	6,739.20
355971	1	GOLDEN STAR TECHNOLOGY INC.	InstMtls/Instrctn/Dstrctwd	506.56
355972	1	CDWG Inc	InstMtls/Instrctn/Dstrctwd	799.20
355973	1	APPLE COMPUTER INC	NonCapEq/Instrctn/Dstrctwd	246.24
355974	1	CAMCOR INC	InstMtls/Instrctn/RH Dana	497.02
355975	1	CASA ROMANTICA CULTURAL CENTER	FieldTrp/Instrctn/Lobo	540.00
355976		VOID	VOID	0.00
355977	1	B & H PHOTOGRAPHY	InstMtls/Instrctn/Tesoro	9,978.54
355978	1	CDWG Inc	InstMtls/Instrctn/Castille	520.56
355979	1	B & H PHOTOGRAPHY	InstMtls/Instrctn/DHHS	2,614.19
355980	1	CDWG Inc	SpplsNonI/Sch Adm /FNMS	200.88
355981		VOID	VOID	0.00
355982	1	ACORN MEDIA	InstMtls/Instrctn/Hiddn Hl	464.94
355983	1	ACORN MEDIA	InstMtls/Instrctn/Moulton	232.47
355984	1	ACORN MEDIA	InstMtls/Instrctn/Kinoshta	1,089.29
355985	1	ACORN MEDIA	InstMtls/Instrctn/Bathgate	199.26
355986	1	ACORN MEDIA	InstMtls/Instrctn/Tesoro	99.63
355987	1	ACORN MEDIA	InstMtls/Instrctn/Marblehd	531.36
355988	1	ACORN MEDIA	InstMtls/Instrctn/AVMS	265.68
355989	1	CASA ROMANTICA CULTURAL CENTER	FieldTrp/Instrctn/Kinoshta	1,045.00
355990	1	NUMOTION	SpplsNonI/HlthServ/Dstrctwd	6,417.14
355991	1	APPLE COMPUTER INC	InstMtls/Instrctn/Dstrctwd	520.32
355992	1	MISSION SAN JUAN CAPISTRANO	FieldTrp/Instrctn/Crn Vlly	560.00
355993	1	JUDY LYNN SOFTWARE INC.	InstMtls/SEOthIns/Dstrctwd	189.00
355994	1	ACSA REGION 17	CnfrNonI/Supt /Dstrctwd	98.00
355995		VOID	VOID	0.00
355996	1	CAMCOR INC	InstMtls/Instrctn/Dstrctwd	410.10
355997	1	CAMCOR INC	InstMtls/Instrctn/Dstrctwd	410.10
355998	1	CDWG Inc	InstMtls/Instrctn/Dstrctwd	2,826.36
355999	1	CDWG Inc	NonCapEq/Instrctn/Tijeras	969.84
356000	1	CAMBIUM LEARNING GROUP INC	Serv& Op/Instrctn/Dstrctwd	51,000.00
			InstMtls/Instrctn/Dstrctwd	425,052.05

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PO No.	Fund	Vendor	Description	Amount
356001	1	CDWG Inc	InstMtls/Instrctn/Dstrctwd	2,424.60
356002	1	CDWG Inc	InstMtls/Instrctn/Dstrctwd	270.16
			InstMtls/Instrctn/Marblehd	214.76
356003	1	CDWG Inc	InstMtls/Instrctn/Dstrctwd	484.92
356004	1	CAMCOR INC	InstMtls/SE0thIns/Dana ENF	87.74
356005	1	B & H PHOTOGRAPHY	InstMtls/Instrctn/DHHS	2,614.19
356006	1	CAMCOR INC	InstMtls/SE0thIns/Dstrctwd	60.48
			InstMtls/SDCInstr/Dana ENF	619.88
356007	1	CDWG Inc	SpIsNonI/Sch Adm /FNMS	150.85
356008	1	B & H PHOTOGRAPHY	NonCapEq/Instrctn/SJHHS	4,419.88
356009	1	CAMCOR INC	SpIsNonI/SupvAdmn/Dstrctwd	340.18
356010	1	FOLLETT SCHOOL SOLUTIONS INC	InstMtls/Instrctn/Kinoshta	2,324.80
356011	1	DOUGHERTY, JOLENE	SpIsNonI/Sch Adm /Cal Prep	381.18
356012	1	JONES SCHOOL SUPPLY CO INC	InstMtls/Enterprs/Del Obis	86.25
356013	1	APPLE COMPUTER INC	InstMtls/Instrctn/LRMS	559.44
356014	1	APPLE COMPUTER INC	InstMtls/Instrctn/Dstrctwd	1,071.72
356015	1	APPLE COMPUTER INC	InstMtls/SE0thIns/Dstrctwd	497.64
356016	1	APPLE COMPUTER INC	InstMtls/Instrctn/Wagon Wh	10,612.32
356017	1	NUMOTION	SpIsNonI/HlthServ/Dstrctwd	1,003.52
356018	1	APPLE COMPUTER INC	NonCapEq/Instrctn/LRMS	628.32
356019	1	CHEFS' TOYS	InstMtls/Instrctn/Serra	8,489.12
356020	13	WAXIE	OpSupp /FoodServ/Dstrctwd	224.38
356021	1	APPLE COMPUTER INC	InstMtls/Instrctn/LRMS	848.16
356022	1	APPLE COMPUTER INC	InstMtls/Instrctn/LF Elem	7,525.44
356023		VOID	VOID	0.00
356024	1	APPLE COMPUTER INC	InstMtls/Enterprs/DJAMS	412.32
356025	1	BRIAN R SCIACCA, ATTN AT LAW	Legal /SupvAdmn/Dstrctwd	8,500.00
356026	1	STEPHANIE DIXON CONSULTING	Serv& Op/Instrctn/Capo Ch	1,464.00
356027	1	CCEA MODEL SCHOOLS PROGRAM	Serv& Op/Sch Adm /Serra	400.00
356028	1	THINKING MAPS INC	Serv& Op/Instrctn/Marblehd	3,000.00
356029	1	NEW HAVEN SCHOOL	NPS /NPS /Dstrctwd	24,999.00
			Sub NPS /NPS /Dstrctwd	10,957.00
356030	1	APPLE COMPUTER INC	NonCapEq/Instrctn/CVHS	115,617.96
356031	1	COAST TO COAST SOCCER	Serv& Op/Instrctn/Wood Cyn	1,200.00
356032	1	APPLE COMPUTER INC	NonCapEq/Instrctn/CVHS	115,617.96
356033	1	ORANGE COUNTY DEPT OF EDUC	FieldTrp/Instrctn/VdelMarE	1,482.50
356034		VOID	VOID	0.00
356035	1	BAD WOLF PRESS	InstMtls/Instrctn/Wood Cyn	182.44
356036	1	FOLLETT SCHOOL SOLUTIONS INC	Bks&Ref /Instrctn/BAMS	2,600.00
356037		VOID	VOID	0.00
356038	1	EARTHS BIRTHDAY PROJECT	InstMtls/Instrctn/Malcom	61.39
356039	1	PARENT INST QUALITY EDUC	Serv& Op/SupvAdmn/Dstrctwd	4,200.00
356040	1	DISCOVERY CUBE OF OC	Serv& Op/Instrctn/OsoGrand	2,280.00
356041	1	DISCOVERY CUBE OF OC	Serv& Op/Instrctn/OsoGrand	2,230.00
356042	1	STATE OF CALIFORNIA	Dues&Mmb/SupvAdmn/Dstrctwd	200.00
356043	1	LEISURE CARE REFERRAL AGENCY	Serv& Op/HlthServ/Dstrctwd	35,000.00
356044	1	PC & MACEXCHANGE	NonCapEq/Instrctn/Tesoro	1,053.00
356045	1	CITY OF SAN CLEMENTE	Op&Hskpg/Opr:Util/Dstrctwd	25,626.68
356046	1	PC & MACEXCHANGE	NonCapEq/Instrctn/RH Dana	4,212.00
356047	1	STAPLES ADVANTAGE	SpIsNonI/PuplTran/Dstrctwd	106.76

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PO No.	Fund	Vendor	Description	Amount
356048	1	PC & MACEXCHANGE	NonCapEq/Instrctn/Dstrctwd	2,106.00
356049	1	PC & MACEXCHANGE	InstMtls/Instrctn/Las Palm	3,159.00
356050	1	PC & MACEXCHANGE	InstMtls/Instrctn/AVMS	1,053.00
356051	1	APPLE COMPUTER INC	NonCapEq/Instrctn/ANHS	88,896.96
356052	1	GOLDEN STAR TECHNOLOGY INC.	InstMtls/Instrctn/Tesoro	260.00
356053	1	GOLDEN STAR TECHNOLOGY INC.	Serv& Op/Instrctn/RH Dana	1,040.00
356054	1	GOLDEN STAR TECHNOLOGY INC.	InstMtls/Instrctn/Dstrctwd	520.00
356055	1	GOLDEN STAR TECHNOLOGY INC.	InstMtls/Instrctn/Las Palm	780.00
356056	1	GOLDEN STAR TECHNOLOGY INC.	InstMtls/Instrctn/AVMS	260.00
356057	1	CDWG Inc	InstMtls/Instrctn/Dstrctwd	763.56
356058		VOID	VOID	0.00
356059	25	DAVE BANG ASSOCIATES	F&EInstl/Fac Acq /LadraElm	99,303.28
356060	1	CULVER-NEWLIN	InstMtls/Instrctn/Las Palm	29,031.69
356061	1	SOCIAL STUDIES SCHOOL SERVICE	InstMtls/Instrctn/LRMS	298.27
356062	1	DON JOHNSTON INC	InstMtls/SEOthIns/Dstrctwd	75.60
356063	1	APPLE COMPUTER INC	InstMtls/Instrctn/DHHS	2,069.06

265 Purchase Orders \$3,767,045.74

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Warrant Number	Name of Payee	Reference Number	Amount
221265	1ST JON	PO-350735	747.20
		PO-354959	1,582.60
221266	ACER SERVICE CORPORATION	PO-350118	191.50
		PO-355364	762.00
221267	AMS	PO-354361	10,060.83
221268	BARCODEINC	PO-355258	132.72
221269	BERTRAND'S MUSIC	PO-353020	500.00
		PO-355576	18.37
221270	BIOMETRICS4ALL INC	PO-350966	73.50
221271	CAPISTRANO GOLF CARS	PO-354793	4,768.00
221272	CDW GOVERNMENT	PO-355360	1,499.52
221273	CINTAS CORP #640	PO-352637	55.89
221274	COMPLETE OFFICE OF CA	PO-350111	77.33
		PO-350565	170.83
		PO-355435	324.80
221275	DENAULT'S HARDWARE	PO-350133	296.88
221276	DENNIS PATRICK HANNA	PO-351908	250.00
221277	EBERHARD EQUIPMENT	PO-350091	788.59
221278	GOLDEN STAR TECHNOLOGY INC.	PO-355392	136.94
221279	HD SUPPLY CONSTRUCTION AND	PO-351667	113.34
221280	HOWARD TECHNOLOGY SOLUTIONS	PO-355317	1,960.00
221281	IMAGE 2000	PO-350396	452.35
221282	IPC (USA), INC.	PO-350384	17,187.51
221283	JOHNSTONE SUPPLY	PO-353779	1,812.56
221284	KELLY PAPER COMPANY	PO-350262	1,265.44
221285	LOCAL JANITORIAL & VACUUM	PO-351452	2,275.97
221286	COUNTY OF ORANGE	PO-350615	340.00
221287	MESA GOLF CARTS	PO-351670	399.54
221288	MILLER MECHANICAL	PO-352287	408.48
221289	MOBILE COMMUNICATION REPAIR	PO-354352	233.68
221290	NASCO MODESTO	PO-354865	205.30
		PO-355255	147.38
221291	NCS PEARSON INC.	PO-355695	343.99
221292	OFFICE DEPOT	PO-350630	121.89
		PO-350633	201.66
		PO-353311	130.46
		PO-353914	132.74
221293	ORANGE COUNTY FIRE AUTHORITY	PO-355244	200.00
221294	PRECISION SPEEDOMETER SR	PO-352455	527.08
221295	PROGRESSIVE BUSINESS PUB	PO-354713	94.56
221296	RECREATION BY DESIGN	PO-355694	2,191.28
221297	SCHOLASTIC INC	PO-355494	346.12
221298	SMOG EXPRESS	PO-350553	115.85

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Warrant Number	Name of Payee	Reference Number	Amount
221299	SPICERS PAPER	PO-350261	244.34
		PO-355510	3,362.97
		PO-355532	16,067.81
221300	STAPLES BUSINESS ADVANTAGE	PO-354205	55.85
		PO-355044	323.73
221301	SUPER DUPER INC.	PO-355206	45.40
221302	TEXTBOOK WAREHOUSE	PO-355357	52,489.08
221303	THE TOLL ROADS	PO-350228	450.00
221304	TIFCO INDUSTRIES	PO-353236	70.31
221305	ULINE	PO-352324	90.57
221306	UNITED RENTALS (NORTH AMERICA)	PO-350076	545.18
221307	VERIZON WIRELESS	PO-351472	145.77
221308	WARD'S	PO-354702	6,739.20
221309	WATERLINES TECHNOLOGIES INC	PO-351788	2,439.72
		PO-354360	3,858.63
221310	WAXIE SANITARY SUPPLY	PO-354199	76.00
221311	WESTERN GRAPHIX	PO-354200	175.00
221312	WOODWIND AND BRASSWIND	PO-351415	117.18
221313	OFFICE DEPOT	PO-350627	34.14
221314	STAPLES BUSINESS ADVANTAGE	PO-350531	50.74
221315	ALVAREZ, SUZANNE	PV-164425	69.00
221316	BOLKEN, KELLY	PV-164427	20.00
221317	GARCIA, BASILICA	PV-164428	15.00
221318	GARCIA, ROSALINA	PV-164429	383.36
221319	MILLER, MARK G.	PV-164430	84.00
221320	MONTGOMERY, RICH	PV-164431	43.03
221321	SAWYER, PAMELA	PV-164432	55.87
221322	SCHWARTZ, MARIA	PV-164433	8.00
221323	BRAUN, C. ANNE	PV-164438	127.98
221324	BROWN, NANCY	PV-164440	21.60
221325	BUNYAN, JAMIE	PV-164439	143.64
221326	BUTLER, SUSAN	PV-164441	145.26
221327	CARLISLE, TERESA	PV-164442	99.36
221328	COPPOLA, LUCI	PV-164443	166.32
221329	CRUZ, DELIA	PV-164447	113.69
221330	DAVIS, DANIELLE	PV-164445	51.84
221331	DE ACUTIS, LISA	PV-164446	19.44
221332	DIXON, AURORA	PV-164448	75.60
221333	ELKINS, KAREN	PV-164449	249.48
221334	FATEHI, BRENDA	PV-164450	6.48
221335	GALLEGO, MARINA	PV-164451	11.88
221336	HACKER, COLIN	PV-164452	158.76
221337	HALL, SHEILA	PV-164453	248.94
221338	HERTZ, JANA	PV-164454	75.60
221339	HEUSER, RACHEL	PV-164455	265.68

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Warrant Number	Name of Payee	Reference Number	Amount
221340	HEWITT, CELESTE	PV-164456	103.14
221341	HIOUREAS, ANGELA	PV-164458	138.24
221342	INFANTE, MARIA CECILIA	PV-164460	143.64
221343	JACOBS, ALLISON	PV-164461	58.32
221344	KENNEY, VALERIE	PV-164462	25.92
221345	KLISTER, PAMELA	PV-164463	22.14
221346	MONTGOMERY, JERICA	PV-164464	49.14
221347	MORGENSTERN, GRACE	PV-164459	72.90
221348	SHERLOCK, ANDREA	PV-164457	22.68
221349	SICKLER, AUDRA	PV-164465	34.56
221350	UMINSKY, ALMA	PV-164466	19.44
221351	AFSHAR, AFRINA	PV-164437	25.92
221352	DAGARIN, JEAN-MARI	PV-164444	107.46
221353	BARRETT, JANET S	PV-164505	37.80
221354	BENNETT, ERIN	PV-164507	731.40
221355	BRADSHAW, JOLENE	PV-164509	8.64
221356	BRANNAM, ANDREA	PV-164511	45.36
221357	BREITHAUP, TERESA	PV-164513	22.68
221358	BROOKMAN, JOSEPH	PV-164514	316.98
221359	CHAMBERS, AMANDA	PV-164516	16.20
221360	CRAPO, MARY	PV-164517	8.64
221361	DOLLAR, ERIN	PV-164519	32.40
221362	FEELY, MARNIE	PV-164520	37.80
221363	FULLER, DIANA	PV-164521	98.91
221364	GROSS, DEANNA	PV-164522	50.22
221365	GUTIERREZ, ANGELICA PATRICIA	PV-164524	6.48
221366	HANRATTY-RAJA, JENNIPHER	PV-164525	64.08
221367	HENRY, LISA	PV-164526	40.50
221368	JOHNSTON, VANESSA	PV-164527	38.88
221369	KIMINAS, ANTHONY	PV-164528	191.16
221370	LACHEMANN, DINA	PV-164529	88.56
221371	NASON, KIM	PV-164530	44.82
221372	NEE, KATHLEEN	PV-164531	165.24
221373	PATTERSON, DEBBIE	PV-164532	332.20
221374	PRIMICIAS, MELISSA	PV-164534	90.18
221375	ROYBAL, CECILIA	PV-164535	10.80
221376	SIGNER, JEFF	PV-164536	10.80
221377	TALILI, MAILUMAI	PV-164538	281.34
221378	TAYNE, JULIE	PV-164539	161.46
221379	TESKEY, KAREN	PV-164540	422.66
221380	UNZUETA, GABRIELLE	PV-164541	29.16
221381	WIEDEMAN, LORI	PV-164542	99.36
221382	AZPEITIA, ROSALBA	PV-164501	34.56
221383	CB RANCH ENTERPRISES	PO-355263	1,584.00
221384	CERTIFIED TRANSPORTATION	PV-164537	2,010.00

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Warrant Number	Name of Payee	Reference Number	Amount
221385	DISCOVERING SCIENCE	PO-352344	2,470.00
221386	DISCOVERY CUBE OF OC	PO-354776	1,340.00
221387	DISCOVERY SCIENCE CENTER OF OC	PO-352800	2,100.00
		PO-353433	1,280.00
221388	ENCHANTED LEARNING	PO-353333	125.00
221389	JFK TRANSPORTATION CO INC	PV-164533	640.00
221390	JOURNEYS TO THE PAST	PO-355457	750.00
221391	OCEAN INSTITUTE	PO-353324	1,175.00
		PO-355265	500.00
		PO-355266	500.00
		PO-355293	50.00
		PO-355404	210.00
221392	RSCCD	PO-354988	636.00
221393	ZOOMARS	PO-355264	320.00
221394	DEVEREUX TEXAS TREATMENT	PO-355140	1,928.81
221395	HERITAGE SCHOOLS INC	PO-354467	10,987.00
221396	MULHOLLAND, LAUREN	PO-355728	648.70
		PV-164469	648.70
221397	OCEANVIEW SCHOOL	PO-355280	1,955.20
221398	CALIFORNIA CHARTER SCHOOLS	PO-355470	625.00
221399	CARRILLO, LETICIA	PV-164473	250.00
221400	CHAVEZ, MAGGIE	PV-164468	67.50
221401	COSTELLO, JESSICA	PV-164470	238.07
		PV-164471	61.00
221402	CROWLEY, HEIDI	PV-164472	40.00
221403	GODDARD, ALEXIS	PV-164474	37.15
221404	HAYWARD, KENDALL	PV-164475	85.25
221405	HORTON, TODD	PV-164477	61.02
221406	KULEK, JULIE	PV-164476	300.00
221407	MARTIN, CHRISTINE	PV-164484	65.00
221408	MOCNIK, BILL	PV-164483	766.80
221409	MORTENSEN, MICHAEL	PV-164426	349.92
		PV-164434	145.80
		PV-164435	145.80
		PV-164436	145.80
221410	PAK, JAMES	PV-164487	65.00
221411	PATTERSON, MARC	PV-164486	659.00
221412	PIANTA, REBECCA	PV-164481	40.72
221413	LEVERAGE LEARNING GROUP INC	PO-354970	3,600.00
221414	STROUD, KEITH R	PO-351594	301.00
221415	CAL STAGE & LIGHTING INC	PO-350835	270.80
221416	CITY OF SAN JUAN CAPISTRANO	PO-351098	3,119.76
221417	CONSOLIDATED ELECT DISTR	PO-353178	1,551.89
221418	LAM-TECH CORP	PO-353837	3,750.00

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Warrant Number	Name of Payee	Reference Number	Amount
221419	SAN DIEGO GAS & ELECTRIC	PO-353317	5,855.10
		PV-164518	39,789.87
221420	SOUTHERN CALIFORNIA EDISON	PO-350716	4,931.70
221421	COUNTY OF ORANGE-WASTE MNGT	PO-355691	2,102.65
		PO-355692	2,882.14
221422	CUSD-MELLO ROOS	PO-355687	2,193.93
221423	STATE BD EQUALIZATION	PV-164485	5,177.00
221424	WINDSTREAM	PO-354960	3,402.73
221425	CAPISTRANO UNIFIED SCHOOL DIST	PO-350267	64,066.89
221426	CHLIC-CHICAGO	PO-350265	26,355.35
		PO-350266	16,507.26
221427	A & R WHOLESALE DISTRIBUTORS	-	
		CM-160083	280.80-
		CM-160084	196.56-
		CM-160085	252.72-
		CM-160086	393.12-
		CM-160087	56.16-
		CM-160088	365.04-
		CM-160089	280.80-
		PV-164559	14,503.72
		PV-164560	12,368.91
		PV-164561	11,953.99
		PV-164562	17,346.20
		PV-164563	11,398.84
		PV-164564	14,440.67
		PV-164565	1,363.39
		PV-164566	9,965.01
		PV-164567	5,755.97
		PV-164568	8,351.76
		PV-164570	3,469.43
221428	A & R WHOLESALE DISTRIBUTORS	PV-164570	5,941.49
		PV-164571	8,799.60
		PV-164572	9,487.16
		PV-164573	7,380.27
		PV-164574	9,314.81
		PV-164575	11,826.29
		PV-164576	6,587.46
		PV-164577	3,018.95
		PV-164578	612.01
		PV-164579	156,574.22
221429	Amberger 04, Leslie	PV-164480	29.25
221430	Ambrosius 02, Dianna	PV-164373	118.75
221431	BARAJAS, DELIA	PV-164375	181.44
221432	CHEFS' TOYS	PV-164478	2,556.02
221433	Carrette 04, Debbie	PV-164479	20.00

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Warrant Number	Name of Payee	Reference Number	Amount
221434	Dunning 01, Lisa	PV-164376	26.05
221435	ECOLAB PEST ELIMINATION	PV-164605	240.25
		PV-164606	87.36
		PV-164607	87.36
		PV-164608	87.36
		PV-164609	87.36
		PV-164610	65.52
		PV-164611	87.36
221436	GALASSO'S BAKERY	PV-164489	653.45
		PV-164490	760.00
		PV-164491	648.90
		PV-164492	989.25
		PV-164493	506.05
		PV-164494	926.40
		PV-164495	820.65
		PV-164496	303.60
		PV-164497	292.85
		PV-164498	262.35
		PV-164499	331.50
		PV-164500	140.40
		PV-164502	237.00
		PV-164503	302.50
		PV-164504	218.95
		PV-164506	97.00
		PV-164508	90.00
		PV-164510	101.65
		PV-164512	2,791.35

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Warrant Number	Name of Payee	Reference Number	Amount
221437	GOLD STAR FOODS INC	PV-164581	504.10
		PV-164582	690.22
		PV-164583	446.72
		PV-164584	534.48
		PV-164585	259.31
		PV-164586	479.16
		PV-164587	651.41
		PV-164588	240.65
		PV-164589	262.50
		PV-164590	335.99
		PV-164591	244.44
		PV-164592	95.70
		PV-164593	251.22
		PV-164594	218.53
		PV-164595	245.45
		PV-164596	87.21
		PV-164597	132.05
		PV-164598	63.92
		PV-164599	10,494.82
221438	INDIGO BRIDGE TECHNOLOGIES LLC	PV-164467	162.00
221439	INDUSTRIAL ELECTRIC SERVICE	PV-164377	345.82
		PV-164378	825.59
		PV-164379	416.30
		PV-164515	995.02
		PV-164600	670.25
221440	MILLER MECHANICAL	PV-164543	408.78
		PV-164544	543.13
		PV-164545	167.28
		PV-164546	305.22
		PV-164547	1,810.04
		PV-164548	238.88
		PV-164549	313.40
		PV-164550	187.96
		PV-164551	441.22
		PV-164552	560.09
		PV-164553	235.80
		PV-164554	191.71
		PV-164555	465.25
		PV-164556	457.11
		PV-164557	225.00
		PV-164558	140.76
		PV-164601	242.28
		PV-164602	541.62
		PV-164603	175.00
221441	OFFICE DEPOT	PV-164580	128.97

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Warrant Number	Name of Payee	Reference Number	Amount
221442	P & R PAPER SUPPLY COMPANY	PV-164424	20,186.50
221443	SMART & FINAL	PV-164374	21.72
221444	CITY OF SAN CLEMENTE	PO-350712	15,792.65
221445	CITY OF SAN JUAN CAPISTRANO	PO-351098	3,317.17
221446	DAVE BANG ASSOCIATES INC	PO-354632	3,247.46
221447	PACIFIC PLUMBING COMPANY OF	PO-350242	4,005.60
221448	SAN DIEGO GAS & ELECTRIC	PV-164671	45,525.19
221449	SANTA MARGARITA WATER	PO-350719	5,210.13
221450	SO CAL GAS CO	PO-355453	8,933.73
221451	SO COAST WATER DIST	PO-351099	6,494.97
221452	SOUTHERN CALIFORNIA EDISON	PO-350716	46,646.16
221453	HMC ARCHITECTS	PO-341287	87,412.50
221454	WLC ARCHITECTS INC	PO-353977	42,272.25
221455	HMC ARCHITECTS	PO-352268	79,253.79
221456	HMC ARCHITECTS	PO-346665	9,223.50
		PO-352265	757.78
221457	WLC ARCHITECTS INC	PO-353981	63,282.06
221458	ALTERNATIVE COMM SVCS	PO-350808	4,042.50
		PO-355151	432.50
221459	BUSINESS INTERPRISE	PO-351154	3,145.00
221460	DISCOVERY RANCH	PO-354240	14,741.17
221461	GARCIA, IRMA R.	PO-350472	4,685.10
221462	GOODWILL INDUSTRIES OF ORANGE	PO-350799	390.00
221463	INTERMOUNTAIN DEACONESS	PO-352711	11,959.70
221464	JENNIFER TONEY SPEECH	PO-350795	1,280.00
221465	KARPUS, DAVID AND MARY	PO-351457	1,033.28
221466	KRANTZ, TRICIA	PO-351149	3,849.30
221467	MENDE PSY.D, SYLVIA	PO-351159	4,725.00
221468	MINGUS MOUNTAIN ACADEMY	PO-351660	1,023.00
221469	MOLDAUER, PAMELA S.	PO-350789	3,307.50
221470	NSI ACADEMY	PO-351651	9,444.00
		PO-355276	8,150.00
221471	PARADIGM HEALTH CARE SERVICES	PO-351601	2,919.74
221472	SHACK-LAPPIN, CAROL	PO-351158	4,661.25
		PO-355146	247.50
221473	SOLIANT HEALTH INC	PO-354312	10,050.00
221474	STAFFREHAB	PO-354258	5,440.00
221475	BEYOND TECHNOLOGY	PO-355743	7,040.00
221476	CASBO	PO-355679	1,095.00
221477	COLLINS, KATHY	PV-164664	64.80
221478	MILLER, DAPHNE	PV-164661	65.00
221479	NORMAN, TED	PV-164638	777.89
221480	SAN DIEGO COUNTY	PO-355736	60.00
221481	SELECMAN, LANA	PV-164645	256.91
221482	SLIPAKOFF, ROBYN	PV-164656	50.00

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Warrant Number	Name of Payee	Reference Number	Amount
221483	STATE SELPA ADMINISTRATORS	PO-355773	195.00
221484	TUSTIN PUBLIC SCHOOLS	PO-354767	996.00
221485	VARRICCHIO, AMY M.	PV-164641	70.20
221486	BESTGEN, MARY	PO-353036	567.00
221487	BRAIN BUILDERS	PO-353437	11,940.00
221488	CONTEMPORARY SERVICES CORP.	PO-351744	12,533.83
221489	GAYLE PARIDE	PO-355885	18,469.23
221490	YMCA OF ORANGE COUNTY	PO-350707	14,054.90
221491	STEIN, CHRISTINE	PO-352601	3,800.00
221492	COX COMMUNICATIONS	PO-351894	21,664.55
		PO-353234	9,421.41
221493	MAR VAC ELECTRONICS	PO-350397	83.04
221494	NATIONWIDE FIRE PROTECTION	PO-350481	219.45
221495	ONE STOP BINDERY	PO-350321	270.00
221496	P.W. GILLIBRAND CO. INC.	PO-350584	1,180.91
		PO-355763	83.61
221497	PC & MACEXCHANGE	PO-355583	1,053.00
		PO-355584	1,053.00
		PO-355585	1,053.00
221498	PITSCO	PO-355080	175.54
221499	PRUDENTIAL OVERALL SUP	PO-350319	65.72
221500	QUALITY TOWING	PO-350546	478.00
221501	SCAQMD-PERMIT SERVS-DATA ENTRY	PO-355764	139.49
221502	SCHOOL OUTFITTERS	PO-354751	267.98
221503	SCHOOLMASTERS	PO-355283	499.72
221504	SELECT EQUIPMENT	PO-354834	422.00
221505	SIMPLER LIFE EMERGENCY	PO-355092	66.95
221506	SMARDAN SUPPLY COMPANY	PO-350131	3,881.92
221507	SMART & FINAL	-	
		PO-350086	319.94
		PO-350502	114.00
		PO-350506	380.95
		PO-350507	434.54
		PO-351416	28.38
		PO-351533	198.73
		PO-351683	101.98
		PO-351684	88.48
		PO-352087	658.01
		PO-352088	525.91
		PO-352449	41.35
		PO-352756	75.96
		PO-352762	126.45
		PO-352764	296.07

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Warrant Number	Name of Payee	Reference Number	Amount
221508	SMART & FINAL	PO-352863	65.56
		PO-352916	107.42
		PO-352917	276.10
		PO-353542	437.17
		PO-355781	227.42
221509	SNAP-ON INDUSTRIAL	PO-352640	250.61
221510	SOLI STUDIOS MUSIC	PO-355734	31.00
221511	SPICERS PAPER	PO-355510	6,289.92
221512	THINKING MAPS	PO-354241	8,683.31
221513	TIFCO INDUSTRIES	PO-351083	693.47
221514	UNITED RENTALS(NORTH AMERICA)	PO-351091	1,740.12
221515	UNITED TRANSMISSION EXCHANGE	PO-350538	1,938.61
221516	US AIR CONDITIONING DIST.	PO-353175	55.21
221517	ZONAR	PO-353706	4,558.48
221518	STATE BD EQUALIZATION	PV-164604	446.79
221519	1ST JON	PO-354959	354.00
221520	ACORN MEDIA	PO-355437	2,324.70
221521	ADVANTAGE WEST INVESTMENT	-	
		PO-352922	26,043.59
221522	ADVANTAGE WEST INVESTMENT	PO-352922	346.23
221523	AUDIBLE GENIUS LLC	PO-355223	336.92
221524	B & H PHOTOGRAPHY	PO-355556	79.50
221525	BUSWEST	PO-350478	4,671.89
221526	CAL-STATE AUTO PARTS INC	PO-355381	1,537.71
221527	CAMCOR INC	PO-354605	73.11
221528	CDW GOVERNMENT	PO-355063	602.64
		PO-355591	1,454.76
221529	CINTAS CORP #640	PO-351254	354.96
		PO-352637	55.89
		PO-354297	158.81
221530	COMPLETE OFFICE OF CA	PO-350110	25.89
		PO-350513	90.67
		PO-353308	1,550.57
		PO-353309	7.01
		PO-355435	29.14
221531	COSTCO S.J.C.	PO-354421	572.53
221532	CULVER-NEWLIN	PO-354371	4,400.48
221533	DANIELS TIRE SERVICE	PO-354715	16,625.54

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Warrant Number	Name of Payee	Reference Number	Amount
221534	DELL MARKETING L P	PO-350552	4,513.50
		PO-352451	3,842.20
		PO-353113	1,558.22
		PO-353115	3,116.45
		PO-353117	2,337.35
		PO-353120	1,888.90
		PO-353159	1,151.73
		PO-353199	87,424.78
		PO-353525	58,239.15
		PO-353702	47,229.25
221535	DENAULT'S HARDWARE	PO-350376	564.41
221536	FACTORY MOTOR PARTS	PO-355382	176.50
221537	FEDERAL EXPRESS CORP	PO-350314	1,426.52
221538	FOLLETT SCHOOL SOLUTIONS INC	PO-354994	1,546.56
221539	GANAHL LUMBER	PO-354347	162.86
221540	HD SUPPLY FACILITIES MAINTN	PO-353235	72.85
221541	HIRSCH PIPE & SUPPLY	PO-354792	2,216.59
221542	INSIGHT SYSTEMS EXCHANGE	PO-355328	21,306.24
221543	INTERSTATE BATTERIES	PO-350383	1,095.60
221544	IPC (USA), INC.	PO-350384	12,935.70
221545	JOHNSTONE SUPPLY	PO-353779	223.02
221546	LAWNMOWERS ETC INC	PO-351090	1,328.39
		PO-351101	163.40
		PO-351477	1,400.52
221547	EDWARDS, ROBERT	PV-164612	16.00
221548	HAYES, COLLEEN	PV-164613	153.86
221549	HIGGINS, SEAN	PV-164614	16.00
221550	JOSHI, GHANASHYAM/MEDHA	PV-164615	65.00
221551	KAKAVAS, LINDA	PV-164616	84.00
221552	KOORYMAN, SUSIE	PV-164617	85.00
221553	LATIN, COLLEEN	PV-164618	9.95
221554	LEVINE, KAREN	PV-164619	575.00
221555	MOREAU, TODD	PV-164620	49.00
221556	NOTHHELFER, BRIAN	PV-164621	15.00
221557	POWELL, KELLY	PV-164622	84.00
221558	QUEZADA-OSORNO, ALFONSO	PV-164623	87.00
221559	RIVERA, CARLOS/EMILY	PV-164624	84.00
221560	ROYAL, SUE	PV-164625	88.09
221561	SKAKUN, MAUREEN	PV-164626	84.00
221562	STADING, MARK	PV-164628	13.00
221563	TURPEL, DIANNE	PV-164627	5.00
221564	ADAMSON, CORAL	PV-164629	278.64
221565	ANDERSON, NEIL	PV-164630	80.46
221566	AVERA, STEPHANIE	PV-164631	177.12
221567	BARTALUZZI, SAMUEL	PV-164632	28.08

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Warrant Number	Name of Payee	Reference Number	Amount
221568	BIRKINSHAW, SANDY	PV-164633	419.04
221569	CARDIN, PATTI	PV-164634	249.48
221570	CAUDILL, AMANDA	PV-164635	140.94
221571	CHICAS, CARLOS	PV-164636	394.20
221572	CORCORAN, TRAVIS	PV-164637	183.60
221573	COX, ASHLEIGH	PV-164639	228.96
221574	COX, WILLIAM A	PV-164640	100.44
221575	CUNNINGHAM, CHADWICK	PV-164642	134.46
221576	DINSMOOR, JOY	PV-164643	103.68
221577	DIXON, AURORA	PV-164644	70.20
221578	EILER, CHRISTINE	PV-164647	218.70
221579	ENGELSON, EMILY	PV-164646	181.98
221580	ENRIQUEZ, MICHELLE L	PV-164648	178.74
221581	EVANS, SHARON	PV-164649	30.78
221582	FISHER, CLARK	PV-164650	85.32
221583	FITZSIMMONS, KATHLEEN	PV-164651	108.54
221584	FLYNN, MARGARET	PV-164652	219.24
221585	FREY, DEBORAH	PV-164653	131.76
221586	FRIEDLANDER, DOROTHY	PV-164654	154.44
221587	GILL, ARVINDER	PV-164655	205.20
221588	GOLDBECK, MELISSA	PV-164658	193.86
221589	HACKER, COLIN	PV-164659	214.92
221590	HALL, SHEILA	PV-164660	186.30
221591	HAMMOND, DARCY	PV-164662	179.82
221592	HAUN, BARBARA	PV-164663	201.96
221593	HERNANDEZ, REAGAN	PV-164665	142.90
221594	HILL, DAWN	PV-164667	193.32
221595	IMSLAND, TRACEY	PV-164668	85.32
221596	KOPELSON, KATHLEEN	PV-164669	41.04
221597	KUNZE-THIBEAU, LORI	PV-164670	133.92
221598	HERRERA, SANDRA	PV-164666	49.68
221599	US BANK CORP PAYMENT SYSTEM	-	
		PV-164657	8,188.07
221600	US BANK CORP PAYMENT SYSTEM	-	
		PV-164657	300.89
		PV-164672	1,102.56
		PV-164673	3,975.10
		PV-164674	935.15
221601	US BANK CORP PAYMENT SYSTEM	-	
		PV-164674	1,037.18
		PV-164675	951.64
		PV-164676	11,632.87
221602	US BANK CORP PAYMENT SYSTEM	PV-164676	7,784.32
221603	UNUM LIFE INSURANCE	PO-350268	12,307.40
221604	CAPISTRANO USD	PO-350271	27,038.85

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Warrant Number	Name of Payee	Reference Number	Amount
221605	ALPINE ACADEMY	PO-351650	12,335.70
221606	BERG RYAN OD MS ED, JULIE	PO-350807	205.90
221607	BERRY, SCOTT AND/OR JAIME	PO-351459	1,232.34
221608	BOYS TOWN CALIFORNIA INC.	PO-353124	8,935.00
221609	HEARTSPRINGS SCHOOL	PO-353960	12,261.35
221610	HERITAGE SCHOOLS INC	PO-351763	11,813.00
		PO-353125	11,923.00
		PO-354467	11,923.00
221611	HOWES, JODEEN AND/OR JEREMY	PO-351638	863.55
221612	JEPSEN, CLINT AND/OR KATIE	PO-351486	698.06
221613	KIMBERLY STRIEGL	PO-355785	4,750.00
221614	NEW HAVEN YOUTH & FAMILY	PO-352375	3,522.00
		PO-352376	11,536.98
		PO-352377	6,464.00
		PO-354636	2,656.00
221615	NOVATA - CARES	PO-355278	927.18
221616	ORANGE COUNTY THERAPY SERVICE	PO-354665	30,770.00
221617	PORT VIEW PREPARATORY SCHOOL	PO-351773	13,337.50
		PO-351822	10,170.00
		PO-354664	10,757.50
		PO-354809	200.00
221618	SHANNON DAVIS	PO-355690	240.00
221619	STEIN, CHRISTINE	PO-350310	890.00
221620	TERI INC	PO-351753	4,110.88
221621	YELLOWSTONE BOYS & GIRLS RANCH	PO-355030	12,018.33
221622	ANTONIUS, TERRY	PV-164678	250.00
221623	AYERS, TERRIE	PO-355780	99.00
221624	COLLINS, CLINT	PV-164722	134.27
221625	ENGELSON, NATALIE	PV-164734	64.80
221626	FRANZI, DEBRA	PV-164735	70.20
221627	GORDON, TODD	PO-355777	69.12
221628	JENSEN, LORI	PO-355779	736.00
221629	JOHNSON, LAUREN	PO-355797	99.00
221630	MILLER, MARK G.	PV-164733	312.76
221631	MOORE, JILL	PO-355722	109.00
221632	SADDLEBACK COLLEGE FOUNDATION	PO-355768	150.00
221633	SEGOVIA, WENDY	PO-355798	109.00
221634	SHAW, BARBARA	PO-355795	62.64
221635	SWANSON, KIRSTEN	PO-355791	72.36
221636	TAYLOR, CHRISTY	PO-355793	73.98
221637	THOMAS, BARBARA	PO-355778	99.00
221638	UC REGENTS	PO-355886	150.00
221639	WIEDEMAN, LORI	PV-164723	134.27

Board of Trustees Warrant Listing
===== Fiscal Year: 2015-16 =====
Board of Trustees Meeting.....MAY 11, 2016

Warrant Number	Name of Payee	Reference Number	Amount
221640	FULKRA INCORPORATED	PO-352721	6,127.50
		PV-164737	3,455.00
		PV-164738	95.00
221641	HATCH & CESARIO	PO-353254	2,575.00
221642	PAUL SANCHEZ INVESTIGATIONS	PO-346760	660.10
221643	RIO HONDO EDUCATION CONSORTIUM	PO-353373	669.50
221644	TEACH-N-TUTOR INCORPORATED	PO-353430	1,434.58
221645	AMERICAN LOGISTICS COMPANY LLC	PO-350370	29,363.00
221646	CALIFORNIA WEEKLY EXPLORER INC	PO-352734	1,380.00
		PO-354644	1,750.00
		PO-355034	1,380.00
221647	CERTIFIED TRANSPORTATION	PV-164717	11,254.65
221648	DEPARTMENT OF JUSTICE	PO-352139	4,978.00
221649	ENVIRONMENTAL NATURE CTR	PO-355741	364.00
221650	HERITAGE MUSEUM OF OC	PO-355639	918.00
221651	KNOTT'S BERRY FARM	PO-355750	1,230.00
221652	KUTA SOFTWARE LLC	PO-355409	549.00
221653	MISSION SAN JUAN CAPISTRANO	PO-355633	470.00
		PO-355739	314.50
221654	OCEAN INSTITUTE	PO-353060	1,065.00
		PO-355637	10,000.00
		PO-355720	220.00
221655	PALI MOUNTAIN INSTITUTE	PO-355635	12,825.00
		PO-355636	16,225.00
221656	RSCCD	PO-355638	600.00
221657	SADDLEBACK VLY SCH DIST	PO-354503	1,100.00
221658	WARE GROUP, THE	PO-355250	6,500.00
221659	A Z BUS SALES INC	PO-350342	243.40
221660	ACCO BRANDS DIRECT	PO-354906	43.35
221661	ALISO NIGUEL AUTO CARE	PO-351440	1,236.41
221662	ALPHA SOUND AND LIGHTING	PO-354640	4,336.94
221663	APPLE COMPUTER INC	PO-354733	336.72
		PO-355325	2,061.60
221664	APPLE EDUCATION FINANCE	PO-355557	223.56
221665	ASSETGENIE INC	PO-350554	79.90
		PO-355372	1,198.25
221666	BEACH CITIES GLASS INC	PO-353496	23,673.98
221667	BIOMEDICAL WASTE DISPOSAL	PO-350112	99.00
221668	BLAIRS TOWING INC	PO-355384	312.50
221669	BRINKS INC.	PO-350225	165.48
221670	BUSWEST	PO-350478	137.15
221671	CAMBIUM LEARNING INC.	PO-354940	2,500.00

Board of Trustees Warrant Listing
===== Fiscal Year: 2015-16 =====
Board of Trustees Meeting.....MAY 11, 2016

Warrant Number	Name of Payee	Reference Number	Amount
221672	CAMCOR INC	PO-354606	511.81
		PO-355414	731.16
		PO-355495	340.17
		PO-355593	2,050.48
		PO-355800	68.04
221673	CDW GOVERNMENT	PO-355463	150.85
		PO-355467	377.14
		PO-355605	803.52
		PO-355612	653.73
		PO-355617	10,791.00
		PO-355619	7,626.82
		PO-355620	7,844.73
		PO-355630	15,253.64
221674	CINTAS CORP #640	PO-350374	218.90
		PO-352637	55.89
221675	COASTAL BLUE	PO-350259	19.66
221676	COMPLETE OFFICE OF CA	PO-352607	169.07
		PO-352937	1,568.21
		PO-353308	40.64
		PO-355435	48.59
		PO-355609	136.95
		PO-355754	1,182.60
221677	CORWIN PRESS INC	PO-355469	1,659.16
221678	COSTCO S.J.C.	PO-355519	236.74
221679	CULVER-NEWLIN	PO-354519	540.54
		PO-354717	2,049.84
		PO-355387	300.24
221680	DECKER INC	PO-355196	1,556.59
221681	DELL MARKETING L P	PO-354804	2,118.30
		PO-354946	1,271.98
		PO-355002	3,798.48
		PO-355004	11,589.68
		PO-355040	5,590.92
		PO-355336	3,116.48
		PO-355440	779.26
221682	DON JOHNSTON INC.	PO-354854	99.00
221683	EAGLE	PO-355718	5,257.06
221684	FRICTION MATERIALS CO.	PO-350382	2,081.22
221685	GANAHL LUMBER	PO-352253	171.48
221686	GLASS SPECTRUM	PO-352271	306.40
221687	HEATING & COOLING SUPPLY	PO-353102	1,063.61
221688	HOWARD TECHNOLOGY SOLUTIONS	PO-355312	1,470.00
		PO-355331	980.00
		PO-355361	49.00
221689	IMAGE 2000	PO-355433	405.97

Board of Trustees Warrant Listing
===== Fiscal Year: 2015-16 =====
Board of Trustees Meeting.....MAY 11, 2016

Warrant Number	Name of Payee	Reference Number	Amount
221690	INDEPENDENT LIVING AIDS LLC	PO-355182	40.90
221691	INSIGHT SYSTEMS EXCHANGE	PO-355560	151.20
221692	IPC (USA), INC.	PO-350384	15,098.23
221693	JOSTENS	PO-353452	225.33
221694	KELLY PAPER COMPANY	PO-350262	412.08
221695	LINGUAL LEARNING, LLC	PO-355024	2,364.04
221696	IRON MOUNTAIN	PO-350234	262.11
221697	KELLMAN, KATHLEEN	PV-164681	200.34
221698	LAIDLEY, JOANIE	PV-164682	247.32
221699	LEWIS, SHARON A.	PV-164683	184.68
221700	LONERO, TIFFANY	PV-164684	142.56
221701	MALONE, ERICA	PV-164685	99.90
221702	MATIENZO, NINA RIE	PV-164686	115.56
221703	MCKEE, DANISE	PV-164687	66.42
221704	MICKLE, JACQUELINE	PV-164688	149.04
221705	MITCHELL, KAREN P	PV-164689	113.40
221706	MORAND, CARA	PV-164690	136.08
221707	NAPORA, NOELLE	PV-164691	155.52
221708	NASON, KIM	PV-164692	92.39
221709	ORGILL, JANELL	PV-164693	234.36
221710	ORTIZ, RYAN	PV-164694	368.82
221711	PANNING LA BATE	PV-164695	203.58
221712	PIANTA, REBECCA	PV-164696	143.64
221713	PRESCOTT, DON	PV-164697	23.22
221714	RASHIDI, AKRAM KIM	PV-164698	398.52
221715	RODRIGUEZ, MICHELLE	PV-164699	143.64
221716	RODRIGUEZ, NASCINA	PV-164700	169.56
221717	ROSO, MICHELLE	PV-164701	311.04
221718	SANTOKE, MAHFRIN	PV-164702	120.96
221719	SCHOOLER, DEBORAH	PV-164703	265.68
221720	SHERLOCK, ANDREA	PV-164704	22.68
221721	SIELING, TARA	PV-164705	107.46
221722	SMITH, ANNE	PV-164706	178.20
221723	SOLTIS, PAMELA	PV-164707	191.16
221724	STEVENSON, HEATHER	PV-164708	64.80
221725	THORNBURG, QUIN	PV-164709	53.46
221726	TUNULI, JESSICA	PV-164710	164.16
221727	VARGAS, DAVID	PV-164711	294.84
221728	WENTZEL, KORY	PV-164712	137.16
221729	WESTON, KELLY	PV-164713	263.52
221730	WHALEN, ANDREA	PV-164714	139.32
221731	WOLFSON, DONNA	PV-164715	44.82
221732	WOLFSON, MEGHAN	PV-164716	133.92
221733	MERCURY DISPOSAL SYSTEM INC	PO-350273	1,190.45
221734	MISSION AUTO SERVICE	PO-353790	2,190.20

Board of Trustees Warrant Listing
===== Fiscal Year: 2015-16 =====
Board of Trustees Meeting.....MAY 11, 2016

Warrant Number	Name of Payee	Reference Number	Amount
221735	NASCO MODESTO	PO-355255	348.30
		PO-355306	337.55
		PO-355657	418.79
221736	NCS PEARSON INC.	PO-355020	718.68
		PO-355023	1,709.13
		PO-355288	2,873.69
221737	O'REILLY AUTOMOTIVES INC	PO-351810	490.95
221738	OFFICE DEPOT	PO-350102	346.73
		PO-350630	43.16
		PO-350632	47.15
		PO-350633	152.74
		PO-353311	326.58
		PO-353667	812.30
		PO-353828	109.89
		PO-353834	113.56
		PO-354480	12.96
221739	ORANGE COUNTY REGISTER	PO-351666	4,476.00
221740	PAXTON/PATTERSON	PO-355171	1,135.45
221741	PHONAK LLC	PO-355027	1,812.29
221742	PRO-ED INC.	PO-355205	87.89
		PO-355302	44.00
221743	R J COOPER & ASSOC INC	PO-354762	100.32
221744	SAMUEL FRENCH INC	PO-354294	185.92
221745	SCHOOL OUTFITTERS	PO-355548	189.92
221746	SPICERS PAPER	PO-355510	1,883.25
221747	THERAPRO INC.	PO-355090	1,191.00
221748	TRUCPAR CO	PO-351084	55.03
221749	ULINE	PO-350254	9.17
		PO-355534	1,196.14
221750	UNITRAX	PO-350582	1,927.80
221751	WARD'S	PO-355504	1,890.00
		PO-355596	2,021.76
		PO-355597	673.92
		PO-355599	945.00
221752	WESTERN PUMP	PO-351441	588.75
221753	OFFICE DEPOT	PO-350627	45.87
221754	OFFICE DEPOT	PO-350101	41.35
221755	OFFICE DEPOT	PO-350101	40.12
221756	OFFICE DEPOT	PO-350101	40.12
221757	ORANGE & RIVERSIDE COUNTY	PO-355901	2,892.75
221758	BAEDEKER, NICOLE	PV-164724	9.00
221759	GUTIERREZ, GABRIELA URCINO	PV-164726	20.00
221760	MCNELIS, ANDREA	PV-164727	19.00
221761	PEREZ, DEANNA	PV-164728	90.93
221762	PETZOLD, DIONNE	PV-164729	19.42

Board of Trustees Warrant Listing
===== Fiscal Year: 2015-16 =====
Board of Trustees Meeting.....MAY 11, 2016

Warrant Number	Name of Payee	Reference Number	Amount
221763	SILECI-FORNEY, GINA	PV-164730	96.65
221764	VORELL, CAMI	PV-164731	21.00
221765	CERVANTES, MARTHA	PV-164725	107.66
221766	WILBURTON, NANCY	PV-164732	172.29
221767	CORVEL CORPORATION	PO-350272	185,717.83
221768	CAPISTRANO UNIFIED SCHOOL DIST	PO-350267	60,744.61
504 Warrants			\$2,566,432.25

**Capistrano Unified School District
Bids/RFP-Qs/Piggyback Bids**

VENDOR	TITLE	BOARD APPROVAL DATE
A&R Wholesale Distributors, Inc.	Bid No. 1415-10 Frozen Food Products	7/23/2014
A&R Wholesale Distributors, Inc.	Bid No. 1415-06 Grocery, Snack and Beverage Products	6/25/2014
Above All Names Construction Services, Incorporated	Bid No. 1415-13, Concrete Maintenance & Repair	10/8/2014
Accuvant	RFP No. 6-1415, E-RATE Category Two Internal Connections Equipment and Services	3/11/2015
AJ Fistes Corporation	Bid No. 1415-04, General Contractor Services	6/11/2014
American Logistics Co., LLC	Bid No. 1415-02 - Outsource Transportation Service	6/11/2014
AMS.NET Inc.	California Multiple Award Schedule (CMAS) Contract No. 3-09-70-0291Q, Electronic Data Processing (EDP) Equipment and Service	4/13/2010
AMS.NET Inc.	Western State Contracting Alliance (WSCA) 7-08-70-13, CA Participating Addendum AR-233 Cisco Networking Communications and Maintenance	11/9/2010
AMS.NET Inc.	California Multiple Award Schedule (CMAS) Contract No. 3-11-70-0291U, Purchase and Warranty of Hardware, Software, Software Maintenance, Installation, Maintenance and Repair	5/25/2011
AMS.NET Inc.	State of Minnesota, Department of Administration, National Association of State Procurement Officials, and Western States Contracting Alliance (WSCA) Contract No. B27161 awarded to EMC Corp., California Participating addendum, Computer Equipment, peripherals, and related services	3/28/2012
AMS.NET Inc.	RFP No. 6-1415, E-RATE Category Two Internal Connections Equipment and Services	3/11/2015
Apex Learning, Inc.	RFP No. 6-1314, Credit Recovery Services	4/23/2014
Architectural Roofing Systems dba Pacific Roofing Systems	Bid No.1314-19, Roofing Repairs and Maintenance	3/12/2014
Atkinson, Andelson, Loya, Rudd & Romo	RFQ No. 1-1516 - Legal Services (General)	9/9/2015
Backus & Ernst	RFQ No. 1-1516 - Legal Services (General)	9/9/2015
Ben's Asphalt, Inc.	Bid No. 1314-03 Asphalt Paving, Seal coating and Repair	5/22/2013
Bergman Dacey Goldsmith	RFQ No. 1-1516 - Legal Services (General)	9/9/2015
Best Best & Krieger	RFQ No. 1-1516 - Legal Services (General)	9/9/2015
Blue Label Power, Inc	Bid No. 1516-02 Audio Visual Equipment	6/24/2015
Burke Williams & Sorensen	RFQ No. 1-1516 - Legal Services (General)	9/9/2015
CA Track & Engineering	California Multiple Award Schedule (CMAS) Contract No. 4-09-78-0048A - Advanced Polymer Playground Surface Rubberized Sport Surface, Synthetic Track	9/12/2011
California Western Visuals	California Multiple Award Schedule (CMAS) Contract No. 3-08-70-2515A, GSA No GS-35F-0087U, Smart Technologies Interactive Shite Boards Hardware and Software	6/12/2013
Camcor, Inc	Bid No. 1516-02 Audio Visual Equipment	6/24/2015
CDW Government, LLC	Bid No. 1415-12, Chromebooks	7/23/2014
CDW Government, LLC	Bid No. 1516-02 Audio Visual Equipment	6/24/2015
CDW Government, LLC	Magnolia School District Bid No. MSIT3 - #1-23-2014 - Technology Equipment and Peripherals	12/9/2015
CDWG	Western State Contracting Alliance (WSCA) Contract No. 7-08-70-13 Cisco Networking Communications and Maintenance	11/9/2010

**Capistrano Unified School District
Bids/RFP-Qs/Piggyback Bids**

VENDOR	TITLE	BOARD APPROVAL DATE
CDWG	State of Minnesota, Department of Administration, National Association of State Procurement Officials, and Western States Contracting Alliance Contract (WSCA) No. B27161 awarded to EMC Corp., California Participating addendum, Computer Equipment, peripherals, and related services	3/28/2012
CDWG	Desert Sands Unified School District Bud No. 13/14-003, Chromebooks	12/11/2013
Certified Transportation Services,	Bid No.1314-15 Co-Curricular Bus Service	12/11/2013
Cintas Corporation	RFP No. 3-1011, Uniform Service	12/7/2010
Clear Source IT	RFP No. 6-1415, E-RATE Category Two Internal Connections Equipment and Services	3/11/2015
Collins & Aikman Floor covering, Inc. C&A/Tandus	Santa Monica-Malibu Unified School District Bid No. 9.10 Flooring Material District wide	5/14/2012
Commercial & Industrial Roofing Co., Inc.	Bid No. 1314-24 San Clemente High School Roof Replacement	5/28/2014
Commercial Aquatic Services, Inc.	Newport Mesa Unified School District, Bid No. 100-15, Pool Supplies	10/8/2014
Concepts School and Office Furnishings	Redlands Unified School District Bid No. 4-11 Furniture, Filing, and Office Equipment	8/8/2011
Concepts School and Office Furnishings	Newport Mesa Unified School District, Bid No. 105-12, School Office Furniture	11/30/2011
Concepts School and Office Furnishings	Hawthorne School District Bid No. 13-14-1, Furniture and Accessories	5/28/2014
Consolidated Electrical Distributors	Bid No. 1415-03 Electrical Supplies and Materials	6/11/2014
Contemporary Services Corporation	RFP No. 5-1213, Event Security Services	2/27/2013
Cox Communications California, LLC Cox California Telcom, LLC	RFP No. 1-1314 Wide Area Network Services	3/12/2014
CR&R	Bid No. 1112-06 - Service to Collect, Recycle, and Dispose of Solid Waste District wide	8/8/2011
Creative Images	RFP No. 7-1314 Photography Services	6/11/2014
Culver-Newlin	Hawthorne School District Bid No. 13-14-1, Furniture and Accessories	5/28/2014
Dannis Woliver Kelley	RFQ No. 1-1516 - Legal Services (General)	9/9/2015
Dave Bang Associates, Inc.	Colton Joint USD Bid No. 15-04, Playground Equipment, Safety Surfacing, Outdoor Site Furnishings, DSA Shade	4/22/2015
Dave Bang Associates, Inc.	California Multiple Award Schedule (CMAS) Contract No. 4-15-78-0013E for Fitness Equipment and Park and Playground Equipment.	10/14/2015
David Taussig & Associates, Inc.	RFP No. 6-1011 Special Tax Consulting Services for Public Financing	4/11/2011
DecisionInsite	RFQ No. 6-1213, Demographic Consultant Services	3/27/2013
Dell Computer (Dell Marketing LP)	California Multiple Award Schedule (CMAS) Contract No. 3-94-70-0012, Purchase of Computer-Related Hardware, Software and Networking Equipment	7/21/2008
Dell Computer (Dell Marketing LP)	State of Minnesota, Department of Administration, National Association of State Procurement Officials, and Western States Contracting Alliance (WSCA) Contract No. MNWNC-108 awarded to Dell Marketing L.P., California Participating addendum, Computer Equipment, peripherals, and related services.	10/28/2015
Desert Business Interiors	Redlands Unified School District Bid No. 4-11 Furniture, Filing, and Office Equipment	8/8/2011

**Capistrano Unified School District
Bids/RFP-Qs/Piggyback Bids**

VENDOR	TITLE	BOARD APPROVAL DATE
Digital Networks Group, Inc.	California Multiple Award Schedule (CMAS) Contract No. 3-06-702070D, Purchase and Installation of Pole Mounted Systems for Video and Audio Switching, Control, and Projector	12/8/2008
Digital Networks Group, Inc.	California Multiple Award Schedule (CMAS) Contract No. 4-14-58-0074A, for Non Information Technology Goods	9/23/2015
Digital Networks Group, Inc.	California Multiple Award Schedule (CMAS) Contract Numbers 3-14-58-0215D, 3-14-58-0215E, 3-14-58-0215F for Informtion Technology Goods & Services	10/14/2015
Digital Networks Group, Inc.	RFP No. 6-1415, E-RATE Category Two Internal Connections Equipment and Services	3/11/2015
Diversified Metal	Redlands Unified School District Bid No. 4-11 Furniture, Filing, and Office Equipment	8/8/2011
Dolinka Group	RFQ No. 5-1314 Developer Fee Consultant Services	10/9/2013
Dominos Pizza	Bid No. 1415-11 Pizza Service	8/13/2014
Downtown Ford Sales	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-10, Fleet Vehicles - Cars	8/27/2014
Downtown Ford Sales	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-20, Fleet Vehicles - Trucks	8/27/2014
Downtown Ford Sales	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-23, Fleet Vehicles - Vans & SUVs	8/27/2014
Downtown Ford Sales	State of California Contract #1-16-23-20 A-J, Fleet Vehicles Trucks	3/23/2016
E. Stewart & Assoc, Inc.	Bid No. 1516-04 - Weed Abatement	6/10/2015
Edgenuity, Incorporated	RFP No. 4-1415, Online Curriculum for Virtual Schools - Grades 6-8 at Capistrano Virtual School	3/25/2015
Elk Grove Auto Group	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-10, Fleet Vehicles - Cars	8/27/2014
Elk Grove Auto Group	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-20, Fleet Vehicles - Trucks	8/27/2014
Elk Grove Auto Group	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-23, Fleet Vehicles - Vans & SUVs	8/27/2014
Elk Grove Auto Group	State of California Contract #1-16-23-20 A-J, Fleet Vehicles Trucks	3/23/2016
Elk Grove Ford	State of California Contract #1-16-23-20 A-J, Fleet Vehicles Trucks	3/23/2016
Epic Machines, Inc.	California Multiple Award Schedule Contract (CMAS) Contract No. 3-14-70-3108A, GSA Schedule No. GS-35F-0511T, Purchase and Warranty of Hardware and Software, Software Maintenance and Installation of Cisco Brand Products	10/22/2014
ESI International, Inc	RFP No. 2-1415, Investigation Services	11/12/2014
Extron Electronics	California Multiple Award Schedule (CMAS) Contract No. 3-07-70-2382A, General Services Administration Schedule No. GS-35F-4545G, Information Technology Goods and Services	7/9/2014
Fagen Friedman & Fulfrost	RFQ No. 1-1516 - Legal Services (General)	9/9/2015
Fieldman Rollapp & Associates	RFQ No. 8-1011, Financial Advisory Services	1/9/2012
First Student, Incorporated	RFP No. 1314-15, Co-Curricular Bus Service	12/11/2013
Florida Virtual School	RFP No. 4-1415, Online Curriculum for Virtual Schools - Grades 9-12 at California Preparatory Academy	3/25/2015
Follett	RFP No. 11.1314, Central Library, Textbook and Asset Management System	5/14/2014

**Capistrano Unified School District
Bids/RFP-Qs/Piggyback Bids**

VENDOR	TITLE	BOARD APPROVAL DATE
Fred M. Boerner Motor Co.	State of California Contract #1-16-23-20 A-J, Fleet Vehicles Trucks	3/23/2016
Freeway Toyota	State of California Contract #1-16-23-20 A-J, Fleet Vehicles Trucks	3/23/2016
Frontline Technologies	RFP No. 12-1314, Absence Management System	5/14/2014
Fulkra, Inc	RFP No. 2-1415, Investigation Services	11/12/2014
Fusionstorm	State of Minnesota, Department of Administration, National Association of State Procurement Officials, and Western States Contracting Alliance Contract No. B27161 awarded to EMC Corp., California Participating addendum, Computer Equipment, peripherals, and related services.	3/28/2012
GA Dominguez	Bid No 1415-17 Movement and Reconfiguration of Relocatable Buildings	2/11/2015
Galasso's Bakery	Bid No. 1415-05, Fresh Bakery and Bread Products	6/25/2014 6/24/2015
Gilbert & Stearns, Inc.	Bid No. 1314-18 Electrical Service	1/8/2014
Golden Star Technology, Inc dba GST	Bid No. 1516-02 Audio Visual Equipment	6/24/2015
Government Financial Services	RFQ No. 8-1011, Financial Advisory Services	1/9/2012
Great Western	Redlands Unified School District Bid No. 4-11 Furniture, Filing, and Office Equipment	8/8/2011
Hanford Hyundai	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-10, Fleet Vehicles - Cars	8/27/2014
Hanford Toyota	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-10, Fleet Vehicles - Cars	8/27/2014
Hanford Toyota	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-20, Fleet Vehicles - Trucks	8/27/2014
Hanford Toyota	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-23, Fleet Vehicles - Vans & SUVs	8/27/2014
Harbottle	RFQ 1-1516 - Legal Services (General)	9/9/2015
Harris Steel Fence Co., Inc.	Bid No. 1314-20 Fence Repairs and Maintenance Districtwide	3/12/2014
Hatch and Cesario	RFQ 1-1516 - Legal Services (General)	9/9/2015
Herff Jones	RFQ 2-1516 - Yearbook Services	9/9/2015
HMC Architects	RFQ No. 4-1314, Architectural Services	12/11/2013
Hollandia Dairy	Bid No 1314-17, Milk and Dairy Products	3/12/2014
Howard Technology Solutions, a Division of Howard Industries, Inc.	Bid No. 1415-12, Chromebooks	7/23/2014
IBI Group	RFQ No. 4-1314, Architectural Services	12/11/2013
Illuminate Education, Inc.	RFQ No. 7-1011 Student Assessment Data Management	5/25/2011
Insight Systems Exchange	Bid No. 1112-15 Refurbished Computer Equipment	10/24/2012
IPC (USA), Inc.	Multi-District Cooperative Bid No. 108-13, Fuel (Gasoline and Diesel)	7/24/2013
JFK Transportation, Co., Inc.	Bid No. 1314-15 Co-Curricular Bus Service	12/11/2013
JL Cobb Painting	Bid No. 1314-21 Painting Services	3/12/2014
Johnstone Supply	County of Orange Contract No. MA-080-1701016 - Air Conditioning, Refrigeration Equipment, Parts & Supplies	8/24/2011
Jostens	RFP No. 2-1314 High School Products and Senior Services	9/11/2013
Jostens	RFP 2-1516 - Yearbook Services	9/9/2015
Keenan & Associates	RFQ No. 12-0809 Insurance Broker for Capistrano Unified School District's Excess Worker's Compensation Insurance	5/11/2009
Knowland Construction Services	RFQ No 4-1011, DSA Approved Inspector of Record	1/11/2011

**Capistrano Unified School District
Bids/RFP-Qs/Piggyback Bids**

VENDOR	TITLE	BOARD APPROVAL DATE
KYA Services, LLC	California Multiple Award Schedule (CMAS) Contract No. 4-14-72-0057A, GSA Schedule No. GS-27F-0504H, Purchase, Warranty, and Installation of Floor Covering and Related Products	9/24/2014
Lenovo (United States), Incorporated	State of Minnesota, Department of Administration, National Association of State Procurement Officials, and Western States Contracting Alliance (WSCA) Contract No. B27168	6/25/2014
Lifetouch National School Studios	RFP No. 7-1314 Photography Services	6/11/2014
Livermore Ford	California Multiple Award Schedule Contract (CMAS) Contract No. 1-14-23-10, Fleet Vehicles - Cars	8/27/2014
Livermore Ford	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-23, Fleet Vehicles - Vans & SUVs	8/27/2014
Lozano Smith	RFQ 1-1516 - Legal Services (General)	9/9/2015
McFarlin & Anderson	RFQ 1-1516 - Legal Services (General)	9/9/2015
MTGL, Inc.	RFQ No. 5-1011 Special Inspections and Materials Testing	1/11/2011
Neopost	Bid 1516-09 Newhart MS HVAC Replacement	10/14/2015
Ninyo & Moore	RFQ No. 5-1011 Special Inspections and Materials Testing	1/11/2011
NKS Mechanical Contracting	CMAS AGREEMENT NO. ADSP011-00000411-4, MAILING EQUIPMENT - Neopost Incorporated	8/12/2015
Norton Rose Fulbright	RFQ 1-1516 - Legal Services (General)	9/9/2015
NvLS Professional Services, LLC	RFQ No. 2-1213, E-Rate Consultant	6/27/2012
Office & Ergonomic Solutions	Redlands Unified School District Bid No. 4-11 Furniture, Filing, and Office Equipment	8/8/2011
Office Depot	Redlands Unified School District Bid No. 4-11 Furniture, Filing, and Office Equipment	8/8/2011
Office Depot	Newport-Mesa Unified School District Bid No. 114-15 Office & School Supplies and Equipment District Wide	5/13/2015
Orbach Huff Suarez & Henderson	RFQ 1-1516 - Legal Services (General)	9/9/2015
Orrick Herrington & Sutcliffe	RFQ 1-1516 - Legal Services (General)	9/9/2015
P&R Paper Supply Co.	Bid No. 1516-01 Paper and Plastic Products for Food and Nutrition Services	6/24/2015
Pacific Coast Sightseeing Tours & Charters	Bid No. 1314-15 Co-Curricular Bus Service	12/11/2013
Pacific Plumbing Co. of Santa Ana, Inc.	Bid No. 1213-01 - Plumbing Services	5/23/2012
Pacwest Air Filter	Palo Verde Unified School District Bid No. 111201, HVAC Filters and Installation	6/27/2012
Paradigm Health Care Services	RFP No. 6-0910 Medi-Cal Billing Services	6/15/2010
Pathway Communications, Limited	Bid No. 1516-02 Audio Visual Equipment	6/24/2015
PC & MacExchange	Bid No. 1516-02 Audio Visual Equipment	6/24/2015
Pritchard Supply, Inc. dba Johnstone Supply	County of Orange Contract No. MA-080-12010167 Air Conditioning, Refrigeration Equipment, Parts and Supplies	8/24/2011
Q Fence and Fabrication, Incorporated	Bid No. 1516-05 Fence Repairs and Maintenance	6/10/2015
Quint & Thimming LLP	RFQ 1-1516 - Legal Services (General)	9/9/2015
Reliance Communications	RFQ 3-1314 Mass Notification System	8/14/2013
Riverview International	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-20, Fleet Vehicles - Trucks	8/27/2014
Riverview International	State of California Contract #1-16-23-20 A-J, Fleet Vehicles Trucks	3/23/2016
Sanders Construction Services	Bid No. 1314-16, CVHS Lunch Pavilion and Music Plaza	3/12/2014
School Facility Consultants	RFP No. 8-1314, State School Building Program Advisor	1/22/2014
School Specialty	Bid No. 1415-01 Audio Visual Equipment	7/9/2014

**Capistrano Unified School District
Bids/RFP-Qs/Piggyback Bids**

VENDOR	TITLE	BOARD APPROVAL DATE
School Specialty	Redlands Unified School District Bid No. 4-11 Furniture, Filing, and Office Equipment	8/8/2011
School Specialty	Newport Mesa Unified School District, Bid No. 105-12, School Office Furniture	11/30/2011
Schools First Federal Credit Union	RFQ/P No. 1-0809 Third Party Administration Services (TPA) for Capistrano Unified School District's 403(b) Plan	2/9/2009
SectorPoint, Inc.	California Multiple Award Scheduld (CMAS) Contract No. 4-11-03-0492A GSA Schedule No. GS-07F-0509W Non Information Technology Goods, Civic Permits Software	8/20/2012
Sedgwick	RFQ 1-1516 - Legal Services (General)	9/9/2015
Selma Nissan	State of California Contract #1-16-23-20 A-J, Fleet Vehicles Trucks	3/23/2016
Seon Systems Sales, Inc.	Bid No. 1415-14, Mobile Surveillance System, Software, and Installation for School Buses	11/12/2014
SHI International Corp.	Simi Valley USD RFP 10-14-14 Microsoft Products	1/27/2016
Silvercreek Industries, Inc.	Bid. 14/15-3 Chula Vista Elementary	2/24/2016
Simonson Photography, Incorporated	RFP No. 7-1314 Photography Services	6/11/2014
South Coast Photographic	RFP No. 7-1314 Photography Services	6/11/2014
South Orange County Community College District (Saddleback)	RFP No. 1-1314, After School Enrichment Activities and Camps Program Provider	4/24/2013
Southwest School Supply	Corona-Norco Unified School District Bid No. 2015/16-006 - JIT Classroom & Office Supplies	2/24/2016
Sparkletts	County of Orange Master Agreement No. MA-017-13011174, Bottled Water	7/24/2013
Stradling Yocca Carlson & Rauth	RFQ 1-1516 - Legal Services (General)	9/9/2015
Sumner Photography and Publishing, Inc	RFP No. 7-1314 Photography Services	7/9/2014
Swift Superstore	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-20, Fleet Vehicles - Trucks	8/27/2014
Swift Superstore	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-23, Fleet Vehicles - Vans & SUVs	8/27/2014
Swift Superstore	State of California Contract #1-16-23-20 A-J, Fleet Vehicles Trucks	3/23/2016
Tel-Tec Security System	California Multiple Award Schedule (CMAS) Contract No. 4-11-84-0037A - Security Systems	9/12/2011
Transportation Charter Services, Inc.	Bid No. 1314-15 Co-Curricular Bus Service	12/11/2013
Troxell Communications, Inc	Bid No. 1516-02 Audio Visual Equipment	6/24/2015
United Refrigeration Inc.	County of Orange Contract No. MA-080-12010167 Air Conditioning, Refrigeration Equipment, Parts and Supplies	8/24/2011
Vavrinek, Trine, Day & Co., LLP	RFP No. 2-0708 Audit Services	4/21/2008
Vending +Plus	RFP No. 4-1213, Snack & Beverage Vending Services	8/20/2012
Verizon Wireless	Western State Contracting Alliance (WSCA) 7-10-70-16, CA Participating Addendum 1907 Wireless Communications Services and Equipment	3/11/2015
Vertical Transport, Inc.	Bid No. 1415-08 - Elevator Service	12/10/2014
Virco	Redlands Unified School District Bid No. 4-11 Furniture, Filing, and Office Equipment	8/8/2011
Ward's Media Technology	Bid No. 1516-02 Audio Visual Equipment	6/24/2015
Waxie's Enterprises, Inc. dba Waxie Sanitary Supply	San Diego Unified School District Bid No. GD-13-0006-64, Custodial and Janitorial Products	1/23/2013
West Coast Arborists, Inc.	Bid No. 1112-10 Tree Trimming Maintenance Service	9/26/2011

**Capistrano Unified School District
Bids/RFP-Qs/Piggyback Bids**

VENDOR	TITLE	BOARD APPROVAL DATE
Williams Scotsman	Relocation, Dismantle and Removal of DSA Portable Classroom	7/11/2011
Winner Chevrolet	California Multiple Award Schedule Contract (CMAS) No. 1-14-23-10, Fleet Vehicles - Cars	8/27/2014
Winner Chevrolet	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-20, Fleet Vehicles - Trucks	8/27/2014
Winner Chevrolet	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-23, Fleet Vehicles - Vans & SUVs	8/27/2014
Winner Chevrolet	State of California Contract #1-16-23-20 A-J, Fleet Vehicles Trucks	3/23/2016
WLC Architects, Inc.	RFQ No. 4-1314, Architectural Services	12/11/2013
Wondries Fleet Group	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-10, Fleet Vehicles - Cars	8/27/2014
Wondries Fleet Group	California Multiple Award Schedule (CMAS) Contract No. 1-14-23-20, Fleet Vehicles - Trucks	8/27/2014
Wondries Fleet Group	California Multiple Award Schedule (CMSA) Contract No. 1-14-23-23, Fleet Vehicles - Vans & SUVs	8/27/2104
Wondries Fleet Group	State of California Contract #1-16-23-20 A-J, Fleet Vehicles Trucks	3/23/2016
Xerox Corporation	California Multiple Award Schedule (CMAS) Contract No. 3-01-36-0030A, Purchase and Warranty of Hardware and Software, Installation, Maintenance, Software Maintenance, License and Training on Xerox Products	6/15/2010
Zonar Systems, Inc.	RFP No. 1-1415, Global Positioning System	7/23/2014

VENDOR PAYMENTS OVER 250K AS OF 4/20/16

2015-16

112650 A & R WHOLESALE DISTRIBUTORS	2,251,299.06
001018 A Z BUS SALES INC	266,462.90
145322 AMS.NET INC	671,902.70
112173 ASCIP	1,931,576.00
058875 ATKINSON ANDELSON LOYA	462,681.89
049767 BENS ASPHALT	622,010.03
118161 CAPISTRANO CONNECTIONS ACADEMY	12,577,776.40
120141 CAPISTRANO UNIFIED SCHOOL DIST	2,889,806.69
151411 CAPISTRANO USD	307,052.38
106764 CDWG Inc	2,615,317.82
043026 CIGNA	433,742.92
146265 COMMUNITY ROOTS	2,534,189.40
122828 CORVEL ENTERPRISE COMP INC	2,115,060.06
112600 COX COMMUNICATIONS	300,988.89
024000 CULVER-NEWLIN	457,156.38
100058 CUSD	2,105,967.00
014126 CUSD-MELLO ROOS	580,970.93
105883 DAVE BANG ASSOCIATES	741,454.73
064188 DELL COMPUTER	893,929.19
143256 DSA	438,684.16
150706 EPIC MACHINES INC.	1,479,926.45
149926 G.A. DOMINGUEZ	512,580.85
059154 HERITAGE SCHOOLS INC	370,305.61
122820 HMC	1,208,507.34
130047 HOLLANDIA DAIRY INC.	354,395.19
041995 HOUGHTON MIFFLIN CO	1,774,277.38
148747 ILLUMINATE EDUCATION INC.	274,213.50
144880 IPC USA	414,562.36
105873 JOURNEY CHARTER SCHOOL	1,878,445.60
150699 KYA SURFACING LLC	421,751.74
144685 LETNER ROOFING CO	1,928,375.55
150703 MEBA C/O	37,186,725.03
061270 MOULTON NIGUEL WATER	298,008.87
021378 NEW HAVEN SCHOOL	414,886.28
152830 NKS MECHANICAL CONTRACTING INC	482,902.10
100369 OCEANVIEW SCHOOL	433,637.70

113144 OPPORTUNITY FOR LEARNING	851,520.22
066570 ORANGE COUNTY DEPT OF EDUC	3,806,675.24
146264 OXFORD ACADEMY	4,025,585.60
116957 PALI MOUNTAIN INSTITUTE	323,608.75
149848 PC & MACEXCHANGE	303,659.28
150715 PORT VIEW PREPARATORY SCHOOL	293,669.55
151890 R. JENSEN COMPANY INC.	320,174.00
078255 SAN DIEGO GAS & ELECTRIC	6,853,138.57
150282 SILVER CREEK INDUSTRIES INC	434,204.00
084100 SO CA GAS CO	321,688.33
149669 SOUTH COAST ROP	2,623,090.92
122718 SOUTHERN CALIFORNIA EDISON	1,445,050.85
084770 SOUTHWEST SCHOOL SUPPLY	357,900.50
145062 STUTZ ARTIANO SHINOFF & HOLTZ	316,823.47
118382 US BANK	352,528.89
147868 US BANK	2,548,839.55
115841 US BANK NATIONAL ASSOCIATION	5,907,398.75
096332 WAXIE	348,852.39
151218 WEATHERPROOFING TECHNOLOGIES	252,102.21
151442 WINNER CHEVROLET INC.	647,616.47
141584 WLC ARCHITECTS INC	338,685.58
099210 XEROX CORPORATION	1,965,737.79
104710 YMCA OF ORANGE COUNTY	363,449.84

QUINTESSENTIAL SCHOOL SYSTEMS

Services and Support Agreement (FY 16-17)

This Agreement is made by and among **Quintessential School Systems**, a California corporation, hereinafter called **QSS**; and **Capistrano USD**, hereinafter called Customer.

A. Nature of Services

A1. **QSS** agrees to make available professional consulting services for answering questions arising from the use of **QSS** products, and for resolution of problems which may occur due to malfunction of **QSS** products.

A2. **QSS** agrees to correct errors or malfunctions **QSS** software products for which the Customer holds a valid Product License currently in effect when such error or malfunction occurs and is reported during the term of this Agreement.

A3. **QSS** agrees to make available professional consulting and programming staff for the enhancement and extension of **QSS** software products for which Customer has a valid Product License, or for the development of new software systems.

A4. **QSS** agrees to make available professional for training Customer's users on the operation and management of **QSS** software at either the Customer's site or at the offices of **QSS**.

A5. **QSS** agrees to provide Customer a copy transmitted electronically from **QSS** computers to Customer computer of all enhancements, improvements, or corrections made to any **QSS** software product for which the Customer has a valid Product License in effect.

A6. **QSS** agrees to update the products covered under this Agreement to comply with all State and Federally mandated changes caused by State and Federal Agencies' actions during the period of the Agreement. This service is included within the annual support fee and shall not entitle **QSS** to additional compensation.

For the Customer to be entitled to any specific product modification under the terms of this paragraph (A6.), it shall be the Customer's responsibility to submit a letter of request to **QSS**, clearly stating each change required along with documentation of the mandating authority. All such requests must be received by **QSS** no later than sixty (60) days prior to the expiration of this Agreement.

B. Obligations of Quintessential School Systems

B1. If Customer elects full support, **QSS** guarantees to have professional staff available for support from 8:30AM until 5:30PM, Monday through Friday (Pacific Standard or Daylight Time), except on legal holidays at **QSS**.

B2. If Customer elects full support, **QSS** guarantees to have professional staff available for emergency support between the hours of 5:30PM and 8:30AM on weekdays, twenty-four (24) hours per day on Saturday and Sunday, 365 days per year. Fees for emergency support shall be at the rate established in Appendix A of this Agreement.

B3. In the event that Customer elects full support and identifies and reports an error or malfunction of significant impact which cannot be corrected through remote advice from **QSS** offices or through remote diagnostic and correction procedures, **QSS** shall provide onsite staff within a time period not to exceed thirty-six (36) hours. If Customer desires quicker response and **QSS** has the resources available, Customer may elect to pay a quick onsite response fee established in Appendix A of this Agreement, in which case **QSS** shall respond in less than twenty-four (24) hours. Travel time and incurred travel expenses will be charged to the Customer at the rates established in Appendix A of this Agreement.

B4. **QSS** will maintain staff familiar with **QSS** software products for the timely correction of errors or malfunctions in **QSS** software products. **QSS** may apply the correction through the next scheduled release; or, through emergency release by means of electronic transfer only from **QSS** computers to Customer's computer, or through direct correction of the problem on the Customer system if such error or malfunction seriously impedes Customer's operation or causes Customer financial loss, providing Customer has elected full support.

B5. **QSS** will provide a periodic release available for transmission electronically from **QSS** computers to Customer's computer at least semiannually containing corrections, adjustments, and enhancements of software products for which Customer holds a valid Product License and which **QSS** has scheduled for release to the Customer base. Unless Customer contracts with **QSS** for onsite release implementation, **QSS'** responsibility for such implementation is limited to providing instructions and guidance for implementation of these releases. Such releases, once implemented, will be covered under this Agreement in the same manner and with the same limitations as the original software product.

B6. Software modified specifically for the Customer, whether by **QSS** or their agents, is excluded from coverage under this Agreement unless specifically stated in the modification Agreement.

B7. Releases of software products under this Agreement will include software in executable form, detail descriptions of the errors and their resolutions, and descriptions for all enhancements or modifications with updates of user and technical documentation. In addition, if Customer has purchased or received source code of **QSS** product, source code of the updates will also be supplied. All releases will be available only by means of electronic transfer from **QSS** computers to Customer's computer.

B8. Consulting, programming, and training beyond the support provided in this Section B. shall be available as requested by, and negotiated with, each Customer. **QSS** guarantees that rates for such services will not exceed those established in Appendix A of this Agreement.

B9. **QSS** will maintain a Secure Support Area website for purposes of providing a support forum for Customer's questions, problems and other support communication.

B10. If Customer elects **software release support** only, **QSS'** obligations are limited to providing Customer with system adjustments, corrections, and enhancements, along with necessary notes and documentation to allow the Customer to install such releases. **Software release support** specifically excludes those services offered to full support Customer as described in paragraphs B1, B2, and B3 of Section B of this Agreement. Furthermore, **Software release support** specifically excludes emergency releases and direct correction of problems on the Customers system, as described in B4 of Section B of this Agreement. All releases will be available only by means of electronic transfer from **QSS** computers to Customer's computer.

C. Obligations of Customer

C1. The Customer shall provide **QSS** with timely access to their computer, and the use of all information and facilities determined necessary by **QSS** to support Customer's software products. This includes access to the computer over the Internet in compliance with the provisions of Section 13 in Appendix A. The Customer shall also maintain readily available access to the QSS Secure Support Area website for purposes of posting questions, problems and other support communication, including uploading of supporting documentation related to reported problems or questions, as well as receiving answers from **QSS** to Customer initiated postings.

C2. All associated system hardware and firmware must be maintained at the latest required code revision level.

C3. The Customer is responsible for maintaining a procedure external to the software product for reconstruction of loss or altered files, data, or programs.

C4. The Customer shall follow routine operator procedures as specified in the operating manuals for the software and hardware products.

C5. The Customer shall make every good faith effort within their capabilities to provide QSS accurate, complete information regarding problems, inquiries, or enhancements serviced under this Agreement. This information should include: Job Control listings (JCL) for all jobs run; an exact account of error messages displayed on the console; appropriate samples of QSS reports including annotations and comments about the question or problem; appropriate printouts of QSS screen displays including annotations and comments about the question or problem; and to utilize QSS customer procedures for reporting these items whenever possible. Customer agrees that the primary means of providing information described in this section shall be through the QSS provided Secure Support Area website.

C6. Customer shall designate one individual and one alternate to serve as primary contacts for all support matters.

C7. The Customer shall remit charges within thirty (30) days of receipt of invoices, and further agrees to pay a 1.0% per month late payment charge for invoices that are past due.

C8. The Customer agrees not to disclose to other individuals or organizations the content or structure of any computer software in Customer's possession which is the property of QSS without prior written permission of QSS. This includes all documentation which is provided by QSS or obtained from third-party sources, regardless of the format in which is provided.

C9. The Customer agrees to abide by the terms and conditions of the Software Product License pursuant to which Customer originally obtained and presently operates the software.

C10. Customer understands and accepts that QSS releases software to the Customer only by means of electronic transfer from QSS computers to Customer computer. Such electronic transfer of software and other support related material shall occur through internet access between QSS and Customer, as further defined in Section 13 (Internet Access) of Appendix A of this Agreement.

D. Termination of Contract

D1. Termination of the Agreement before the agreed upon expiration date may only be effected for just cause.

D2. Upon failure by QSS or the Customer to meet obligations under this Agreement, either party may at their option, with thirty (30) days written notice to the other party, terminate this Agreement. If QSS terminates the contract, charges will be pro-rated based on hours expended on Customer's behalf during the term of the Agreement at the rate of One Hundred Seventy Five (\$175.00) dollars per hour. If the Customer terminates the Agreement, QSS shall not be liable for return of any fees or penalties arriving out of the termination.

E. Hold Harmless

QSS agrees to hold harmless and indemnify the Customer for:

Any injury to person or property sustained by **QSS** or by any person, firm, or corporation employed directly or indirectly by **QSS** or by any of the individuals participating in or associated with **QSS**, however caused; and further, any injury to person or property sustained by any person, firm, or corporation, caused by any act, neglect, default or omission, of **QSS**, or of any person, firm, or corporation directly or indirectly employed by **QSS** upon or in connection with this Agreement, or of any of the participants arising out of or in the course of the term of this Agreement, and **QSS**, at its own cost, expense and risk, shall defend any and all actions, suits, or other legal proceedings that may be instituted against the Customer for any such claim or demand, and pay or satisfy any judgment that may be rendered against the Customer in any such action, suit, or legal proceedings or result thereof.

Nothing herein provided shall be construed to require **QSS** to hold harmless and indemnify the Customer for liabilities or damages resulting from the negligence or willful act, or omission of the Customer or its officers, agents, or employees.

F. Covered Application Software Systems and Packages

Reference Appendix A attached.

G. Terms of Agreement

G1. This Agreement is for twelve (12) months commencing on July 1, 2016 and expiring on June 30, 2017.

G2. Payment for full support or release support shall be made within thirty (30) days of commencement of this Agreement. Additionally, all other invoices for consulting, programming, training, emergency response, charges for travel time and expenses, and other miscellaneous charges incurred on behalf of the Customer will also be remitted within thirty (30) days of receipt of invoice for said charges.

G3. Customer has read this Agreement in full, and understands and recognizes the limited nature of the services to be provided by full support or by software release support.

Quintessential School Systems

Duane Percox, Chief Operating Officer
Name / Title



Signature

April 8, 2016
Date

Capistrano USD

Clark D. Hampton, Deputy Superintendent, Business & Support Services
Name/Title



Signature

May 11, 2016
Date (Board Approval)

Quintessential School Systems
Support Contract - FY 16-17
Appendix A

1. **Full Service and Software Release Support**
Prices quoted are for a single annual payment. Semi-annual payment will incur a 4% surcharge, and quarterly payment will incur a 7% surcharge.

Multi-district processing surcharge is 20%.

Please also refer to Section 14, Enrollment-Based Support Tiers, in Appendix A.
2. **Software Release Only Support Contract**
Charged at sixty percent (60%) of Full Service and Support Release Contract rates.
3. **Emergency Support for Customers on Full Support**
Covers support requests after hours, Saturday, Sunday. Emergency support is available 365 days/year. \$375.00 for first hour of support and each hour thereafter until regular support hours resume on next **QSS** workday. Minimum one hour charge, prorated thereafter in 15 minute intervals (\$93.75 per 15 minute interval).
4. **Emergency On-Site Support for Customers on Full Support**
Covers requests for **QSS** staff to travel onsite within 24 hours of request for emergency support purposes. \$750.00 flat fee for response plus \$187.50/hour travel time and onsite time, plus travel expenses.
5. **Training/Consulting Charges at Customer Facility - full day**
\$1,500 per day plus travel expenses. Full day charge is required for customers more than 50 miles from trainer/consultant's office.
6. **Training/Consulting Charges at Customer Facility - half-day**
\$900 per half-day plus travel expenses. Half-day training/consulting is available for customers within 50 miles of trainer/consultant's office.
7. **Shared On-Site Customer Training**
A Customer may contract for on-site training with more than one customer participating in that training situation under the following circumstances:
 - 7.1. The total number of trainees will be limited to a maximum of 30 participants.

Quintessential School Systems
Support Contract - FY 16-17
Appendix A

- 7.2. For training on a topic similar to an advertised **QSS** seminar, the cost will be the normal on-site daily training rate for the sponsoring customer, plus the normal per-person seminar tuition for each participant from other customers.

Current pricing for the sponsoring agency is \$1,500 per day plus travel expenses, plus \$250 per person for participants from any other agencies. Charges for each agency will be billed separately.

- 7.3. For training that does not overlap content with an existing scheduled **QSS** seminar, the cost will be the normal on-site daily training rate for the sponsoring customer, plus half the normal on-site daily training rate for each additional participating agency. Current pricing is \$1,500 for the first customer and \$750 for each additional customer, per day, plus travel expenses. All charges will be billed on a single invoice to the sponsoring customer. Half-day rates will apply when appropriate

- 7.4 A licensed county office of education customer may invite participation from any school district or community college within its county, regardless of the license status of the district (licensed **QSS** customer or not), without incurring additional training cost. Such situations are specifically exempted from fees for shared on-site customer training.

- 7.5 Exceptions to these policies must be negotiated with **QSS** in advance on an individual event basis.

8. Individual Customer Training/Consulting at QSS offices

Charges for training/consulting at **QSS** offices shall be dependent on duration of training, subject matter, and number of participants, and shall be negotiated with customer upon request.

9. Online Consulting (Webinar / GoToMeeting) for Customer

\$200 per hour with a 2-hour minimum.

10. QSS-Sponsored Seminars

\$250 per registrant

11. Programming Charges

Applies to services not covered by support contracts. \$175/hour, or as negotiated with customer for longer term projects. See also Section 12 below.

Quintessential School Systems
Support Contract - FY 16-17
Appendix A

12. Dedicated Programmer Resources

Dedicated programmer assigned exclusively to projects and tasks as determined and directed by customer. All management and office support by **QSS** for the dedicated resource is included. Dedicated programmer contracts are billed at a fixed hourly rate for "time on the job". Please refer to Section 15, Dedicated Programming Resource Rates, in Appendix A for FY17 rates.

13. Internet Access

Your support contract provides that **QSS** will access your QSS/OASIS server(s) when necessary to diagnose and resolve problems. Such access is provided by Internet connectivity between our network and your network. This provides the most efficient, reliable and least costly manner of access, and brings about quicker resolution of problems. **QSS** will work with your staff to provide our TCP/IP address and port numbers which we use so that you may provide secure access to your network through the Internet.

Please note that Internet access which requires that a VPN client be run from a **QSS** workstation accessing your QSS/OASIS server(s) is supported on a case by case basis, and may also incur a surcharge. VPN solutions which do not require a workstation VPN client may be acceptable. Please contact your Account Manager if you need to provide access to **QSS** through a VPN connection so we may discuss your technical requirements, as well as those of **QSS**.

14. Enrollment-Based Support Tiers

<u>Tier</u>	<u>Multi-District Organizations County Offices of Education</u>	<u>Single District</u>
1	1 to 1,500	1 to 1,500
2	1,501 to 3,000	1,501 to 3,000
3	3,001 to 7,000	3,001 to 7,000
4	7,001 to 13,000	7,001 to 13,000
5	13,001 to 25,000	13,001 to 25,000
6	25,001 to 100,000	25,001 to 40,000
7	100,001 to 200,000	40,001 to 80,000
8	200,001 and up	80,001 and up

Quintessential School Systems
Support Contract - FY 16-17
Appendix A

15. Dedicated Programming Resource Rates

Dedicated Resource FTE	Total Hours Worked	FY17 Renewals on existing DR Contracts		FY17 First Time DR Contracts	
		Hourly Rate	Total Cost	Hourly Rate	Total Cost
1.00 FTE	1720	\$94.00	\$161,680	\$110.00	\$189,200
.75 FTE	1290	\$97.00	\$125,130	\$113.00	\$145,770
.50 FTE	860	\$102.00	\$87,720	\$119.00	\$102,340
.25 FTE	430	\$110.00	\$47,300	\$129.00	\$55,470

Special FY17 QSS Users Group Rates		
Dedicated Resource FTE	Total Hours Worked	Regular \$90/hr Rate
		Total Cost
1.00 FTE	1720	\$154,800
.75 FTE	1290	\$116,100
.50 FTE	860	\$77,400
.25 FTE	430	\$38,700

Quintessential School Systems
Support Contract - FY 16-17
Appendix A

Client: Capistrano USD
Tier 7

FY16-17

1. Service and support Contract Charges for Covered Software.

Product / Module				Amount	
QSS/OASIS					
Core QSS/OASIS				9,787.00	
Base Financial				10,892.00	
Personnel				8,558.00	
Position Control				10,887.00	
Payroll <i>*15% of full charge*</i>				2,353.00	
Payroll Interface				5,771.00	
Budget Development				9,338.00	
Fixed Assets				5,538.00	
Stores / Inventory				9,405.00	
Epylon Interface					
Benefits Management				5,662.00	
Invoicing and Billing Management (IBM)				4,336.00	
Financial Companion - *drop FY08*	3	\$0.00		0.00	
Total QSS/OASIS					82,527.00
Total Product Support					82,527.00
TOTAL INVOICED SUPPORT CHARGES					82,527.00



2015-2016 Quarterly Report Williams Legislation Uniform Complaints

District: Capistrano Unified School District**District Contact:** Rich Montgomery *RM***Title:** Executive Director, Human Resource Services/Compliance

- | | | |
|--|--------------------------------|---------------------------------------|
| <input type="checkbox"/> Quarter #1 | July 1 to September 30, 2015 | Report due by October 30, 2015 |
| <input type="checkbox"/> Quarter #2 | October 1 to December 31, 2015 | Report due by January 29, 2016 |
| <input checked="" type="checkbox"/> Quarter #3 | January 1 to March 31, 2016 | Report due by April 29, 2016 |
| <input type="checkbox"/> Quarter #4 | April 1 to June 30, 2016 | Report due by July 29, 2016 |

Check the box that applies:

- ☒ No complaints were filed with any school in the district during the quarter indicated above.
- ☐ Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of the complaints.

Type of Complaint	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials	0	0	0
Teacher Vacancies or Misassignments	0	0	0
Facility Conditions	0	0	0
CAHSEE Intensive Instruction & Services (high schools only)	0	0	0
TOTALS	0	0	0

Name of Superintendent: Kirsten M. Vital


Signature of Superintendent: *KM*

Date: 4/14/2016

Please submit to: Thea Savas
Senior Administrative Assistant
200 Kalmus Drive, B-1000
P.O. Box 9050, Costa Mesa, CA 92628-9050
(714) 966-4336 or fax to: (714) 327-1371

MEMORANDUM

To: Clark Hampton

From: Keith Weaver 

Date: April 25, 2016

Re: Board Documents for CFDs: the Formation of CFD 98-1B, the Issuance of Bonds for CFD 98-1A and CFD 2005-1, the Refinancing of Bonds for CFD 90-2, and the Prepayment of Bonds for CFD 87-1

Clark, on May 11th the Board will be asked to consider approval of resolutions and related legal documents that pertain to upcoming activity in CFD 98-1A and 98-1B (Pacifica San Juan), CFD 90-2 (Talega), and CFD 87-1 (Mission Viejo/Aliso Viejo). In preparation for the Board's consideration of these items, this memorandum briefly reviews the role of each of the primary documents.

Resolution of Formation of CFD 98-1B (Pacifica San Juan)

This resolution establishes CFD 98-1B. The resolution sets a date for a public hearing at the Board meeting on May 11, 2016 and provides for an election where the landowner(s) within the CFD will vote on the approval of the CFD. It describes the facilities to be financed by the CFD. Finally, it includes a rate and method of apportionment of the CFD tax.

Rate and Method of Apportionment

The rate and method of apportionment describes how taxes levied within the CFD will be applied amongst the property owners. There will be six zones of taxes based on the different locations and housing products planned by the developer. Developed property is levied first, and undeveloped property is only levied to the extent required to pay debt service on the bonds. Property owners have the ability to prepay the tax. The tax has an expiration date of 40 years, beginning with FY 2016-17.

Resolution to Incur Bonded Indebtedness Within CFD 98-1B (Pacifica San Juan)

The resolution describes CUSD's determination that it is necessary to issue bonds to help fund the share of mitigation owed by new homes within CFD 98-1B. The bonds will finance school facilities and city infrastructure. The estimated bond amount is \$11.5 million, and the resolution establishes a not-to-exceed amount of \$14.0 million. The estimated term of the bonds is 30 years, and the resolution establishes a not-to-exceed term of 40 years.

Resolution Calling Special Election for CFD 98-1B (Pacifica San Juan)

The resolution calls for a special election of the landowners within the CFD. The election will be held at the District office during the Board meeting on May 11, 2016. The Clerk of the Board will conduct the election by receiving and counting the ballots.

Resolution Declaring Results of Special Election for CFD 98-1B (Pacifica San Juan)

Once the Clerk of the Board has counted the ballots, she will submit the canvass of results to the Board for review. Assuming the election is successful, the Resolution declares the election as having passed, and directs that a notice of special tax lien be filed upon the property within the CFD.

Resolution Reducing the Levy of Taxes for CFD 98-1A (Pacifica San Juan)

This resolution permanently reduces the levy of special taxes for CFD 98-1A, and directs that an amended notice of special tax lien be filed upon the property within the CFD. The reason for the reduction is that the homes within CFD 98-1A will receive a credit to acknowledge the pay-as-you-go funds that they have already paid. The new maximum special tax levy will be 39.67% of the prior maximum special tax levy. The remaining share of total development mitigation will be paid from CFD 98-1B.

Resolution Authorizing the Issuance of Bonds for CFD 98-1A (Pacifica San Juan)

This resolution authorizes the issuance of bonds for CFD 98-1A in an amount not-to-exceed \$6.5 million. The estimated amount of bonds planned for issuance is \$4.8 million, though the not-to-exceed amount allows for additional bonds to be issued should market conditions prove more favorable than anticipated. The resolution also approves several CFD 98-1A bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The creation of funds and accounts for the bonds and the allocation of bond proceeds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 98-1A, the underwriter is Hilltop Securities, selected via an RFP process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the District or the Underwriter. This document will be finalized on the day of pricing of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant

events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned pricing date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Issuance of Refunding Bonds for CFD 90-2 (Talega)

This resolution authorizes the issuance of refunding bonds (for the purpose of refinancing the outstanding bonds) for CFD 90-2 in an amount not-to-exceed \$45.0 million, and sets the minimum net present value savings after costs to be 3% of the principal amount of CFD 90-2 bonds to be refunded. The estimated amount of refunding bonds planned for issuance is \$40.0 million, though the not-to-exceed amount allows for additional bonds to be issued should the flexibility be needed to cover additional costs. The resolution also approves several CFD 90-2 bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The allocation of bond proceeds into specified funds and accounts for the bonds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 90-2, the underwriter will be selected via a competitive bid process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the Underwriter. This document will be finalized on the day of sale of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned sale date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo) (Acting on Behalf of CFD 87-1)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Next Steps

It is currently anticipated that the CFD 2005-1 bond issuance will be completed in June, the CFD 98-1A bond issuance will be completed in July, the CFD 90-2 bond issuance will be completed in August, and the CFD 87-1 prepayment will be completed in September. Following completion, the Board will receive an information presentation on the results.

Clark, please let us know if you have any questions or comments. Thank you.

KW/abm

RESOLUTION NO. 1516-52

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT OF FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 98-1B OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN), AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN THE DISTRICT AND ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE DISTRICT

Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan)

WHEREAS, on March 23, 2016, the Board of Trustees (the “Board of Trustees”) of the Capistrano Unified School District (“CUSD”) adopted a resolution entitled, “A Resolution of the Board of Trustees of the Capistrano Unified School District of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes” (the “Resolution of Intention”), stating its intention to form a community facilities district (the “Community Facilities District”) proposed to be named Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan) pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”);

WHEREAS, on this date, the Board of Trustees conducted a noticed public hearing on the establishment of the Community Facilities District, as required by the Act and the Resolution of Intention;

WHEREAS, at or before the time of the hearing, the report required by Section 53321.5 of the Act was filed with the Board of Trustees;

WHEREAS, at the hearing, the testimony of all interested persons and taxpayers for or against the establishment of the Community Facilities District, the extent of the Community Facilities District and the furnishing of the specified types of public facilities was heard;

WHEREAS, no oral or written protests against the establishment of the Community Facilities District, the furnishing of any specified type or types of facilities within the Community Facilities District or the levying of any specified special tax were made or filed at or before the hearing;

WHEREAS, Section 53314.9 of the Act provides that, at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds for any authorized purpose, including, but not limited to, paying any cost incurred by the local agency in creating a community facilities district;

WHEREAS, Section 53314.9 of the Act further provides that the legislative body may enter into an agreement, by resolution, with the person or entity advancing the funds, to repay all or a

portion of the funds advanced, as determined by the legislative body, with or without interest, under all the following conditions: (a) the proposal to repay the funds is included in both the resolution of intention to establish a community facilities district adopted pursuant to Section 53521 of the Act and in the resolution of formation to establish a community facilities district pursuant to Section 53325.1 of the Act, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any agreement shall specify that if the qualified electors of the community facilities district do not approve the proposed special tax, the local agency shall return any funds which have not been committed for any authorized purpose by the time of the election to the person or entity advancing the funds; and

WHEREAS, CUSD and Pacific Point Development Partners LLC, a Delaware limited liability company (the “Owner”), have entered into a Deposit and Reimbursement Agreement, dated as of March 1, 2016 (the “Deposit Agreement”), pursuant to which the Owner has heretofore advanced certain funds, and the Owner has agreed to advance additional funds, which have been or may be used to pay costs incurred in connection with the creation of the Community Facilities District and the issuance of special tax bonds thereby and, in accordance with Section 53314.9 of the Act, CUSD desires to accept such advances and to reimburse the Owner therefor, without interest, from the proceeds of special tax bonds issued by the Community Facilities District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Capistrano Unified School District as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The Community Facilities District is hereby established pursuant to the Act.

Section 3. The Community Facilities District is hereby named “Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan).”

Section 4. The public facilities (the “Facilities”) proposed to be financed by the Community Facilities District pursuant to the Act are described under the caption “Facilities” on Exhibit A hereto, which is by this reference incorporated herein. The incidental expenses proposed to be incurred are identified under the caption “Incidental Expenses” on Exhibit A hereto. All or any portion of the Facilities may be financed through a lease, lease-purchase, installment-purchase or other contractual arrangement.

Section 5. The proposed special tax to be levied within the Community Facilities District has not been precluded by majority protest pursuant to Section 53324 of the Act.

Section 6. Except where funds are otherwise available, a special tax sufficient to pay for all Facilities, secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied within the Community Facilities District. The rate and method of apportionment of the special tax (the “Rate and Method”), in sufficient detail to allow each landowner within the proposed Community Facilities District to estimate the maximum amount that he or she will have to pay, is described in Exhibit B attached hereto, which is by this reference incorporated herein. The conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied are specified in the Rate and Method. The special tax will be collected in the same manner as ordinary *ad valorem*

property taxes or in such other manner as the Board of Trustees shall determine, including direct billing of the affected property owners.

The tax year after which no further special tax will be levied against any parcel used for private residential purposes is specified in the Rate and Method. Under no circumstances shall the special tax levied against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within the Community Facilities District by more than 10%. For purposes of this paragraph, a parcel shall be considered “used for private residential purposes” not later than the date on which an occupancy permit for private residential use is issued.

Section 7. Pursuant to Section 53344.1 of the Act, the Board of Trustees hereby reserves to itself the right and authority to allow any interested owner of property within the Community Facilities District, subject to the provisions of said Section 53344.1 and to those conditions as it may impose, and any applicable prepayment penalties as prescribed in the bond indenture or comparable instrument or document, to tender to the Community Facilities District treasurer in full payment or part payment of any installment of the special taxes or the interest or penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or other obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

Section 8. The name, address and telephone number of the office which will be responsible for preparing annually a current roll of special tax levy obligations by assessor’s parcel number and which will be responsible for estimating further special tax levies pursuant to Section 53340.1 of the Act are as follows: Deputy Superintendent, Business and Support Services, of CUSD, Capistrano Unified School District, 33122 Valle Road, San Juan Capistrano, California 92583, phone (949) 234-9211.

Section 9. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the Community Facilities District and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the Board of Trustees ceases.

Section 10. The boundary map of the Community Facilities District has been recorded on March 28, 2016 in Orange County in Book 103 at Pages 23-24 of Maps of Assessments and Community Facilities Districts Document Number 2016000128926 in the office of the Orange County Recorder.

Section 11. The annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the Community Facilities District is hereby established at \$14,000,000.

Section 12. Pursuant to the provisions of the Act, the levy of the special tax and a proposition to establish the appropriations limit specified above shall be subject to the approval of the qualified electors of the Community Facilities District at a special election. The voting

procedure shall be by mailed or hand-delivered ballot among the landowners in the Community Facilities District, with each owner having one vote for each acre or portion of an acre such owner owns in the Community Facilities District.

Section 13. The Owner has heretofore advanced certain funds, and may advance additional funds, which have been or may be used to pay costs incurred in connection with the creation of the Community Facilities District and the issuance of special tax bonds thereby. The Board of Trustees has previously approved the acceptance of such funds for the purpose of paying costs incurred in connection with the creation of the Community Facilities District and the issuance of special tax bonds thereby. The Board of Trustees proposes to repay all or a portion of such funds expended for such purpose, solely from the proceeds of such bonds, pursuant to each Deposit Agreement. Each Deposit Agreement is hereby incorporated herein as though set forth in full herein.

Section 14. The Board of Trustees hereby determines and finds that all proceedings up to and including the adoption of this Resolution were valid and in conformity with the requirements of the Act. In accordance with Section 53325.1 of the Act, such finding shall be final and conclusive.

Section 15. The officers, employees and agents of CUSD are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

Section 16. This Resolution shall take effect immediately upon its adoption.

APPROVED and ADOPTED by the Board of Trustees of the Capistrano Unified School District on May 11, 2016.

President of the Board of Trustees of the
Capistrano Unified School District

ATTEST:

Clerk of the Board of Trustees of the
Capistrano Unified School District

EXHIBIT A

FACILITIES, COMPLETED FACILITIES AND INCIDENTAL EXPENSES

Facilities

Facilities owned and operated by the Capistrano Unified School District: elementary, middle, and/or high school facilities, school sites, central support and administrative facilities, transportation and special education facilities, including any incidental school administrative and transportation center improvements, and district vehicles.

Facilities owned and operated by the City of San Juan Capistrano: Street Improvements (including, but not limited to, A Street (consisting of streets now known as Avenida California and Vista Marina, curb and gutter, lighting, signalization, landscaping and monumentation on such streets, and the underlying sewer, water, and storm drain improvements), La Novia Avenue, Valle Road North, and Camino Capistrano), Storm Drain Improvements, Water and Sewer Improvements, Landscape and Lighting Improvements, Monuments, and City of San Juan Capistrano Development Impact Fees (including, but not limited to, fees for park, affordable housing, water capacity, water storage, water, street, systems development, agricultural preservation, sewer, signalization, and citywide development improvements).

Incidental Expenses

Incidental expenses proposed to be incurred include the following:

- (a) the cost of planning and designing public facilities to be financed, including the cost of environmental evaluations of those facilities;
- (b) the costs associated with the creation of the Community Facilities District, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- (c) any other expenses incidental to the construction, completion, and inspection of the authorized work.

EXHIBIT B
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

**RATE AND METHOD OF APPORTIONMENT FOR
CAPISTRANO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 98-1B
(PACIFICA SAN JUAN)**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Capistrano Unified School District Community Facilities District No. 98-1B ("CFD No. 98-1B") and collected each Fiscal Year commencing in Fiscal Year 2016-2017, in an amount determined by the Board through the application of the appropriate Special Tax for "Developed Property," "Taxable Property Owner Association Property," "Taxable Public Property," "Taxable Religious Property" and "Undeveloped Property" as described below. All of the real property in CFD No. 98-1B, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 98-1B: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the School District or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the School District, CFD No. 98-1B or any designee thereof of complying with arbitrage rebate requirements; the costs to the School District, CFD No. 98-1B or any designee thereof of complying with School District, CFD No. 98-1B or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the School District, CFD No. 98-1B or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; and the School District's annual administration fees, including, without limitation, expenses incurred in pursuit of State funding with respect to CFD No. 98-1B public facilities, and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the School District or CFD No. 98-1B for any other administrative purposes of CFD No. 98-1B, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's parcel number.

"Assigned Special Tax" means the Special Tax for Residential Property and Non-Residential Property, as determined in accordance with Section C below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C below.

"Board" means the Board of Trustees of the Capistrano Unified School District, acting as the legislative body of CFD No. 98-1B.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 98-1B under the Act.

"CFD Administrator" means an official of the School District, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 98-1B" means Capistrano Unified School District Community Facilities District No. 98-1B (Pacifica San Juan).

"County" means the County of Orange.

"Developed Property" means, for each Fiscal Year, all Taxable Property, exclusive of Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property, for which a building permit for new construction was issued prior to January 1 of the prior Fiscal Year.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit(s) was issued for a non-residential use.

"Outstanding Bonds" means all Bonds which remain outstanding.

"Property Owner Association Property" means any property within the boundaries of CFD No. 98-1B that is owned in fee or by easement, or dedicated to, a property owner association, including any master or sub-association.

"Proportionately" means for Developed Property that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property within CFD No. 98-1B. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property in CFD No. 98-1B. For Taxable Public Property, Taxable Property Owner Association Property and Taxable Religious Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Taxable Public Property, Taxable Property Owner Association Property or Taxable Religious Property, as applicable.

"Public Property" means any property within the boundaries of CFD No. 98-1B that is used for rights-of-way or any other purpose and is owned by or dedicated to the federal government, the State of California, the County, the City of San Juan Capistrano, or any other public agency, provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

"Religious Property" means all property within the boundaries of CFD No. 98-1B which is used primarily as a place of worship and is exempt from *ad valorem* property taxes because it is owned by a religious organization. Religious Property, without limitation, does not include any Assessor's Parcels used primarily for religious schools, day care centers, or congregate care facilities.

"Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

"School District" means the Capistrano Unified School District.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Developed Property, Undeveloped Property, Taxable Property Owner Association Property, Taxable Public Property, and Taxable Religious Property to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 98-1B to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay reasonable Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds established by the Indenture for all Outstanding Bonds; (v) pay directly for construction of facilities eligible under the Act to the extent that the inclusion of such amount does not result in a Special Tax levy on Undeveloped Property; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special

Taxes levied in the previous Fiscal Year; (vii) less a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 98-1B which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Property Owner Association Property" means all Assessor's Parcels of Property Owner Association Property that are not exempt pursuant to Section E below.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt pursuant to Section E below.

"Taxable Religious Property" means all Assessor's Parcels of Religious Property that are not exempt pursuant to Section E below.

"Trustee" means the trustee or fiscal agent under the Indenture.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Property Owner Association Property, Taxable Public Property or Taxable Religious Property.

"Zone" means any one of the separate geographic areas within CFD No. 98-1B designated on the boundary map and on Exhibit A herein as: Zone 1, Zone 2, Zone 3, Zone 4, Zone 5, or Zone 6.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 98-1B shall be classified as Developed Property, Taxable Public Property, Taxable Property Owner Association Property, Taxable Religious Property or Undeveloped Property, and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.

The Assigned Special Tax for Residential Property shall be based on the Zone in which the Assessor's Parcel is located. The Assigned Special Tax for Non-Residential Property shall be based on the Zone in which the Assessor's Parcel is located and the Acreage of the Assessor's Parcel.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

a. Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel classified as

Developed Property within a particular Zone shall be the greater of (i) the amount derived by application of the Assigned Special Tax for such Zone or (ii) the amount derived by application of the Backup Special Tax for such Zone.

b. Assigned Special Tax

The Assigned Special Tax for Residential Property and Non-Residential Property within each Zone for Fiscal Year 2016-2017 is shown below in Tables 1 and 2.

TABLE 1
Assigned Special Taxes for Residential Property
For Fiscal Year 2016-2017

Zone	Residential Property
1	\$2,299.53 per unit
2	\$2,458.28 per unit
3	\$2,845.48 per unit
4	\$4,217.04 per unit
5	\$939.87 per unit
6	\$2,530.10 per unit

TABLE 2
Assigned Special Taxes for Non-Residential Property
For Fiscal Year 2016-2017

Zone	Non-Residential Property
1	\$9,987 per Acre
2	\$13,027 per Acre
3	\$11,265 per Acre
4	\$10,275 per Acre
5	\$18,896 per Acre
6	\$32,308 per Acre

c. Multiple Land Use Categories

In some instances an Assessor's Parcel may contain both Undeveloped Property and Developed Property or both Residential Property and Non-Residential Property.

In such cases, the Acreage of the Assessor's Parcel shall be allocated between Developed Property and Undeveloped Property based on the portion of the Assessor's Parcel for which building permits had been issued prior to January 1 of the prior Fiscal Year and the portion of the Assessor's Parcel for which building permits had not been issued prior to January 1 of the prior Fiscal Year. The Acreage that is considered Developed Property shall be allocated between Residential Property and Non-Residential Property based on the site plan. The Maximum Special Tax that can be levied on such Assessor's Parcel shall be the sum of the Maximum Special Tax that can be levied on each type of property located on that Assessor's Parcel.

d. Backup Special Tax

The Backup Special Tax in CFD No. 98-1B shall equal an amount per Acre for each Zone as shown below in Table 3.

TABLE 3
Backup Special Tax
For Fiscal Year 2016-2017

Zone	FY 2016-2017 Backup Special Tax
1	\$9,987 per Acre
2	\$13,027 per Acre
3	\$11,265 per Acre
4	\$10,275 per Acre
5	\$18,896 per Acre
6	\$32,308 per Acre

e. Increase in the Assigned Special Tax and the Backup Special Tax

On each July 1, commencing on July 1, 2017, the Assigned Special and the Backup Special Tax shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

2. Undeveloped Property, Taxable Property Owner Association Property, Taxable Public Property and Taxable Religious Property

a. Maximum Special Tax

The Maximum Special Tax for Undeveloped Property, Taxable Property Owner Association Property, Taxable Public Property and Taxable Religious Property within each Zone is shown below in Table 4.

TABLE 4
Maximum Special Tax for Undeveloped Property, Taxable Property Owner Association Property, Taxable Public Property, and Taxable Religious Property
For Fiscal Year 2016-2017

Zone	FY 2016-2017 Maximum Special Tax
1	\$9,987 per Acre
2	\$13,027 per Acre
3	\$11,265 per Acre
4	\$10,275 per Acre
5	\$18,896 per Acre
6	\$32,308 per Acre

b. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2017, the Maximum Special Tax for Undeveloped Property, Taxable Property Owner Association Property, Taxable Public Property, and Taxable Religious Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2016-2017 and for each following Fiscal Year, the Board shall levy the Special Tax until the amount of Special Taxes equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax.

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property.

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of

Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel.

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property, Taxable Public Property and Taxable Religious Property at up to the Maximum Special Tax for Taxable Property Owner Association Property, Taxable Public Property and Taxable Religious Property.

Notwithstanding the above, under no circumstances will the Special Tax levied in a Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 98-1B. To the extent that the levy of the Special Tax on Residential Property is limited by the provision in the previous sentence, the levy of the Special Tax on all other Assessor's Parcels shall continue in equal percentages at up to 100% of the Maximum Special Tax.

E. EXEMPTIONS

There shall be no exemptions for property in Zone 1, Zone 2, Zone 3, and Zone 4.

No Special Tax shall be levied on Property Owner Association Property, Public Property, and/or Religious Property in Zone 5 and Zone 6 at up to the Acreage amounts shown in Table 5 below:

TABLE 5

Zone	Exempt Acreage
5	2.89 Acres
6	4.56 Acres

Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property within Zone 5 and Zone 6 become Property Owner Association Property, Public Property or Religious Property. However, should an Assessor's Parcel no longer be classified as Property Owner Association Property, Public Property or Religious Property, its tax-exempt status will be revoked.

Property Owner Association Property, Public Property or Religious Property that is not exempt from Special Taxes under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fourth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property, Taxable Public Property or Taxable Religious Property.

F. REVIEW/APPEAL COMMITTEE

Any taxpayer may file a written appeal of the Special Tax levied on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the calculation of the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the clerk of the Board, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

Interpretations may be made by the Board by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 98-1B may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"CFD Public Facilities" means either \$11.5 million in 2016 dollars, which shall increase by the Construction Inflation Index on July 1, 2017, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 98-1B under the authorized financing program for CFD No. 98-1B, or (ii) shall be determined by the Board concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

"Construction Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

"Construction Inflation Index" means the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

"Future Facilities Costs" means the CFD Public Facilities minus (i) public facility costs previously paid from the Construction Fund; (ii) moneys currently on deposit in the Construction Fund; and (iii) moneys currently on deposit in an escrow fund, if any, that are expected to be available to finance public facilities costs.

"Outstanding Bonds" means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

"Previously Issued Bonds" means all Bonds that have been issued by CFD No. 98-1B prior to the date of prepayment.

1. Prepayment in Full

All Assessor's Parcels of Developed Property and Assessor's Parcels of Undeveloped Property for which a building permit has been issued may be prepaid. The Special Tax obligation applicable to such Assessor's Parcel in CFD No. 98-1B may be fully prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel or any other Assessor's Parcel owned by such owner at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. The CFD Administrator will charge a fee to the owner requesting prepayment for providing this figure. Prepayment must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
<u>less</u>	<u>Capitalized Interest Credit</u>

Total: equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined below) shall be calculated as follows:

Paragraph No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property compute the Assigned Special Tax and Backup Special Tax applicable for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Undeveloped Property (for which a building permit has been issued), compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.
3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Special Taxes for the entire CFD No. 98-1B based on the Developed Property Special Taxes which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 98-1B, excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to paragraph 2 by the estimated Backup Special Taxes at buildout of CFD No. 98-1B using the Backup Special Tax amount for the current Fiscal Year, excluding any Assessor's Parcels which have been prepaid.
4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Compute the current Future Facilities Costs.
7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

9. Determine the Special Taxes levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.
10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of No. 98-1B, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
13. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.
14. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").
15. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the "Prepayment Amount").
16. From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 11, 13 and 14 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 98-1B.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid, the Board shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

2. Prepayment in Part

The Maximum Special Tax on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Undeveloped Property for which a building permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (P_E - A) \times F + A$$

These terms have the following meaning:

PP = the partial prepayment

P_E = the Prepayment Amount calculated according to Section H.1

F = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Maximum Annual Special Tax.

A = the Administration Fees and Expenses from Section H.1

The owner of an Assessor's Parcel who desires to partially prepay the Maximum Special Tax shall notify the CFD Administrator of such owner's intent to partially prepay the Maximum Special Tax and the percentage by which the Maximum Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Maximum Special Tax for an Assessor's Parcel within 30 days of the request and will charge a fee to the owner requesting prepayment for providing this figure.

With respect to any Assessor's Parcel that is partially prepaid, the School District shall (i) distribute the funds remitted to it according to Paragraph 16 of Section H.1. and (ii) indicate in the records of CFD No. 98-1B that there has been a partial prepayment of the Maximum Special Tax and that a portion of the Maximum Special Tax equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section D.

Notwithstanding the foregoing, no full or partial Special Tax prepayment shall be allowed unless the amount of Assigned Special Taxes that may be levied on Taxable Property within CFD No. 98-1B both prior to and after the proposed prepayment, less expected

Administrative Expenses, is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.



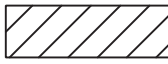
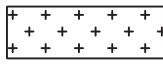




I. TERM OF SPECIAL TAX

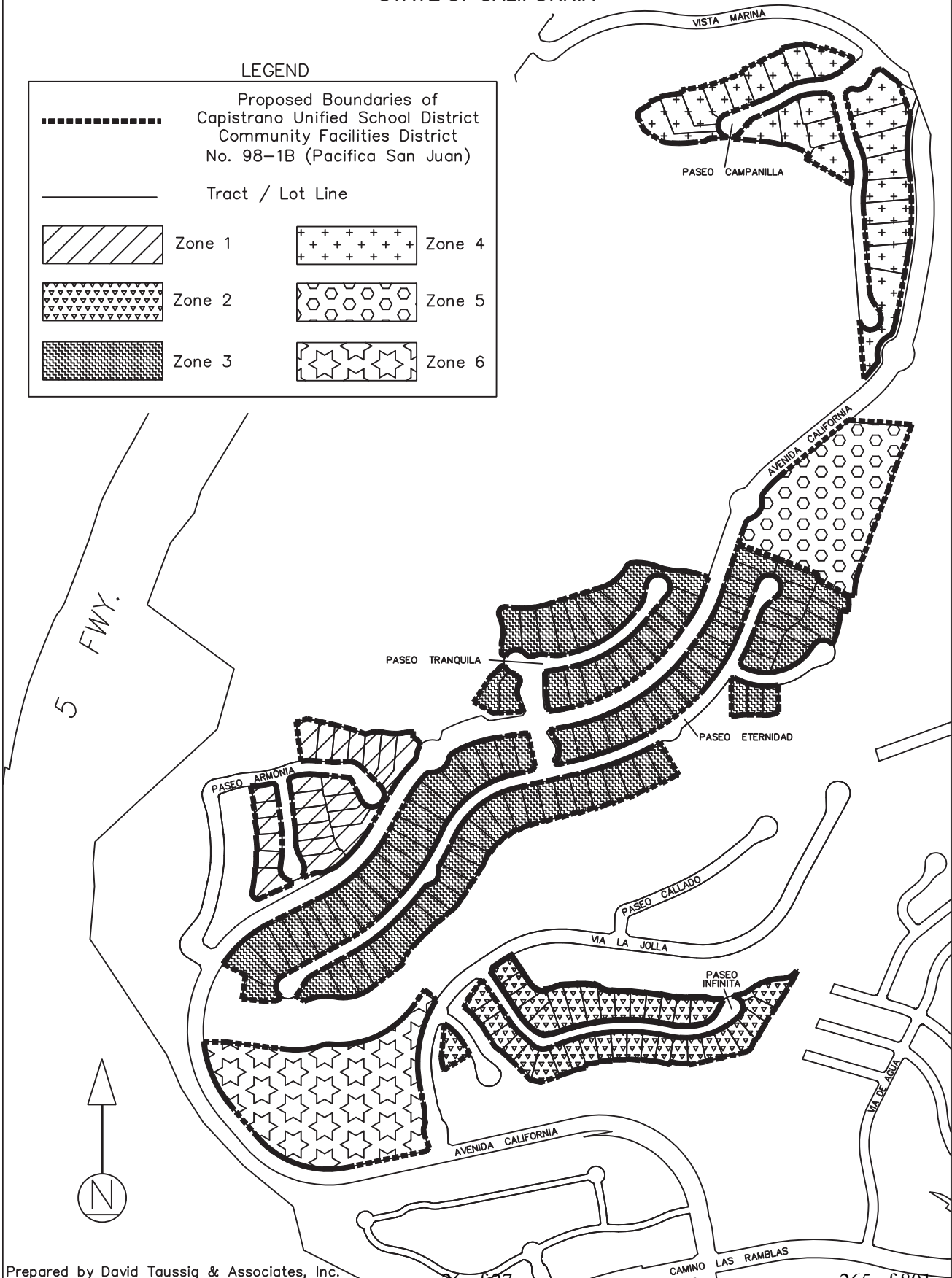
The Special Tax shall be levied each year to fully satisfy the Special Tax Requirement, but in no event shall it be levied after Fiscal Year 2055-56.

EXHIBIT A
ZONE DESIGNATION

PROPOSED BOUNDARIES OF
 CAPISTRANO UNIFIED SCHOOL DISTRICT
 COMMUNITY FACILITIES DISTRICT NO. 98-1B
 (PACIFICA SAN JUAN)
 COUNTY OF ORANGE
 STATE OF CALIFORNIA

LEGEND

	Proposed Boundaries of Capistrano Unified School District Community Facilities District No. 98-1B (Pacifica San Juan)	
	Tract / Lot Line	
	Zone 1	 Zone 4
	Zone 2	 Zone 5
	Zone 3	 Zone 6



CLERK'S CERTIFICATE

I, _____, Clerk of the Capistrano Unified School District, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly held at the regular meeting place thereof on the ____ day of _____, 2016, of which meeting all of the members of said Board of Trustees had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 33122 Valle Road, San Juan Capistrano, California 92675, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.


Dated: _____, 2016

[SEAL]

Clerk of the Capistrano Unified School District

MEMORANDUM

To: Clark Hampton

From: Keith Weaver 

Date: April 25, 2016

Re: Board Documents for CFDs: the Formation of CFD 98-1B, the Issuance of Bonds for CFD 98-1A and CFD 2005-1, the Refinancing of Bonds for CFD 90-2, and the Prepayment of Bonds for CFD 87-1

Clark, on May 11th the Board will be asked to consider approval of resolutions and related legal documents that pertain to upcoming activity in CFD 98-1A and 98-1B (Pacifica San Juan), CFD 90-2 (Talega), and CFD 87-1 (Mission Viejo/Aliso Viejo). In preparation for the Board's consideration of these items, this memorandum briefly reviews the role of each of the primary documents.

Resolution of Formation of CFD 98-1B (Pacifica San Juan)

This resolution establishes CFD 98-1B. The resolution sets a date for a public hearing at the Board meeting on May 11, 2016 and provides for an election where the landowner(s) within the CFD will vote on the approval of the CFD. It describes the facilities to be financed by the CFD. Finally, it includes a rate and method of apportionment of the CFD tax.

Rate and Method of Apportionment

The rate and method of apportionment describes how taxes levied within the CFD will be applied amongst the property owners. There will be six zones of taxes based on the different locations and housing products planned by the developer. Developed property is levied first, and undeveloped property is only levied to the extent required to pay debt service on the bonds. Property owners have the ability to prepay the tax. The tax has an expiration date of 40 years, beginning with FY 2016-17.

Resolution to Incur Bonded Indebtedness Within CFD 98-1B (Pacifica San Juan)

The resolution describes CUSD's determination that it is necessary to issue bonds to help fund the share of mitigation owed by new homes within CFD 98-1B. The bonds will finance school facilities and city infrastructure. The estimated bond amount is \$11.5 million, and the resolution establishes a not-to-exceed amount of \$14.0 million. The estimated term of the bonds is 30 years, and the resolution establishes a not-to-exceed term of 40 years.

Resolution Calling Special Election for CFD 98-1B (Pacifica San Juan)

The resolution calls for a special election of the landowners within the CFD. The election will be held at the District office during the Board meeting on May 11, 2016. The Clerk of the Board will conduct the election by receiving and counting the ballots.

Resolution Declaring Results of Special Election for CFD 98-1B (Pacifica San Juan)

Once the Clerk of the Board has counted the ballots, she will submit the canvass of results to the Board for review. Assuming the election is successful, the Resolution declares the election as having passed, and directs that a notice of special tax lien be filed upon the property within the CFD.

Resolution Reducing the Levy of Taxes for CFD 98-1A (Pacifica San Juan)

This resolution permanently reduces the levy of special taxes for CFD 98-1A, and directs that an amended notice of special tax lien be filed upon the property within the CFD. The reason for the reduction is that the homes within CFD 98-1A will receive a credit to acknowledge the pay-as-you-go funds that they have already paid. The new maximum special tax levy will be 39.67% of the prior maximum special tax levy. The remaining share of total development mitigation will be paid from CFD 98-1B.

Resolution Authorizing the Issuance of Bonds for CFD 98-1A (Pacifica San Juan)

This resolution authorizes the issuance of bonds for CFD 98-1A in an amount not-to-exceed \$6.5 million. The estimated amount of bonds planned for issuance is \$4.8 million, though the not-to-exceed amount allows for additional bonds to be issued should market conditions prove more favorable than anticipated. The resolution also approves several CFD 98-1A bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The creation of funds and accounts for the bonds and the allocation of bond proceeds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 98-1A, the underwriter is Hilltop Securities, selected via an RFP process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the District or the Underwriter. This document will be finalized on the day of pricing of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant

events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned pricing date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Issuance of Refunding Bonds for CFD 90-2 (Talega)

This resolution authorizes the issuance of refunding bonds (for the purpose of refinancing the outstanding bonds) for CFD 90-2 in an amount not-to-exceed \$45.0 million, and sets the minimum net present value savings after costs to be 3% of the principal amount of CFD 90-2 bonds to be refunded. The estimated amount of refunding bonds planned for issuance is \$40.0 million, though the not-to-exceed amount allows for additional bonds to be issued should the flexibility be needed to cover additional costs. The resolution also approves several CFD 90-2 bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The allocation of bond proceeds into specified funds and accounts for the bonds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 90-2, the underwriter will be selected via a competitive bid process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the Underwriter. This document will be finalized on the day of sale of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned sale date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo) (Acting on Behalf of CFD 87-1)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Next Steps

It is currently anticipated that the CFD 2005-1 bond issuance will be completed in June, the CFD 98-1A bond issuance will be completed in July, the CFD 90-2 bond issuance will be completed in August, and the CFD 87-1 prepayment will be completed in September. Following completion, the Board will receive an information presentation on the results.

Clark, please let us know if you have any questions or comments. Thank you.

KW/abm

RESOLUTION NO. 1516-53

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS WITHIN COMMUNITY FACILITIES DISTRICT NO. 98-1B OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN)

Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan)

WHEREAS, on March 23, 2016, the Board of Trustees (the “Board of Trustees”) of the Capistrano Unified School District (“CUSD”) adopted a resolution entitled “A Resolution of the Board of Trustees of the Capistrano Unified School District of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes” stating its intention to form Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan) (the “Community Facilities District”) pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”);

WHEREAS, on March 23, 2016, the Board of Trustees also adopted a resolution entitled “A Resolution of the Board of Trustees of the Capistrano Unified School District to Incur Bonded Indebtedness of the Proposed Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan)” (the “Resolution to Incur Bonded Indebtedness”) declaring the necessity for incurring bonded indebtedness;

WHEREAS, on this date, the Board of Trustees conducted a noticed public hearing on the proposal to issue debt, as required by the Act and the Resolution to Incur Bonded Indebtedness;

WHEREAS, at the hearing, any person interested, including persons owning property within the area and desiring to appear and present any matters material to the questions set forth in the Resolution to Incur Bonded Indebtedness appeared and presented such matters;

WHEREAS, no oral or written protests against the proposal to issue debt were made or filed at or before the hearing; and

WHEREAS, on this date, the Board of Trustees adopted a resolution entitled “A Resolution of the Board of Trustees of the Capistrano Unified School District of Formation of Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan), Authorizing the Levy of a Special Tax within the District and Establishing an Appropriations Limit for the District” (the “Resolution of Formation”);

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Capistrano Unified School District as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The Board of Trustees deems it necessary to incur the bonded indebtedness.

Section 3. The bonded indebtedness will be incurred in one or more series for the purpose of financing the costs of the Facilities (as defined in the Resolution of Formation), including all costs and estimated costs incidental to, or connected with, the accomplishment of such purpose.

Section 4. In accordance with the previous determination of the Board of Trustees, the whole of the Community Facilities District will pay for the bonded indebtedness.

Section 5. The maximum aggregate amount of all series of debt to be incurred is \$14,000,000.

Section 6. The maximum term for any series of bonds to be issued before maturity is 40 years.

Section 7. The maximum annual rate of interest to be paid on a series of bonds shall not exceed the maximum interest rate permitted by applicable law at the time of sale of such series of bonds, payable semiannually or at such times as the Board of Trustees or its designee shall determine, the actual rate or rates and times of payment of such interest to be determined by the Board of Trustees or its designee at the time or times of sale of such series of bonds.

Section 8. The proposition to incur the bonded indebtedness will be submitted to the voters.

Section 9. The date of the special community facilities district election (which shall be consolidated with the special district election to levy a special tax within the Community Facilities District) at which time the proposition shall be submitted to the voters is May 11, 2016.

Section 10. The election is to be conducted by mail ballot. The mailed ballots are required to be received in the office of the Clerk of the Board of Trustees no later than 12:00 noon on May 11, 2016; provided, however, that if all of the qualified electors have voted prior to such time, the election may be closed.

Section 11. The officers, employees and agents of CUSD are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

Section 12. This Resolution shall take effect immediately upon its adoption.

APPROVED and ADOPTED by the Board of Trustees of the Capistrano Unified School District on May 11, 2016.

President of the Board of Trustees of the
Capistrano Unified School District

ATTEST:

Clerk of the Board of Trustees of the
Capistrano Unified School District

CLERKS'S CERTIFICATE

I, _____, Clerk of the Capistrano Unified School District, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly held at the regular meeting place thereof on the ____ day of _____, 2016, of which meeting all of the members of said Board of Trustees had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 33122 Valle Road, San Juan Capistrano, California 92675, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.


Dated: _____, 2016

[SEAL]

Clerk of the Capistrano Unified School District

MEMORANDUM

To: Clark Hampton

From: Keith Weaver 

Date: April 25, 2016

Re: Board Documents for CFDs: the Formation of CFD 98-1B, the Issuance of Bonds for CFD 98-1A and CFD 2005-1, the Refinancing of Bonds for CFD 90-2, and the Prepayment of Bonds for CFD 87-1

Clark, on May 11th the Board will be asked to consider approval of resolutions and related legal documents that pertain to upcoming activity in CFD 98-1A and 98-1B (Pacifica San Juan), CFD 90-2 (Talega), and CFD 87-1 (Mission Viejo/Aliso Viejo). In preparation for the Board's consideration of these items, this memorandum briefly reviews the role of each of the primary documents.

Resolution of Formation of CFD 98-1B (Pacifica San Juan)

This resolution establishes CFD 98-1B. The resolution sets a date for a public hearing at the Board meeting on May 11, 2016 and provides for an election where the landowner(s) within the CFD will vote on the approval of the CFD. It describes the facilities to be financed by the CFD. Finally, it includes a rate and method of apportionment of the CFD tax.

Rate and Method of Apportionment

The rate and method of apportionment describes how taxes levied within the CFD will be applied amongst the property owners. There will be six zones of taxes based on the different locations and housing products planned by the developer. Developed property is levied first, and undeveloped property is only levied to the extent required to pay debt service on the bonds. Property owners have the ability to prepay the tax. The tax has an expiration date of 40 years, beginning with FY 2016-17.

Resolution to Incur Bonded Indebtedness Within CFD 98-1B (Pacifica San Juan)

The resolution describes CUSD's determination that it is necessary to issue bonds to help fund the share of mitigation owed by new homes within CFD 98-1B. The bonds will finance school facilities and city infrastructure. The estimated bond amount is \$11.5 million, and the resolution establishes a not-to-exceed amount of \$14.0 million. The estimated term of the bonds is 30 years, and the resolution establishes a not-to-exceed term of 40 years.

Resolution Calling Special Election for CFD 98-1B (Pacifica San Juan)

The resolution calls for a special election of the landowners within the CFD. The election will be held at the District office during the Board meeting on May 11, 2016. The Clerk of the Board will conduct the election by receiving and counting the ballots.

Resolution Declaring Results of Special Election for CFD 98-1B (Pacifica San Juan)

Once the Clerk of the Board has counted the ballots, she will submit the canvass of results to the Board for review. Assuming the election is successful, the Resolution declares the election as having passed, and directs that a notice of special tax lien be filed upon the property within the CFD.

Resolution Reducing the Levy of Taxes for CFD 98-1A (Pacifica San Juan)

This resolution permanently reduces the levy of special taxes for CFD 98-1A, and directs that an amended notice of special tax lien be filed upon the property within the CFD. The reason for the reduction is that the homes within CFD 98-1A will receive a credit to acknowledge the pay-as-you-go funds that they have already paid. The new maximum special tax levy will be 39.67% of the prior maximum special tax levy. The remaining share of total development mitigation will be paid from CFD 98-1B.

Resolution Authorizing the Issuance of Bonds for CFD 98-1A (Pacifica San Juan)

This resolution authorizes the issuance of bonds for CFD 98-1A in an amount not-to-exceed \$6.5 million. The estimated amount of bonds planned for issuance is \$4.8 million, though the not-to-exceed amount allows for additional bonds to be issued should market conditions prove more favorable than anticipated. The resolution also approves several CFD 98-1A bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The creation of funds and accounts for the bonds and the allocation of bond proceeds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 98-1A, the underwriter is Hilltop Securities, selected via an RFP process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the District or the Underwriter. This document will be finalized on the day of pricing of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant

events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned pricing date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Issuance of Refunding Bonds for CFD 90-2 (Talega)

This resolution authorizes the issuance of refunding bonds (for the purpose of refinancing the outstanding bonds) for CFD 90-2 in an amount not-to-exceed \$45.0 million, and sets the minimum net present value savings after costs to be 3% of the principal amount of CFD 90-2 bonds to be refunded. The estimated amount of refunding bonds planned for issuance is \$40.0 million, though the not-to-exceed amount allows for additional bonds to be issued should the flexibility be needed to cover additional costs. The resolution also approves several CFD 90-2 bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The allocation of bond proceeds into specified funds and accounts for the bonds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 90-2, the underwriter will be selected via a competitive bid process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the Underwriter. This document will be finalized on the day of sale of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned sale date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo) (Acting on Behalf of CFD 87-1)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Next Steps

It is currently anticipated that the CFD 2005-1 bond issuance will be completed in June, the CFD 98-1A bond issuance will be completed in July, the CFD 90-2 bond issuance will be completed in August, and the CFD 87-1 prepayment will be completed in September. Following completion, the Board will receive an information presentation on the results.

Clark, please let us know if you have any questions or comments. Thank you.

KW/abm

RESOLUTION NO. 1516-54

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT CALLING SPECIAL ELECTION FOR COMMUNITY FACILITIES DISTRICT NO. 98-1B OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN)

Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan)

WHEREAS, on this date, the Board of Trustees (the “Board of Trustees”) of the Capistrano Unified School District (“CUSD”) adopted a resolution entitled “A Resolution of the Board of Trustees of the Capistrano Unified School District of Formation of Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan), Authorizing the Levy of a Special Tax within the District and Establishing an Appropriations Limit for the District” (the “Resolution of Formation”), establishing Community Facilities District No. 98-1B of the Capistrano Unified School District (the “Community Facilities District”), authorizing the levy of a special tax within the Community Facilities District and establishing an appropriations limit for the Community Facilities District;

WHEREAS, on this date, the Board of Trustees also adopted a resolution entitled “A Resolution of the Board of Trustees of the Capistrano Unified School District Deeming It Necessary to Incur Bonded Indebtedness within Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan),” deeming it necessary to incur bonded indebtedness in the maximum aggregate amount of \$14,000,000; and

WHEREAS, pursuant to the provisions of said resolutions, the propositions to incur bonded indebtedness, to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District are to be submitted to the qualified electors of the Community Facilities District as required by the Mello-Roos Community Facilities Act of 1982 (the “Act”);

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Capistrano Unified School District as follows:

Section 1. Pursuant to Sections 53351, 53326 and 53325.7 of the Act, the propositions to incur bonded indebtedness, to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District shall be submitted to the qualified electors of the Community Facilities District at an election called therefor as provided below.

Section 2. As authorized by Section 53353.5 of the Act, the propositions to incur bonded indebtedness, to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District shall be combined into one ballot proposition.

Section 3. The Board of Trustees hereby finds that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of the public hearings heretofore held by the Board of Trustees for the purposes of these proceedings. Accordingly, pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Community Facilities District and each landowner who is the owner of record as of the close of such public hearings, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District.

Section 4. The Board of Trustees hereby determines that the facilities financed by the Community Facilities District are necessary to meet increased demands placed upon local agencies as a result of development occurring in the Community Facilities District.

Section 5. The Board of Trustees hereby calls a special election to submit to the qualified electors of the Community Facilities District the combined proposition to incur bonded indebtedness, to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District, which election shall be held at 33122 Valle Road, San Juan Capistrano, California, on May 11, 2016. The Clerk of the Board of Trustees (the "Clerk") is hereby designated as the official to conduct said election. The Board of Trustees has caused to be provided to the Clerk the Resolution of Formation, a certified map of sufficient scale and clarity to show the boundaries of the Community Facilities District, and a sufficient description to allow the Clerk to determine the boundaries of the Community Facilities District.

The voted ballots shall be returned to the Clerk not later than 12:00 p.m. on May 11, 2016; provided, however, that if all of the qualified electors have voted prior to such time, the election may be closed with the concurrence of the Clerk.

Section 6. Pursuant to Section 53327 of the Act, the election shall be conducted by mail or hand-delivered ballot pursuant to Section 4000 of the California Elections Code. The Board of Trustees hereby finds that paragraphs (a), (b), and (c)(1) of said Section 4000 are applicable to this special election.

Section 7. The form of the ballot for said election is attached hereto as Exhibit A and by this reference incorporated herein, and such form of ballot is hereby approved. The Clerk shall cause to be delivered to each of the qualified electors of the Community Facilities District a ballot in said form. Each ballot shall indicate the number of votes to be voted by the respective landowner to which it pertains.

Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The identification envelope for return of the ballot shall be enclosed with the ballot, shall have the return postage prepaid, and shall contain: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or the authorized representative of the landowner entitled to vote and is the person whose name appears on the identification envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration described in

clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

Analysis and arguments with respect to the ballot proposition are hereby waived, as provided in Section 53327 of the Act.

Section 8. The Clerk shall accept the ballots of the qualified electors in the Clerk's office at 33122 Valle Road, San Juan Capistrano, California 92675, to and including 12:00 p.m. on May 11, 2016, whether said ballots be personally delivered or received by mail. The Clerk shall have available ballots which may be marked at said location on the election day by said qualified electors.

Section 9. The Board of Trustees hereby finds that the provision of Section 53326 of the Act requiring the special election to be held at least 90 days following the adoption of the Resolution of Formation is for the protection of the qualified electors of the Community Facilities District. There is on file with the Clerk written requests and waivers executed by all of the qualified electors of the Community Facilities District consenting to a shortening of the time for said special election to expedite the process of formation of the Community Facilities District and waiving any requirement for analysis and arguments in connection with the election. Accordingly, the Board of Trustees finds and determines that said qualified electors have been fully apprised of and have consented to the shortened time for the election and waiver of analysis and arguments, and have thereby been fully protected in these proceedings. The Board of Trustees also finds and determines that the Clerk has concurred in the shortened time for the election.

Section 10. The specific purposes of the bonded indebtedness proposed to be incurred is the financing of the Facilities (as defined in the Resolution of Formation), including all costs and estimated costs incidental to, or connected with, the accomplishment of such purpose, and the proceeds of such bonded indebtedness shall be applied only to such specific purposes.

Upon approval of the proposition to incur bonded indebtedness, and the sale of any bonds evidencing such indebtedness, the Board of Trustees shall take such action as may be necessary to cause to be established an account for deposit of the proceeds of sale of the bonds. For so long as any proceeds of the bonds remain unexpended, the Deputy Superintendent, Business and Support Services, of CUSD shall cause to be filed with the Board of Trustees, no later than January 1 of each year, a report stating (a) the amount of bond proceeds received and expended during the preceding year, and (b) the status of any project funded or to be funded from bond proceeds. Said report may relate to the calendar year, fiscal year, or other appropriate annual period, as the Deputy Superintendent, Business and Support Services, of CUSD shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board of Trustees.

Section 11. The officers, employees and agents of CUSD are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

Section 12. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED this 11th day of May, 2016, by the Capistrano Unified School District Board of Trustees, Orange County, California.

Board President
Capistrano Unified School District

Clerk of the Board of Trustees
Capistrano Unified School District

EXHIBIT A

OFFICIAL BALLOT

CAPISTRANO UNIFIED SCHOOL DISTRICT May 11, 2016

SPECIAL ELECTION

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the Clerk of the Board of Trustees of the Capistrano Unified School District no later than 12:00 p.m. on May 11, 2016, either by mail or in person. The Clerk's office is located at 33122 Valle Road, San Juan Capistrano, California 92675.

INSTRUCTIONS TO VOTERS:

To vote on the measure, mark a cross (+) or (X) in the voting square after the word "YES" or after the word "NO". All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the Clerk of the Board of Trustees of the Capistrano Unified School District and obtain another.

COMMUNITY FACILITIES DISTRICT NO. 98-1B OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN)

MEASURE SUBMITTED TO VOTE OF VOTERS: Shall Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan) (the "Community Facilities District") be authorized to incur bonded indebtedness in one or more series in a maximum aggregate amount of not to exceed \$14,000,000 and levy a special tax pursuant to the rate and method of apportionment of special tax approved by the Resolution of Formation in order to finance certain facilities and shall the annual appropriations limit of the Community Facilities District be established in the amount of \$14,000,000, all as specified in the Resolution entitled "A Resolution of the Board of Trustees of the Capistrano Unified School District of Formation of Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan), Authorizing the Levy of a Special Tax within the District and Establishing an Appropriations Limit for the District" (the "Resolution of Formation") and the Resolution entitled "A Resolution of the Board of Trustees of the Capistrano Unified School District Deeming it Necessary to Incur Bonded Indebtedness within Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan)," adopted by the Board of Trustees

Yes: ☐

No: ☐

of the Capistrano Unified School District on May 11, 2016?

By execution in the space provided below, you also indicate your waiver of the time limit pertaining to the conduct of the election and any requirement for analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Sections 53326(a) and 53327(b) of the Mello-Roos Community Facilities Act of 1982.

Number of Votes: 67
Landowner: Pacific Point Development Partners LLC

PACIFIC POINT DEVELOPMENT PARTNERS LLC,
A Delaware limited liability company

By: Taylor Morrison Pacific Point Holdings, LLC,
A Delaware limited liability company
Its Managing Member

By: _____

Name: _____

Title: _____

CLERK'S CERTIFICATE

I, _____, Clerk of the Capistrano Unified School District, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly held at the regular meeting place thereof on the ____ day of _____, 2016, of which meeting all of the members of said Board of Trustees had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 33122 Valle Road, San Juan Capistrano, California 92675, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 2016

[SEAL]

Clerk of the Capistrano Unified School District



MEMORANDUM

To: Clark Hampton

From: Keith Weaver *KW*

Date: April 25, 2016

Re: Board Documents for CFDs: the Formation of CFD 98-1B, the Issuance of Bonds for CFD 98-1A and CFD 2005-1, the Refinancing of Bonds for CFD 90-2, and the Prepayment of Bonds for CFD 87-1

Clark, on May 11th the Board will be asked to consider approval of resolutions and related legal documents that pertain to upcoming activity in CFD 98-1A and 98-1B (Pacifica San Juan), CFD 90-2 (Talega), and CFD 87-1 (Mission Viejo/Aliso Viejo). In preparation for the Board's consideration of these items, this memorandum briefly reviews the role of each of the primary documents.

Resolution of Formation of CFD 98-1B (Pacifica San Juan)

This resolution establishes CFD 98-1B. The resolution sets a date for a public hearing at the Board meeting on May 11, 2016 and provides for an election where the landowner(s) within the CFD will vote on the approval of the CFD. It describes the facilities to be financed by the CFD. Finally, it includes a rate and method of apportionment of the CFD tax.

Rate and Method of Apportionment

The rate and method of apportionment describes how taxes levied within the CFD will be applied amongst the property owners. There will be six zones of taxes based on the different locations and housing products planned by the developer. Developed property is levied first, and undeveloped property is only levied to the extent required to pay debt service on the bonds. Property owners have the ability to prepay the tax. The tax has an expiration date of 40 years, beginning with FY 2016-17.

Resolution to Incur Bonded Indebtedness Within CFD 98-1B (Pacifica San Juan)

The resolution describes CUSD's determination that it is necessary to issue bonds to help fund the share of mitigation owed by new homes within CFD 98-1B. The bonds will finance school facilities and city infrastructure. The estimated bond amount is \$11.5 million, and the resolution establishes a not-to-exceed amount of \$14.0 million. The estimated term of the bonds is 30 years, and the resolution establishes a not-to-exceed term of 40 years.

Resolution Calling Special Election for CFD 98-1B (Pacifica San Juan)

The resolution calls for a special election of the landowners within the CFD. The election will be held at the District office during the Board meeting on May 11, 2016. The Clerk of the Board will conduct the election by receiving and counting the ballots.

Resolution Declaring Results of Special Election for CFD 98-1B (Pacifica San Juan)

Once the Clerk of the Board has counted the ballots, she will submit the canvass of results to the Board for review. Assuming the election is successful, the Resolution declares the election as having passed, and directs that a notice of special tax lien be filed upon the property within the CFD.

Resolution Reducing the Levy of Taxes for CFD 98-1A (Pacifica San Juan)

This resolution permanently reduces the levy of special taxes for CFD 98-1A, and directs that an amended notice of special tax lien be filed upon the property within the CFD. The reason for the reduction is that the homes within CFD 98-1A will receive a credit to acknowledge the pay-as-you-go funds that they have already paid. The new maximum special tax levy will be 39.67% of the prior maximum special tax levy. The remaining share of total development mitigation will be paid from CFD 98-1B.

Resolution Authorizing the Issuance of Bonds for CFD 98-1A (Pacifica San Juan)

This resolution authorizes the issuance of bonds for CFD 98-1A in an amount not-to-exceed \$6.5 million. The estimated amount of bonds planned for issuance is \$4.8 million, though the not-to-exceed amount allows for additional bonds to be issued should market conditions prove more favorable than anticipated. The resolution also approves several CFD 98-1A bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The creation of funds and accounts for the bonds and the allocation of bond proceeds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 98-1A, the underwriter is Hilltop Securities, selected via an RFP process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the District or the Underwriter. This document will be finalized on the day of pricing of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant

events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned pricing date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Issuance of Refunding Bonds for CFD 90-2 (Talega)

This resolution authorizes the issuance of refunding bonds (for the purpose of refinancing the outstanding bonds) for CFD 90-2 in an amount not-to-exceed \$45.0 million, and sets the minimum net present value savings after costs to be 3% of the principal amount of CFD 90-2 bonds to be refunded. The estimated amount of refunding bonds planned for issuance is \$40.0 million, though the not-to-exceed amount allows for additional bonds to be issued should the flexibility be needed to cover additional costs. The resolution also approves several CFD 90-2 bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The allocation of bond proceeds into specified funds and accounts for the bonds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 90-2, the underwriter will be selected via a competitive bid process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the Underwriter. This document will be finalized on the day of sale of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned sale date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo) (Acting on Behalf of CFD 87-1)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Next Steps

It is currently anticipated that the CFD 2005-1 bond issuance will be completed in June, the CFD 98-1A bond issuance will be completed in July, the CFD 90-2 bond issuance will be completed in August, and the CFD 87-1 prepayment will be completed in September. Following completion, the Board will receive an information presentation on the results.

Clark, please let us know if you have any questions or comments. Thank you.

KW/abm

RESOLUTION NO. 1516-55

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT DECLARING RESULTS OF SPECIAL ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN

Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan)

WHEREAS, on March 23, 2016, the Board of Trustees (the “Board of Trustees”) of the Capistrano Unified School District (“CUSD”) adopted a resolution entitled “A Resolution of the Board of Trustees of the Capistrano Unified School District Calling Special Election for Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan)” (the “Resolution Calling Election”), calling for a special election of the qualified electors within Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan) (the “Community Facilities District”);

WHEREAS, pursuant to the terms of the Resolution Calling Election and the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”), the special election was held on May 11, 2016; and

WHEREAS, the Clerk of the Board of Trustees (the “Clerk”) has certified the canvass of the returns of the election and has filed a Canvass and Statement of Results of Election (the “Canvass”), a copy of which is attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Capistrano Unified School District as follows:

Section 1. The Board of Trustees has received, reviewed and hereby accepts the Canvass.

Section 2. The Board of Trustees hereby finds and declares that the ballot proposition submitted to the qualified electors of the Community Facilities District pursuant to the Resolution Calling Election has been passed and approved by such electors in accordance with Section 53328, Section 53355 and Section 53325.7 of the Act.

Section 3. The Clerk is hereby directed to execute and cause to be recorded in the office of the Orange County Recorder a notice of special tax lien in the form required by the Act, said recording to occur on the date that is thirty (30) days following the adoption of this Resolution provided that there has been no filing of any lawsuit challenging the formation of the Community Facilities District.

Section 4. The officers, employees and agents of CUSD are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

Section 5. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED this 11th day of May, 2016, by the Capistrano Unified School District Board of Trustees, Orange County, California.

Board President
Capistrano Unified School District

Clerk of the Board of Trustees
Capistrano Unified School District

EXHIBIT A

**COMMUNITY FACILITIES DISTRICT NO. 98-1B
OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN
JUAN)**

CANVASS AND STATEMENT OF RESULTS OF ELECTION

I hereby certify that on May 11, 2016, I canvassed the returns of the special election held on May 11, 2016 for Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan), that the total number of ballots cast in said Community Facilities District and the total number of votes cast for and against the measure are as follows and that the totals as shown for and against the measure are true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan) Special Election, May 11, 2016	67			

MEASURE SUBMITTED TO VOTE OF VOTERS: Shall Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan) (the "Community Facilities District") be authorized to incur bonded indebtedness in one or more series in a maximum aggregate amount of not to exceed \$14,000,000 and levy a special tax pursuant to the rate and method of apportionment of special tax approved by the Resolution of Formation in order to finance certain facilities and shall the annual appropriations limit of the Community Facilities District be established in the amount of \$14,000,000, all as specified in the Resolution entitled "A Resolution of the Board of Trustees of the Capistrano Unified School District of Formation of Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan), Authorizing the Levy of a Special Tax within the District and Establishing an Appropriations Limit for the District" (the "Resolution of Formation") and the Resolution entitled "A Resolution of the Board of Trustees of the Capistrano Unified School District Deeming it Necessary to Incur Bonded Indebtedness within Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan)," adopted by the Board of Trustees of the Capistrano Unified School District on May 11, 2016?

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2016.

Clerk of the Board of Trustees of the
Capistrano Unified School District

CLERK'S CERTIFICATE

I, _____, Clerk of the Capistrano Unified School District, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly held at the regular meeting place thereof on the ____ day of _____, 2016, of which meeting all of the members of said Board of Trustees had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 33122 Valle Road, San Juan Capistrano, California 92675, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.


Dated: _____, 2016

[SEAL]

Clerk of the Capistrano Unified School District

MEMORANDUM

To: Clark Hampton

From: Keith Weaver 

Date: April 25, 2016

Re: Board Documents for CFDs: the Formation of CFD 98-1B, the Issuance of Bonds for CFD 98-1A and CFD 2005-1, the Refinancing of Bonds for CFD 90-2, and the Prepayment of Bonds for CFD 87-1

Clark, on May 11th the Board will be asked to consider approval of resolutions and related legal documents that pertain to upcoming activity in CFD 98-1A and 98-1B (Pacifica San Juan), CFD 90-2 (Talega), and CFD 87-1 (Mission Viejo/Aliso Viejo). In preparation for the Board's consideration of these items, this memorandum briefly reviews the role of each of the primary documents.

Resolution of Formation of CFD 98-1B (Pacifica San Juan)

This resolution establishes CFD 98-1B. The resolution sets a date for a public hearing at the Board meeting on May 11, 2016 and provides for an election where the landowner(s) within the CFD will vote on the approval of the CFD. It describes the facilities to be financed by the CFD. Finally, it includes a rate and method of apportionment of the CFD tax.

Rate and Method of Apportionment

The rate and method of apportionment describes how taxes levied within the CFD will be applied amongst the property owners. There will be six zones of taxes based on the different locations and housing products planned by the developer. Developed property is levied first, and undeveloped property is only levied to the extent required to pay debt service on the bonds. Property owners have the ability to prepay the tax. The tax has an expiration date of 40 years, beginning with FY 2016-17.

Resolution to Incur Bonded Indebtedness Within CFD 98-1B (Pacifica San Juan)

The resolution describes CUSD's determination that it is necessary to issue bonds to help fund the share of mitigation owed by new homes within CFD 98-1B. The bonds will finance school facilities and city infrastructure. The estimated bond amount is \$11.5 million, and the resolution establishes a not-to-exceed amount of \$14.0 million. The estimated term of the bonds is 30 years, and the resolution establishes a not-to-exceed term of 40 years.

Resolution Calling Special Election for CFD 98-1B (Pacifica San Juan)

The resolution calls for a special election of the landowners within the CFD. The election will be held at the District office during the Board meeting on May 11, 2016. The Clerk of the Board will conduct the election by receiving and counting the ballots.

Resolution Declaring Results of Special Election for CFD 98-1B (Pacifica San Juan)

Once the Clerk of the Board has counted the ballots, she will submit the canvass of results to the Board for review. Assuming the election is successful, the Resolution declares the election as having passed, and directs that a notice of special tax lien be filed upon the property within the CFD.

Resolution Reducing the Levy of Taxes for CFD 98-1A (Pacifica San Juan)

This resolution permanently reduces the levy of special taxes for CFD 98-1A, and directs that an amended notice of special tax lien be filed upon the property within the CFD. The reason for the reduction is that the homes within CFD 98-1A will receive a credit to acknowledge the pay-as-you-go funds that they have already paid. The new maximum special tax levy will be 39.67% of the prior maximum special tax levy. The remaining share of total development mitigation will be paid from CFD 98-1B.

Resolution Authorizing the Issuance of Bonds for CFD 98-1A (Pacifica San Juan)

This resolution authorizes the issuance of bonds for CFD 98-1A in an amount not-to-exceed \$6.5 million. The estimated amount of bonds planned for issuance is \$4.8 million, though the not-to-exceed amount allows for additional bonds to be issued should market conditions prove more favorable than anticipated. The resolution also approves several CFD 98-1A bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The creation of funds and accounts for the bonds and the allocation of bond proceeds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 98-1A, the underwriter is Hilltop Securities, selected via an RFP process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the District or the Underwriter. This document will be finalized on the day of pricing of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant

events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned pricing date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Issuance of Refunding Bonds for CFD 90-2 (Talega)

This resolution authorizes the issuance of refunding bonds (for the purpose of refinancing the outstanding bonds) for CFD 90-2 in an amount not-to-exceed \$45.0 million, and sets the minimum net present value savings after costs to be 3% of the principal amount of CFD 90-2 bonds to be refunded. The estimated amount of refunding bonds planned for issuance is \$40.0 million, though the not-to-exceed amount allows for additional bonds to be issued should the flexibility be needed to cover additional costs. The resolution also approves several CFD 90-2 bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The allocation of bond proceeds into specified funds and accounts for the bonds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 90-2, the underwriter will be selected via a competitive bid process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the Underwriter. This document will be finalized on the day of sale of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned sale date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo) (Acting on Behalf of CFD 87-1)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Next Steps

It is currently anticipated that the CFD 2005-1 bond issuance will be completed in June, the CFD 98-1A bond issuance will be completed in July, the CFD 90-2 bond issuance will be completed in August, and the CFD 87-1 prepayment will be completed in September. Following completion, the Board will receive an information presentation on the results.

Clark, please let us know if you have any questions or comments. Thank you.

KW/abm

RESOLUTION NO. 1516-56

RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN) PERMANENTLY REDUCING THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 98-1A, MAKING CERTAIN FINDINGS WITH RESPECT THERETO, AND DIRECTING THE EXECUTION AND RECORDATION OF A SECOND AMENDED NOTICE OF SPECIAL TAX LIEN

WHEREAS, on September 13, 1999, the Board of Trustees (the “Board”) of the Capistrano Unified School District (the “CUSD”) duly adopted its Resolution No. 9900-33 (the “Resolution of Formation”) establishing the CUSD’s Community Facilities District No. 98-1 (the “Community Facilities District”) for the purpose of financing the acquisition of certain public facilities; and

WHEREAS, at an election in the Community Facilities District that was held on September 13, 1999, the qualified electors thereof duly authorized the levy of a special tax within the Community Facilities District pursuant to the terms of the Rate and Method of Apportionment of Special Tax (the “RMA”) contained in the Resolution of Formation; and

WHEREAS, pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Government Code, the Clerk of the Board recorded a Notice of Special Tax Lien for the Community Facilities District in the Office of the Orange County Clerk-Recorder on September 14, 1999 as Document No. 19990660408 (the “Original Notice”); and

WHEREAS, on April 19, 2004, the Board duly adopted its Resolution No. 0304-77 (the “Resolution of Consideration”) changing the name of the Community Facilities District to be “Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan)” and calling a public hearing on proposed amendments to (i) amend and restate the RMA (the “Amended and Restated RMA”); (ii) change the type of facilities to be financed; (iii) amend the Community Facilities District boundaries to exclude all commercial properties; and (iv) increase the authorized bonded indebtedness of the Community Facilities District to an amount not to exceed \$45,000,000; and

WHEREAS, on June 14, 2004, the Board duly adopted its Resolution No. 0304-91 (the “Resolution of Change”) after holding a public hearing of the matters set forth in the Resolution of Consideration and approved submitting the proposed amendments set forth in the Resolution of Change to the qualified electors of the Community Facilities District; and

WHEREAS, at an election in the Community Facilities District that was held on June 14, 2004, the qualified electors thereof duly authorized the changes proposed in the Resolution of Change; and

WHEREAS, pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Government Code, the Clerk of the Board recorded Amendment No. 1 to Notice of Special Tax Lien for the Community Facilities District in the Office of the Orange County Clerk-Recorder on June 25, 2004 as Document No. 2004000580583 (the “First Amended Notice”); and

WHEREAS, pursuant to Section 3115.5 of the Streets and Highways Code and Section 53328.3 of the Government Code, the recording of the First Amended Notice amended the lien of the special tax (the “Special Tax”) pursuant to the Amended and Restated RMA on all nonexempt real property within the Community Facilities District; and

WHEREAS, the Board, unless and until it issues bonds, is not required to exercise any of the authority conferred upon it by the Community Facilities District, but may exercise that authority, in the Board’s discretion, to the extent that the Board deems the exercise to be in the public interest and not in violation of outstanding contracts; and

WHEREAS, the Board has the authority to relinquish its authority to levy the Special Tax under Section 53330.5 of the Act; and

WHEREAS, Pacific Point Development Partners LLC (“PPDP”) is the owner of all the “Undeveloped Property” (as that term is defined in the Amended and Restated RMA) within the Community Facilities District whose property might in any way be subject to a higher Special Tax as a result of the proposed Relinquishment (defined below) by the Board and the successor party to both the Impact Mitigation Agreement Related to Community Facilities District No. 98-1A, dated as of June 14, 2004 (the “Original Mitigation Agreement”) and the Amended and Restated Joint Community Facilities Agreement, dated as of June 14, 2004 (the “Original JCFA” and together with the Original Mitigation Agreement, the “2004 Agreements”) and has a vested interest in the levy of Special Taxes under the Amended and Restated RMA (the “Affected Property”), and PPDP has met with representatives of CUSD and the City of San Juan Capistrano (the “City”) and the parties have negotiated forms of (i) an Amended and Restated Impact Mitigation Agreement related to Community Facilities District No. 98-1A and Community Facilities District No. 98-1B (the “Amended and Restated Mitigation Agreement”), (ii) a Second Amended and Restated Joint Community Facilities Agreement by and among CUSD, the Community Facilities District, the City, and PPDP (together with the Amended and Restated Mitigation Agreement, the “Amended Agreements”) and (iii) a Purchase and Sale Agreement by and between CUSD and PPDP (collectively with the Amended Agreements, the “2016 Agreements”); and

WHEREAS, the Board desires, in advance of issuing any bonds to be secured and repaid by the Special Tax and with the consent of the owner of the Affected Property, to irrevocably release and relinquish a portion only of its authority to levy the Special Tax pursuant to the Amended and Restated RMA in order to encourage the development of property within the Community Facilities District (the “Relinquishment” or the “Powers Relinquished”); and

WHEREAS, as a result of the Relinquishment, the Board has determined it necessary and desires to exercise its discretion in Section H of the Amended and Restated RMA to

covenant that it will not issue bonds in the Community Facilities District supported by any of the Special Taxes that are the subject of the Relinquishment; and

WHEREAS, the Board is willing to act on its desire, as described in the preceding paragraphs, only if (i) the owners of the Affected Property shall file their written consent to the Relinquishment with the Clerk of the Board, (ii) a new community facilities district (referred to herein as Community Facilities District No. 98-1B) is formed and authorized to levy special taxes, finance public facilities and issue bonds, (iii) the thirty day statute of limitations period applicable to the formation of Community Facilities District No. 98-1B has expired without challenge, and (iv) the 2016 Agreements are approved, executed and delivered by the respective parties; and

WHEREAS, the Relinquishment is of the authority to levy the Special Tax pursuant to the Amended and Restated RMA in an amount in excess of 39.67% of (i) the currently authorized Maximum Special Tax Rate for Developed Property, Undeveloped Property, Taxable Property Owner Association Property, Taxable Public Property and Taxable Religious Property, and (ii) the currently authorized Backup Special Tax; and

WHEREAS, the Board is advised and finds that the Affected Property is the Undeveloped Property (as that term is defined in the Amended and Restated RMA); and

WHEREAS, there is on file with the Clerk of the Board a form of Consent to the adoption of this Resolution (the "Consent"), a copy of which is attached hereto as Exhibit A; and

WHEREAS, the Board has reviewed a Certificate of the Clerk of the Board indicating that she has received, and has in her possession, Consents signed by the owner of the Affected Property; and

WHEREAS, the Board is fully advised in this matter;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Capistrano Unified School District, acting in its capacity as the legislative body of Community Facilities District No. 98-1A of the Capistrano Unified School District, as follows:

Section 1. The Board finds and determines that the foregoing recitals are true and correct.

Section 2. The Board hereby approves the form of the Consent. The Board finds that the rights, procedures and time periods therein waived are solely for the protection of the owner of the Affected Property and may be waived by the owner of the Affected Property under the common law of waiver, and that the Consent constitutes a full and knowing waiver by the owner of the Affected Property who has executed the Consent, of those rights, procedures and time periods, effective on the date set forth in the Consent.

Section 3. The Board hereby finds based on a Certificate of the Clerk of the Board that she has in her possession the Consent signed by the owner of the Affected Property, and that the owner of the Affected Property has consented to the adoption of this Resolution.

Section 4. The Board hereby exercises its powers under Sections 53330.5 and 53340 of the Mello-Roos Community Facilities Act of 1982 and permanently reduces the special tax rates in the Amended and Restated RMA to the amounts set forth in Appendix A (the “Reduced Rates”) to the form of the “Amendment No. 2 to Notice of Special Tax Lien And *Partial Cessation Of Special Tax*” which is itself attached and incorporated herein as Exhibit B to this Resolution (the “Second Amended Notice of Special Tax Lien”), and which effects the Relinquishment. If the conditions for recording the Second Amended Notice of Special Tax Lien are satisfied and the Second Amended Notice of Special Tax Lien is recorded, the Reduced Rates shall be effective commencing in Fiscal Year 2016-17 and each year thereafter. The Reduced Rates shall escalate on July 1 of each year, commencing on July 1, 2017, and on July 1 of each year thereafter, by 2% of the special tax rate then in effect, as set forth in the Amended and Restated RMA. In levying the Special Tax in each Fiscal Year, the Community Facilities District may not levy the Special Tax in amounts greater than the Reduced Rates, as escalated from year to year.

Section 5. The Second Amended Notice of Special Tax Lien authorizes the levy of the Special Tax under the Amended and Restated RMA at the Reduced Rates. The Clerk of the Board is hereby authorized and directed to record the Second Amended Notice of Special Tax Lien in the form attached hereto as Exhibit B with the Orange County Clerk-Recorder promptly following the occurrence of all of the following (the “Recording Conditions”): (i) the owner of the Affected Property shall file its written Consent to the Relinquishment with the Clerk of the Board, (ii) Community Facilities District No. 98-1B is formed and authorized to levy special taxes, finance public facilities and issue bonds, (iii) the thirty day statute of limitations period applicable to the formation of Community Facilities District No. 98-1B has expired without challenge, and (iv) the 2016 Agreements are approved, executed and delivered by the respective parties. If the Recording Conditions are not met by December 31, 2016, this Resolution shall become null and void.

Section 6. The Board hereby affirms that its approval of the Relinquishment is irrevocable upon the satisfaction of the Recording Conditions and upon the recordation of the Second Amended Notice of Special Tax Lien as provided in Section 5, that it intends that the Relinquishment be a matter of public record, that property owners and prospective purchasers of property within the Community Facilities District rely on this Resolution and the Reduced Rates, and that the Board be forever barred from exercising the Powers Relinquished and forever estopped from contesting or denying the Relinquishment.

Section 7. Under Section H of the Amended and Restated RMA, the term CFD Public Facilities is defined to mean \$31.1 million (in 2004 dollars) or such lower number as “shall be determined by the Board concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this [Amended and Restated RMA] as described in Section D.” Due to the Relinquishment, the Board has determined that the CFD Public Facilities amount should be correspondingly lowered. Accordingly, this Board determines that, upon satisfaction of the Recording Conditions and upon the recordation of the Second Amended Notice of Special Tax Lien, the CFD Public Facilities Amount shall be \$16,900,000 in 2016 dollars (the “New CFD Public Facilities Amount”). The New CFD Public Facilities Amount will increase in each year commencing on July 1, 2017, and on each July 1 thereafter, by the Construction Inflation Index set forth in the Amended and Restated RMA.

Upon satisfaction of the Recording Conditions and upon the recordation of the Second Amended Notice of Special Tax Lien, this Board does hereby covenant that it will not issue Bonds secured by the Special Tax in excess of the Reduced Rates (as escalated pursuant to the Amended and Restated RMA), and any prepayment in the Community Facilities District thereafter shall utilize the New CFD Public Facilities Amount (as escalated) in the calculation.

Section 8. The officers and employees of CUSD are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the Deputy Superintendent, Business & Support Services or to the Executive Director, Fiscal Services, after consultation with the District Counsel and the District's bond counsel, and which they deem necessary or advisable in order to consummate and carry out the purposes of this resolution.

///

Section 9. This resolution shall take effect from and after its passage and adoption.

PASSED, APPROVED AND ADOPTED this 11th day of May, 2016, by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

President, Capistrano Unified School
District

ATTEST:

Clerk, Capistrano Unified
School District

APPROVED AS TO LEGAL FORM:

District Counsel

CLERK'S CERTIFICATE

I, _____, Clerk of the Capistrano Unified School District, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly held at the regular meeting place thereof on the 11th day of May, 2016, of which meeting all of the members of said Board of Trustees had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 33122 Valle Road, San Juan Capistrano, California 92675, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 2016

Clerk of the Capistrano Unified School District

[SEAL]

EXHIBIT A

CONSENT OF OWNERS OF AFFECTED PROPERTY TO THE PROPOSED ACTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN) CONTAINED IN ITS PROPOSED RESOLUTION PERMANENTLY REDUCING THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 98-1A, MAKING CERTAIN FINDINGS WITH RESPECT THERETO, AND DIRECTING THE EXECUTION AND RECORDATION OF A SECOND AMENDED NOTICE OF SPECIAL TAX LIEN, WHICH IS AGENDIZED FOR THE BOARD MEETING OF MAY 11, 2016

CAPISTRANO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 98-1A
(PACIFICA SAN JUAN)
COUNTY OF ORANGE, STATE OF CALIFORNIA

Capitalized terms used in this Consent that are not defined shall have the meanings given such terms in the resolution (the “Resolution”) described in the title of this Consent.

Pacific Point Development Partners LLC, a Delaware limited liability company (herein, the “Undersigned”), is the owner of the parcels of real property listed in Exhibit A attached hereto by Assessor’s Parcel Number (“APN”).

These parcels are within, and subject to the special tax (the “Special Tax”) authorized by Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan), County of Orange, State of California (the “Community Facilities District”). These parcels are also “Undeveloped Property” (as that term is defined in the Amended and Restated Rate and Method of Apportionment of Special Tax (the “Amended and Restated RMA”) incorporated by reference into the Resolution of Change of the Community Facilities District) that is planned for residential development. In addition, the Undersigned is the successor party to both the Impact Mitigation Agreement Related to Community Facilities District No. 98-1A, dated as of June 14, 2004 (the “Original Mitigation Agreement”) and the Amended and Restated Joint Community Facilities Agreement, dated as of June 14, 2004 (the “Original JCFA” and together with the Original Mitigation Agreement, the “2004 Agreements”) and has a vested

interest in the levy of Special Taxes under the Amended and Restated RMA. These parcels, therefore, are the “Affected Property” as that term is defined in the Resolution. The Undersigned has reviewed a copy of the Resolution and understands what the Resolution would accomplish. The Undersigned understands that if the Resolution is adopted by the Board of Trustees, the Recording Conditions are satisfied, and the Second Amended Notice is recorded, the result will be that the Special Tax (at the Reduced Rates) of the Community Facilities District that could be levied under “Step 2” of the Amended and Restated RMA on the Affected Property described above, which is the Undersigned’s property, could be HIGHER than if the Resolution were not adopted. In addition, absent satisfaction of the Recording Conditions, the permanent reduction of the Special Tax rates in the Amended and Restated RMA would adversely impact the development of the Undersigned's project as contemplated by the 2004 Agreements. Subject to the satisfaction of the Recording Conditions, the Undersigned agrees to this.

The Undersigned hereby waives any and all right to participate in or to demand the conduct of “Change Proceedings” as provided in Article 3 of the Mello-Roos Community Facilities Act of 1982 (Article 3 begins with Section 53330 of the California Government Code) to effect the changes contained in the Resolution.

The Undersigned hereby waives any and all defects in notice or procedure in the preparation, consideration, publication, posting, agendizing, or adoption of the Resolution, and states that the Resolution has been proposed, and if adopted will have been adopted, at the particular instance and request of the Undersigned.

This Consent shall not be effective unless there is satisfaction of the Recording Conditions. Upon the recordation of the Second Amended Notice of Special Tax Lien, the Undersigned hereby consents to the levy and collection of the Special Tax on the above-referenced Affected Property in accordance with the Amended and Restated RMA at the Reduced Rates, and hereby waives any and all rights to challenge the levy of the Special Tax at the Reduced Rates in accordance with the Amended and Restated RMA on any of the Affected Property and any and all other proceedings related thereto; provided, however, the foregoing covenant shall not prevent the Undersigned or its successors and assigns in any way from challenging or contesting the following: (a) a claim that the Special Tax has not been levied in accordance with the Amended and Restated RMA at the Reduced Rates; (b) the application or

use of the Special Taxes levied and collected; or (c) the enforcement of the obligations of the Community Facilities District under the 2016 Agreements or any agreements between the Undersigned and CUSD or the Community Facilities District or under which the Undersigned is a beneficiary.

The Undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this Consent is signed by the Undersigned on the date following such signature.

PACIFIC POINT DEVELOPMENT PARTNERS LLC,
A Delaware limited liability company

By: Taylor Morrison Pacific Point Holdings, LLC,
A Delaware limited liability company,
Its Managing Member

By: _____

Name: _____

Title: _____

Date: _____, 2016

EXHIBIT A

ASSESSOR PARCEL NUMBERS OF AFFECTED PROPERTY

Assessor's Parcel No.

675-081-17 through 675-081-23

675-085-01 through 675-085-39

675-085-45 through 375-085-48

675-351-17

675-411-71

675-411-72

675-411-74

675-411-75

675-421-07 through 675-421-13

675-421-16

675-421-18

675-421-19

675-431-18 through 675-431-39

675-441-01

675-441-02

675-441-03

675-441-05

675-442-01

675-442-04 through 675-442-07

675-443-01 through 675-443-03

675-444-01 through 675-444-25

675-451-01 through 675-451-22

675-451-25

675-451-26

675-451-28 through 675-451-31

675-461-01 through 675-461-52

675-471-01 through 675-471-41

EXHIBIT B

See attached Second Amended Notice of Special Tax Lien

RECORDING REQUESTED BY:

_____, Clerk
Capistrano Unified School District

WHEN RECORDED, PLEASE RETURN
TO:

_____, Clerk
Capistrano Unified School District
33122 Valle Road
San Juan Capistrano, CA 92675

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**AMENDMENT NO. 2 TO
NOTICE OF SPECIAL TAX LIEN**
And Partial Cessation Of Special Tax

COMMUNITY FACILITIES DISTRICT NO. 98-1A
(PACIFICA SAN JUAN)
OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT
COUNTY OF ORANGE, STATE OF CALIFORNIA

This Amendment No. 2 to Notice of Special Tax Lien and Partial Cessation of Special Tax (the "Second Amended Notice") amends Amendment No. 1 to Notice of Special Tax Lien previously recorded on June 25, 2004 in the office of the Orange County Clerk-Recorder as document number 2004000580583 (the "First Amended Notice") for Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan), County of Orange, State of California (the "Community Facilities District"). The First Amended Notice amended the Notice of Special Tax Lien for the Community Facilities District recorded in the Office of the Orange County Clerk-Recorder on September 14, 1999 as Document No. 19990660408 (the "Original Notice").

This Second Amended Notice is made because the Board of Trustees (the "Board") of the Capistrano Unified School District (the "CUSD") as ordered by its Resolution No. 1516-56, adopted on May 11, 2016 (the "Resolution"), to which reference is made for further particulars, among other things, irrevocably surrendered and relinquished a portion of its authority to levy special taxes under the Amended and Restated Rate and Method of Apportionment of Special Tax (the "Amended and Restated RMA") attached as Appendix A to

the First Amended Notice. The Board exercised its powers under Sections 53330.5 and Section 53340 of the Mello-Roos Community Facilities Act of 1982 and permanently reduced the special tax rates in the Amended and Restated RMA to the amounts set forth in Appendix A to this Second Amended Notice (the “Reduced Rates”). The Reduced Rates shall be effective commencing in Fiscal Year 2016-17 and each year thereafter. The Reduced Rates shall escalate on July 1 of each year, commencing on July 1, 2017, and on July 1 of each year thereafter, by 2% of the special tax rate then in effect, as set forth in the Amended and Restated RMA. In levying the Special Tax in each Fiscal Year, the Community Facilities District may not levy the Special Tax in amounts greater than the Reduced Rates, as escalated from year to year. The Board directed the recordation of this Second Amended Notice in the Resolution upon satisfaction of certain conditions, which have now been satisfied.

In addition, pursuant to the discretion provided the Board by the Amended and Restated RMA, the Resolution ordered the reduction of the amount of the CFD Public Facilities defined in Section H of the Amended and Restated RMA to \$16,900,000 in 2016 dollars (the “New CFD Public Facilities Amount”). Any prepayments under the Amended and Restated RMA will calculate the prepayment amount based on, among other things, the New CFD Public Facilities Amount.

The effect of the Second Amended RMA is a contraction in the Board’s authority to levy the Special Tax pursuant to the Amended and Restated RMA on all taxable property in the Community Facilities District.

This Second Amended Notice does not alter the list of authorized facilities to be financed by special taxes levied in the Community Facilities District (at the Reduced Rates) or bonds secured by the special taxes levied in the Community Facilities District (at the Reduced Rates), which are (1) facilities of the Capistrano Unified School District, including the construction, reconstruction, and/or modernization of various school district facilities, central support and administrative facilities, transportation and special education facilities (including any incidental school administrative and transportation center improvements), district vehicles, and the acquisition of school sites, and (2) authorized fees and improvements owned by the City of San Juan Capistrano, including governmental facilities, water, storm and sewer improvements, park and landscape improvements, road and traffic improvements, street lighting, flood control, police and fire facilities, and open space improvements.

Except as specifically amended by this Second Amended Notice, the provisions of the First Amended Notice remain in full force and effect, including the lien of the Amended and Restated RMA but at the Reduced Rates.

The special tax is authorized to be levied within the Community Facilities District, which is officially formed, and the lien of the special tax is a continuing lien which secures each annual levy of the special tax pursuant to the Amended and Restated RMA at the Reduced Rates and which shall continue in force and effect until the special tax obligation is paid or prepaid and permanently satisfied and cancelled in accordance with law or until collection of the special tax ceases and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The name of the owners and the Assessor's Parcel Numbers of the real property included within the Community Facilities District, and not exempt from the special tax, as of the date of recording this Second Amended Notice, are as set forth in Appendix B.

Reference is hereby made to the Amended Boundaries of Community Facilities District No. 98-1 (Pacifica San Juan) of the Capistrano Unified School District, recorded on April 28, 2004 in Book 88 of Maps of Assessment and Community Facilities Districts at page 37 and as instrument No. 2004-362861 in the office of the County Recorder of the County of Orange, State of California, which map is now the final boundary map of the Community Facilities District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to the lien of the special tax pursuant to the Amended and Restated RMA at the Reduced Rates, interested persons should contact the Deputy Superintendent, Business and Support Services, of the Capistrano Unified School District, 33122 Valle Road, San Juan Capistrano, California 92675, phone (949) 234-9211.

Dated: _____, 2016.

Clerk of the Capistrano Unified School District

APPENDIX A

REDUCED RATES

**CAPISTRANO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 98-1A
(PACIFICA SAN JUAN)**

TABLE 1

**Assigned Special Taxes for Developed Property
For Fiscal Year 2016-2017
Community Facilities District No. 98-1A**

Land Use Class	Description	Designation	Assigned Special Tax
1	Residential Property	≥ 4,300 sq. ft.	\$4,216 per unit
2	Residential Property	3,750 to 4,299 sq. ft.	\$3,986 per unit
3	Residential Property	3,250 to 3,749 sq. ft.	\$3,789 per unit
4	Residential Property	2,750 to 3,249 sq. ft.	\$3,387 per unit
5	Residential Property	2,300 to 2,749 sq. ft.	\$2,386 per unit
6	Residential Property	1,850 to 2,299 sq. ft.	\$2,162 per unit
7	Residential Property	<1,850 sq. ft.	\$1,968 per unit
8	Non-Residential Property	Not Applicable	\$0.1906 per square foot of Non-Residential Floor Area

Increase in the Assigned Special Tax

On each July 1, commencing on July 1, 2017, the Assigned Special shall be increased by an amount equal to two percent (2%) of the Assigned Special Tax for the previous Fiscal Year.

Backup Special Tax

The Backup Special Tax in CFD No. 98-1A shall equal \$19,089 per Acre for Fiscal Year 2016-2017, and shall increase thereafter, commencing on July 1, 2017 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Backup Special Tax for the previous Fiscal Year.

Maximum Special Tax

The Maximum Special Tax for Undeveloped Property, Taxable Property Owner Association Property, Taxable Public Property and Taxable Religious Property in CFD No. 98-1A shall be \$19,089 per Acre for Fiscal Year 2016-2017, and shall increase thereafter, commencing on July 1, 2017 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Maximum Special Tax for the previous Fiscal Year.

APPENDIX B

LIST OF OWNERS AND ASSESSOR'S PARCEL NUMBERS

CAPISTRANO UNIFIED SCHOOL DISTRICT

COMMUNITY FACILITIES DISTRICT NO. 98-1A

(PACIFICA SAN JUAN)

<u>Assessor's Parcel No.</u>	<u>Name of Property Owner</u>
675-431-01	Provident Group Tr
675-431-02	Wu Mei-Tso Tseng
675-431-03	Roberts William G
675-431-04	Park Soonohk
675-431-05	The Decatur Group LLC
675-431-06	Bales Brian
675-431-07	Martin Scott T
675-431-08	Riddle John B
675-431-09	Yuh Jen-Nan
675-421-01	Jenkinson Paul L P
675-421-02	Thompson Billy Lloyd Jr
675-421-03	Dhingra Ashvin J
675-421-04	Cavanaugh Robert W Jr
675-421-05	Weld Thomas E
675-421-06	Freska Peter
675-421-14	City of San Juan Capistrano
675-421-15	Kurzet Anne L Family Tr
675-421-17	Kurzet Anne L Family Tr
675-431-10	Dejbakhsh Dara
675-431-11	Ruta Sternbergs
675-431-12	Levin Christine Parker
675-431-13	Jaafar Khalil
675-431-14	Becker Friedrich W
675-431-15	Basaites Chris A
675-431-16	Valji Fatima Twin Apex Tr
675-431-17	Smith Steven A P E
675-085-40	Lai Albert Family Tr
675-085-41	Darukhanavala Phiroz
675-085-42	Patil Ashish
675-085-43	Ta Viet D

<u>Assessor's Parcel No.</u>	<u>Name of Property Owner</u>
675-085-44	Lentini Vincent J Jr
675-411-01	Chin Willis
675-411-02	Bonin Andrew S
675-411-03	Machanik Michael
675-411-04	Nguyen Vincent M T Duong
675-411-05	Sherwood John E Jr
675-411-06	Tran Khanh
675-411-07	Stephens Charlotte
675-411-08	Singh Karanvir
675-411-09	Degroot Robert G
675-411-10	Biffar Travis S
675-411-11	Jordan Wolfgang
675-411-12	Fish Giselle
675-411-13	Birrell Bryan R
675-411-14	Faltis Carol A
675-411-15	Sladek Living Trust
675-411-16	Wong Norman J
675-411-17	Liu Joseph
675-411-18	Shill Nathan
675-411-19	Thompson Martin J M
675-411-20	Israel Leonard II
675-411-21	Lee Kang Woo
675-411-22	Cifarelli Lilian Greco
675-411-23	Ringwald Gail Kingman
675-411-24	Westcott Michael
675-411-25	Gerlach David M
675-411-26	Yarbrough Mark A
675-411-27	Fisher Paul W
675-411-28	Cook Kenneth J
675-411-29	Franks Olaf Christian
675-411-30	Costello Nathan M
675-411-31	Welebir Douglas F
675-411-32	Giles Living Trust
675-411-33	Patzakis Peter M
675-411-34	Hauser Sandra
675-411-35	Tabatabai Reza S
675-411-36	Jamison Phillip Alan
675-411-37	Lee Hee Jeong
675-411-38	Duncombe Kevin The K Duncombeliving Tr
675-411-39	Patel Family Trust
675-411-40	Liao Joseph C
675-411-41	Rutherford Richard

<u>Assessor's Parcel No.</u>	<u>Name of Property Owner</u>
675-411-42	Mc Mackin Jack T
675-411-43	Seaton Barry Living Trust
675-411-44	Francis Nadine
675-411-45	Jang Jyhling
675-411-46	Nikoukar Asad
675-411-47	Choe Moogil Family Tr
675-411-48	Oscoff Habib
675-411-49	Kim John P
675-411-50	Parrott Dennis B Jr
675-411-51	Hatch Leslee
675-411-52	Martinez Rafael
675-411-53	Meunier Juliette
675-411-54	Belderes Ian Christopher
675-411-55	Doda Besnik
675-411-56	Liu Jim
675-411-57	Trautwein Karl J Living Trust
675-411-58	Wan Changsen
675-411-59	Mc Clellan Michael B
675-411-60	Dinsmoor Alexander Hale
675-411-61	Mehta Minoo P
675-411-62	Sacher Fred
675-411-63	Mamet Linda H
675-411-64	Kim Carl Chong-Soo
675-411-65	Frederick Harold M
675-411-66	Middleton Christopher
675-411-67	Wan Jun
675-411-68	Weaver Gary A Family Tr
675-411-69	Tang Xiaoming
675-411-70	Nmwbeds LLC
675-442-02	City of San Juan Capistrano
675-442-03	City of San Juan Capistrano
675-451-23	Kurzet Anne L Family Tr
675-451-24	City of San Juan Capistrano
675-451-27	City of San Juan Capistrano
675-411-73	Pacifica San Juan Community Assn
675-081-17	Pacific Point Development Partners LLC
675-081-18	Pacific Point Development Partners LLC
675-081-19	Pacific Point Development Partners LLC
675-081-20	Pacific Point Development Partners LLC
675-081-21	Pacific Point Development Partners LLC
675-081-22	Pacific Point Development Partners LLC
675-081-23	Pacific Point Development Partners LLC
675-085-01	Pacific Point Development Partners LLC

<u>Assessor's Parcel No.</u>	<u>Name of Property Owner</u>
675-085-02	Pacific Point Development Partners LLC
675-085-03	Pacific Point Development Partners LLC
675-085-04	Pacific Point Development Partners LLC
675-085-05	Pacific Point Development Partners LLC
675-085-06	Pacific Point Development Partners LLC
675-085-07	Pacific Point Development Partners LLC
675-085-08	Pacific Point Development Partners LLC
675-085-09	Pacific Point Development Partners LLC
675-085-10	Pacific Point Development Partners LLC
675-085-11	Pacific Point Development Partners LLC
675-085-12	Pacific Point Development Partners LLC
675-085-13	Pacific Point Development Partners LLC
675-085-14	Pacific Point Development Partners LLC
675-085-15	Pacific Point Development Partners LLC
675-085-16	Pacific Point Development Partners LLC
675-085-17	Pacific Point Development Partners LLC
675-085-18	Pacific Point Development Partners LLC
675-085-19	Pacific Point Development Partners LLC
675-085-20	Pacific Point Development Partners LLC
675-085-21	Pacific Point Development Partners LLC
675-085-22	Pacific Point Development Partners LLC
675-085-23	Pacific Point Development Partners LLC
675-085-24	Pacific Point Development Partners LLC
675-085-25	Pacific Point Development Partners LLC
675-085-26	Pacific Point Development Partners LLC
675-085-27	Pacific Point Development Partners LLC
675-085-28	Pacific Point Development Partners LLC
675-085-29	Pacific Point Development Partners LLC
675-085-30	Pacific Point Development Partners LLC
675-085-31	Pacific Point Development Partners LLC
675-085-32	Pacific Point Development Partners LLC
675-085-33	Pacific Point Development Partners LLC
675-085-34	Pacific Point Development Partners LLC
675-085-35	Pacific Point Development Partners LLC
675-085-36	Pacific Point Development Partners LLC
675-085-37	Pacific Point Development Partners LLC
675-085-38	Pacific Point Development Partners LLC
675-085-39	Pacific Point Development Partners LLC
675-085-45	Pacific Point Development Partners LLC
675-085-46	Pacific Point Development Partners LLC
675-085-47	Pacific Point Development Partners LLC
675-085-48	Pacific Point Development Partners LLC

<u>Assessor's Parcel No.</u>	<u>Name of Property Owner</u>
675-351-17	Pacific Point Development Partners LLC
675-411-71	Pacific Point Development Partners LLC
675-411-72	Pacific Point Development Partners LLC
675-411-74	Pacific Point Development Partners LLC
675-411-75	Pacific Point Development Partners LLC
675-421-07	Pacific Point Development Partners LLC
675-421-08	Pacific Point Development Partners LLC
675-421-09	Pacific Point Development Partners LLC
675-421-10	Pacific Point Development Partners LLC
675-421-11	Pacific Point Development Partners LLC
675-421-12	Pacific Point Development Partners LLC
675-421-13	Pacific Point Development Partners LLC
675-421-16	Pacific Point Development Partners LLC
675-421-18	Pacific Point Development Partners LLC
675-421-19	Pacific Point Development Partners LLC
675-431-18	Pacific Point Development Partners LLC
675-431-19	Pacific Point Development Partners LLC
675-431-20	Pacific Point Development Partners LLC
675-431-21	Pacific Point Development Partners LLC
675-431-22	Pacific Point Development Partners LLC
675-431-23	Pacific Point Development Partners LLC
675-431-24	Pacific Point Development Partners LLC
675-431-25	Pacific Point Development Partners LLC
675-431-26	Pacific Point Development Partners LLC
675-431-27	Pacific Point Development Partners LLC
675-431-28	Pacific Point Development Partners LLC
675-431-29	Pacific Point Development Partners LLC
675-431-30	Pacific Point Development Partners LLC
675-431-31	Pacific Point Development Partners LLC
675-431-32	Pacific Point Development Partners LLC
675-431-33	Pacific Point Development Partners LLC
675-431-34	Pacific Point Development Partners LLC
675-431-35	Pacific Point Development Partners LLC
675-431-36	Pacific Point Development Partners LLC
675-431-37	Pacific Point Development Partners LLC
675-431-38	Pacific Point Development Partners LLC
675-431-39	Pacific Point Development Partners LLC
675-441-01	Pacific Point Development Partners LLC
675-441-02	Pacific Point Development Partners LLC
675-441-03	Pacific Point Development Partners LLC
675-441-05	Pacific Point Development Partners LLC
675-442-01	Pacific Point Development Partners LLC

<u>Assessor's Parcel No.</u>	<u>Name of Property Owner</u>
675-442-04	Pacific Point Development Partners LLC
675-442-05	Pacific Point Development Partners LLC
675-442-06	Pacific Point Development Partners LLC
675-442-07	Pacific Point Development Partners LLC
675-443-01	Pacific Point Development Partners LLC
675-443-02	Pacific Point Development Partners LLC
675-443-03	Pacific Point Development Partners LLC
675-444-01	Pacific Point Development Partners LLC
675-444-02	Pacific Point Development Partners LLC
675-444-03	Pacific Point Development Partners LLC
675-444-04	Pacific Point Development Partners LLC
675-444-05	Pacific Point Development Partners LLC
675-444-06	Pacific Point Development Partners LLC
675-444-07	Pacific Point Development Partners LLC
675-444-08	Pacific Point Development Partners LLC
675-444-09	Pacific Point Development Partners LLC
675-444-10	Pacific Point Development Partners LLC
675-444-11	Pacific Point Development Partners LLC
675-444-12	Pacific Point Development Partners LLC
675-444-13	Pacific Point Development Partners LLC
675-444-14	Pacific Point Development Partners LLC
675-444-15	Pacific Point Development Partners LLC
675-444-16	Pacific Point Development Partners LLC
675-444-17	Pacific Point Development Partners LLC
675-444-18	Pacific Point Development Partners LLC
675-444-19	Pacific Point Development Partners LLC
675-444-20	Pacific Point Development Partners LLC
675-444-21	Pacific Point Development Partners LLC
675-444-22	Pacific Point Development Partners LLC
675-444-23	Pacific Point Development Partners LLC
675-444-24	Pacific Point Development Partners LLC
675-444-25	Pacific Point Development Partners LLC
675-451-01	Pacific Point Development Partners LLC
675-451-02	Pacific Point Development Partners LLC
675-451-03	Pacific Point Development Partners LLC
675-451-04	Pacific Point Development Partners LLC
675-451-05	Pacific Point Development Partners LLC
675-451-06	Pacific Point Development Partners LLC
675-451-07	Pacific Point Development Partners LLC
675-451-08	Pacific Point Development Partners LLC
675-451-09	Pacific Point Development Partners LLC
675-451-10	Pacific Point Development Partners LLC

<u>Assessor's Parcel No.</u>	<u>Name of Property Owner</u>
675-451-11	Pacific Point Development Partners LLC
675-451-12	Pacific Point Development Partners LLC
675-451-13	Pacific Point Development Partners LLC
675-451-14	Pacific Point Development Partners LLC
675-451-15	Pacific Point Development Partners LLC
675-451-16	Pacific Point Development Partners LLC
675-451-17	Pacific Point Development Partners LLC
675-451-18	Pacific Point Development Partners LLC
675-451-19	Pacific Point Development Partners LLC
675-451-20	Pacific Point Development Partners LLC
675-451-21	Pacific Point Development Partners LLC
675-451-22	Pacific Point Development Partners LLC
675-451-25	Pacific Point Development Partners LLC
675-451-26	Pacific Point Development Partners LLC
675-451-28	Pacific Point Development Partners LLC
675-451-29	Pacific Point Development Partners LLC
675-451-30	Pacific Point Development Partners LLC
675-451-31	Pacific Point Development Partners LLC
675-461-01	Pacific Point Development Partners LLC
675-461-02	Pacific Point Development Partners LLC
675-461-03	Pacific Point Development Partners LLC
675-461-04	Pacific Point Development Partners LLC
675-461-05	Pacific Point Development Partners LLC
675-461-06	Pacific Point Development Partners LLC
675-461-07	Pacific Point Development Partners LLC
675-461-08	Pacific Point Development Partners LLC
675-461-09	Pacific Point Development Partners LLC
675-461-10	Pacific Point Development Partners LLC
675-461-11	Pacific Point Development Partners LLC
675-461-12	Pacific Point Development Partners LLC
675-461-13	Pacific Point Development Partners LLC
675-461-14	Pacific Point Development Partners LLC
675-461-15	Pacific Point Development Partners LLC
675-461-16	Pacific Point Development Partners LLC
675-461-17	Pacific Point Development Partners LLC
675-461-18	Pacific Point Development Partners LLC
675-461-19	Pacific Point Development Partners LLC
675-461-20	Pacific Point Development Partners LLC
675-461-21	Pacific Point Development Partners LLC
675-461-22	Pacific Point Development Partners LLC
675-461-23	Pacific Point Development Partners LLC
675-461-24	Pacific Point Development Partners LLC


Assessor's Parcel No.Name of Property Owner

675-461-25	Pacific Point Development Partners LLC
675-461-26	Pacific Point Development Partners LLC
675-461-27	Pacific Point Development Partners LLC
675-461-28	Pacific Point Development Partners LLC
675-461-29	Pacific Point Development Partners LLC
675-461-30	Pacific Point Development Partners LLC
675-461-31	Pacific Point Development Partners LLC
675-461-32	Pacific Point Development Partners LLC
675-461-33	Pacific Point Development Partners LLC
675-461-34	Pacific Point Development Partners LLC
675-461-35	Pacific Point Development Partners LLC
675-461-36	Pacific Point Development Partners LLC
675-461-37	Pacific Point Development Partners LLC
675-461-38	Pacific Point Development Partners LLC
675-461-39	Pacific Point Development Partners LLC
675-461-40	Pacific Point Development Partners LLC
675-461-41	Pacific Point Development Partners LLC
675-461-42	Pacific Point Development Partners LLC
675-461-43	Pacific Point Development Partners LLC
675-461-44	Pacific Point Development Partners LLC
675-461-45	Pacific Point Development Partners LLC
675-461-46	Pacific Point Development Partners LLC
675-461-47	Pacific Point Development Partners LLC
675-461-48	Pacific Point Development Partners LLC
675-461-49	Pacific Point Development Partners LLC
675-461-50	Pacific Point Development Partners LLC
675-461-51	Pacific Point Development Partners LLC
675-461-52	Pacific Point Development Partners LLC
675-471-01	Pacific Point Development Partners LLC
675-471-02	Pacific Point Development Partners LLC
675-471-03	Pacific Point Development Partners LLC
675-471-04	Pacific Point Development Partners LLC
675-471-05	Pacific Point Development Partners LLC
675-471-06	Pacific Point Development Partners LLC
675-471-07	Pacific Point Development Partners LLC
675-471-08	Pacific Point Development Partners LLC
675-471-09	Pacific Point Development Partners LLC
675-471-10	Pacific Point Development Partners LLC
675-471-11	Pacific Point Development Partners LLC
675-471-12	Pacific Point Development Partners LLC
675-471-13	Pacific Point Development Partners LLC
675-471-14	Pacific Point Development Partners LLC

<u>Assessor's Parcel No.</u>	<u>Name of Property Owner</u>
675-471-15	Pacific Point Development Partners LLC
675-471-16	Pacific Point Development Partners LLC
675-471-17	Pacific Point Development Partners LLC
675-471-18	Pacific Point Development Partners LLC
675-471-19	Pacific Point Development Partners LLC
675-471-20	Pacific Point Development Partners LLC
675-471-21	Pacific Point Development Partners LLC
675-471-22	Pacific Point Development Partners LLC
675-471-23	Pacific Point Development Partners LLC
675-471-24	Pacific Point Development Partners LLC
675-471-25	Pacific Point Development Partners LLC
675-471-26	Pacific Point Development Partners LLC
675-471-27	Pacific Point Development Partners LLC
675-471-28	Pacific Point Development Partners LLC
675-471-29	Pacific Point Development Partners LLC
675-471-30	Pacific Point Development Partners LLC
675-471-31	Pacific Point Development Partners LLC
675-471-32	Pacific Point Development Partners LLC
675-471-33	Pacific Point Development Partners LLC
675-471-34	Pacific Point Development Partners LLC
675-471-35	Pacific Point Development Partners LLC
675-471-36	Pacific Point Development Partners LLC
675-471-37	Pacific Point Development Partners LLC
675-471-38	Pacific Point Development Partners LLC
675-471-39	Pacific Point Development Partners LLC
675-471-40	Pacific Point Development Partners LLC
675-471-41	Pacific Point Development Partners LLC

MEMORANDUM

To: Clark Hampton

From: Keith Weaver 

Date: April 25, 2016

Re: Board Documents for CFDs: the Formation of CFD 98-1B, the Issuance of Bonds for CFD 98-1A and CFD 2005-1, the Refinancing of Bonds for CFD 90-2, and the Prepayment of Bonds for CFD 87-1

Clark, on May 11th the Board will be asked to consider approval of resolutions and related legal documents that pertain to upcoming activity in CFD 98-1A and 98-1B (Pacifica San Juan), CFD 90-2 (Talega), and CFD 87-1 (Mission Viejo/Aliso Viejo). In preparation for the Board's consideration of these items, this memorandum briefly reviews the role of each of the primary documents.

Resolution of Formation of CFD 98-1B (Pacifica San Juan)

This resolution establishes CFD 98-1B. The resolution sets a date for a public hearing at the Board meeting on May 11, 2016 and provides for an election where the landowner(s) within the CFD will vote on the approval of the CFD. It describes the facilities to be financed by the CFD. Finally, it includes a rate and method of apportionment of the CFD tax.

Rate and Method of Apportionment

The rate and method of apportionment describes how taxes levied within the CFD will be applied amongst the property owners. There will be six zones of taxes based on the different locations and housing products planned by the developer. Developed property is levied first, and undeveloped property is only levied to the extent required to pay debt service on the bonds. Property owners have the ability to prepay the tax. The tax has an expiration date of 40 years, beginning with FY 2016-17.

Resolution to Incur Bonded Indebtedness Within CFD 98-1B (Pacifica San Juan)

The resolution describes CUSD's determination that it is necessary to issue bonds to help fund the share of mitigation owed by new homes within CFD 98-1B. The bonds will finance school facilities and city infrastructure. The estimated bond amount is \$11.5 million, and the resolution establishes a not-to-exceed amount of \$14.0 million. The estimated term of the bonds is 30 years, and the resolution establishes a not-to-exceed term of 40 years.

Resolution Calling Special Election for CFD 98-1B (Pacifica San Juan)

The resolution calls for a special election of the landowners within the CFD. The election will be held at the District office during the Board meeting on May 11, 2016. The Clerk of the Board will conduct the election by receiving and counting the ballots.

Resolution Declaring Results of Special Election for CFD 98-1B (Pacifica San Juan)

Once the Clerk of the Board has counted the ballots, she will submit the canvass of results to the Board for review. Assuming the election is successful, the Resolution declares the election as having passed, and directs that a notice of special tax lien be filed upon the property within the CFD.

Resolution Reducing the Levy of Taxes for CFD 98-1A (Pacifica San Juan)

This resolution permanently reduces the levy of special taxes for CFD 98-1A, and directs that an amended notice of special tax lien be filed upon the property within the CFD. The reason for the reduction is that the homes within CFD 98-1A will receive a credit to acknowledge the pay-as-you-go funds that they have already paid. The new maximum special tax levy will be 39.67% of the prior maximum special tax levy. The remaining share of total development mitigation will be paid from CFD 98-1B.

Resolution Authorizing the Issuance of Bonds for CFD 98-1A (Pacifica San Juan)

This resolution authorizes the issuance of bonds for CFD 98-1A in an amount not-to-exceed \$6.5 million. The estimated amount of bonds planned for issuance is \$4.8 million, though the not-to-exceed amount allows for additional bonds to be issued should market conditions prove more favorable than anticipated. The resolution also approves several CFD 98-1A bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The creation of funds and accounts for the bonds and the allocation of bond proceeds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 98-1A, the underwriter is Hilltop Securities, selected via an RFP process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the District or the Underwriter. This document will be finalized on the day of pricing of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant

events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned pricing date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Issuance of Refunding Bonds for CFD 90-2 (Talega)

This resolution authorizes the issuance of refunding bonds (for the purpose of refinancing the outstanding bonds) for CFD 90-2 in an amount not-to-exceed \$45.0 million, and sets the minimum net present value savings after costs to be 3% of the principal amount of CFD 90-2 bonds to be refunded. The estimated amount of refunding bonds planned for issuance is \$40.0 million, though the not-to-exceed amount allows for additional bonds to be issued should the flexibility be needed to cover additional costs. The resolution also approves several CFD 90-2 bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The allocation of bond proceeds into specified funds and accounts for the bonds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 90-2, the underwriter will be selected via a competitive bid process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the Underwriter. This document will be finalized on the day of sale of the bonds.

events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned pricing date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Issuance of Refunding Bonds for CFD 90-2 (Talega)

This resolution authorizes the issuance of refunding bonds (for the purpose of refinancing the outstanding bonds) for CFD 90-2 in an amount not-to-exceed \$45.0 million, and sets the minimum net present value savings after costs to be 3% of the principal amount of CFD 90-2 bonds to be refunded. The estimated amount of refunding bonds planned for issuance is \$40.0 million, though the not-to-exceed amount allows for additional bonds to be issued should the flexibility be needed to cover additional costs. The resolution also approves several CFD 90-2 bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The allocation of bond proceeds into specified funds and accounts for the bonds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 90-2, the underwriter will be selected via a competitive bid process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the Underwriter. This document will be finalized on the day of sale of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned sale date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo) (Acting on Behalf of CFD 87-1)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Next Steps

It is currently anticipated that the CFD 2005-1 bond issuance will be completed in June, the CFD 98-1A bond issuance will be completed in July, the CFD 90-2 bond issuance will be completed in August, and the CFD 87-1 prepayment will be completed in September. Following completion, the Board will receive an information presentation on the results.

Clark, please let us know if you have any questions or comments. Thank you.

KW/abm

RESOLUTION NO. 1516-58

RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 87-1 OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (MISSION VIEJO/ALISO VIEJO) RATIFYING AND APPROVING ACTIONS PREVIOUSLY AUTHORIZED BY THE BOARD OF TRUSTEES IN RESOLUTION NO. 1314-30 REGARDING SCHOOL FACILITIES, RETIREMENT OF BONDS AND CESSATION OF SPECIAL TAXES, MAKING CERTAIN DETERMINATIONS AND TAKING RELATED ACTIONS

Community Facilities District No. 87-1 of the Capistrano Unified School District (Mission Viejo/Aliso Viejo)

WHEREAS, on April 20, 1987, the Board of Trustees (the “Board of Trustees”) of the Capistrano Unified School District (the “CUSD”) duly adopted its Resolution No. 87-38 (the “Resolution of Formation”) establishing Community Facilities District No. 87-1 of the Capistrano Unified School District (Mission Viejo/Aliso Viejo) (“CFD No. 87-1”), annexed additional territory thereto and designated Improvement Area No. 1 of CFD No. 87-1 (the “Improvement Area”), all pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”);

WHEREAS, CFD No. 87-1 issued its Series 1989 Special Tax Bonds in the amount of \$44,370,000 pursuant to Resolution No. 89-56, adopted by the Board of Trustees acting as the legislative body of CFD No. 87-1 (the “Series 1989 Special Tax Bonds”) and its Series 1990 Special Tax Bonds in the amount of \$36,170,000 pursuant to Resolution No. 90-103, adopted by the Board of Trustees acting as the legislative body of CFD No. 87-1 (the “Series 1990 Special Tax Bonds”) and issued its Series 1996A and Series 1996B Special Tax Refunding Bonds in the respective principal amounts of \$42,640,000 and \$38,910,000 pursuant to Resolution No. 9697-06, adopted by the Board of Trustees acting as the legislative body of CFD No. 87-1 (collectively, the “Series 1996 Bonds”) to refund the Series 1989 Special Tax Bonds and the Series 1990 Special Tax Bonds;

WHEREAS, on June 8, 2006, CFD No. 87-1 issued its Series 2006 Special Tax Refunding Bonds in the amount of \$71,810,000 pursuant to Resolution No. 0506-74, adopted by the Board of Trustees acting as the legislative body of CFD No. 87-1 (the “Series 2006 Bonds”) to refund the Series 1996 Bonds;

WHEREAS, the Series 2006 Bonds allow for optional redemption of outstanding maturities on or after September 1, 2016, pursuant to the terms of issuance contained in the Bond Indenture, dated as of June 1, 2006; and

WHEREAS, the Board of Trustees adopted its Resolution No. 1314-30 on January 8, 2014 relating to the redemption of the Series 2006 Bond and approving an agreement related thereto.

NOW THEREFORE BE IT RESOLVED by the Board of Trustees of the Capistrano Unified School District, acting in its capacity as the legislative body of Community Facilities District No. 87-1 of the Capistrano Unified School District, as follows:

Section 1. The above recitals are true and correct and are incorporated herein.

Section 2. This Board of Trustees ratifies and approved action previously taken in connection with the adoption of Resolution No. 1314-30 and the Agreement between Capistrano Unified School District and Community Facilities District No. 87-1 of the Capistrano Unified School District Regarding School Facilities, Retirement of Bonds and Cessation of Special Taxes.

Section 3. The officers and employees of CUSD are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the Deputy Superintendent, Business & Support Services or to the Executive Director, Fiscal Services, after consultation with the District Counsel and the District's bond counsel, and which they deem necessary or advisable in order to consummate and carry out the purposes of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

Section 4. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED this May 11, 2016, by the Capistrano Unified School District Board of Trustees, San Juan Capistrano, Orange County, California.

President of the Board of Trustees of the
Capistrano Unified School District

ATTEST:

Clerk of the Board of Trustees of the
Capistrano Unified School District

CLERK'S CERTIFICATE

I, _____, Clerk of the Board of Trustees of the Capistrano Unified School District, hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly adopted at a regular meeting of said Board of Trustees duly and regularly held on May 11, 2016, of which meeting all of the members of said Board of Trustees had due notice and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

An agenda of said meeting was posted at least 72 hours before said meeting at 33122 Valle Road, San Juan Capistrano, California, a location freely accessible to members of the public, and a brief general description of said Resolution appeared on said agenda.


I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing Resolution is a full, true, and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2016

Clerk of the Board of Trustees of the
Capistrano Unified School District

MEMORANDUM

To: Clark Hampton

From: Keith Weaver 

Date: April 25, 2016

Re: Board Documents for CFDs: the Formation of CFD 98-1B, the Issuance of Bonds for CFD 98-1A and CFD 2005-1, the Refinancing of Bonds for CFD 90-2, and the Prepayment of Bonds for CFD 87-1

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The resolution describes CUSD's determination that it is necessary to issue bonds to help fund the share of mitigation owed by new homes within CFD 98-1B. The bonds will finance school facilities and city infrastructure. The estimated bond amount is \$11.5 million, and the resolution establishes a not-to-exceed amount of \$14.0 million. The estimated term of the bonds is 30 years, and the resolution establishes a not-to-exceed term of 40 years.

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The resolution calls for a special election of the landowners within the CFD. The election will be held at the District office during the Board meeting on May 11, 2016. The Clerk of the Board will conduct the election by receiving and counting the ballots.

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Resolution Authorizing the Issuance of Bonds for CFD 98-1A (Pacifica San Juan)

This resolution authorizes the issuance of bonds for CFD 98-1A in an amount not-to-exceed \$6.5 million. The estimated amount of bonds planned for issuance is \$4.8 million, though the not-to-exceed amount allows for additional bonds to be issued should market conditions prove more favorable than anticipated. The resolution also approves several CFD 98-1A bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

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- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 98-1A, the underwriter is Hilltop Securities, selected via an RFP process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the District or the Underwriter. This document will be finalized on the day of pricing of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant

events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned pricing date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Issuance of Refunding Bonds for CFD 90-2 (Talega)

This resolution authorizes the issuance of refunding bonds (for the purpose of refinancing the outstanding bonds) for CFD 90-2 in an amount not-to-exceed \$45.0 million, and sets the minimum net present value savings after costs to be 3% of the principal amount of CFD 90-2 bonds to be refunded. The estimated amount of refunding bonds planned for issuance is \$40.0 million, though the not-to-exceed amount allows for additional bonds to be issued should the flexibility be needed to cover additional costs. The resolution also approves several CFD 90-2 bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The allocation of bond proceeds into specified funds and accounts for the bonds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 90-2, the underwriter will be selected via a competitive bid process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the Underwriter. This document will be finalized on the day of sale of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned sale date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo) (Acting on Behalf of CFD 87-1)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Next Steps

It is currently anticipated that the CFD 2005-1 bond issuance will be completed in June, the CFD 98-1A bond issuance will be completed in July, the CFD 90-2 bond issuance will be completed in August, and the CFD 87-1 prepayment will be completed in September. Following completion, the Board will receive an information presentation on the results.

Clark, please let us know if you have any questions or comments. Thank you.

KW/abm

RESOLUTION NO. 1516-60

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO
UNIFIED SCHOOL DISTRICT RATIFYING AND APPROVING
ACTIONS PREVIOUSLY AUTHORIZED BY THE DISTRICT IN
RESOLUTION NO. 1314-29 IN CONNECTION WITH COMMUNITY
FACILITIES DISTRICT NO. 87-1 OF THE CAPISTRANO UNIFIED
SCHOOL DISTRICT (MISSION VIEJO/ALISO VIEJO) REGARDING
SCHOOL FACILITIES, RETIREMENT OF BONDS AND CESSATION
OF SPECIAL TAXES, MAKING CERTAIN DETERMINATIONS AND
TAKING RELATED ACTIONS**

**Community Facilities District No. 87-1 of the
Capistrano Unified School District (Mission Viejo/Aliso Viejo)**

WHEREAS, the Capistrano Unified School District (“CUSD”) is a public school district organized and operating pursuant to the provisions of the Constitution and the laws of the State of California (the “State”);

WHEREAS, the Board of Trustees of the Capistrano Unified School District (the “Board of Trustees”) previously established Community Facilities District No. 87-1 of the Capistrano Unified School District (Mission Viejo/Aliso Viejo) (“CFD No. 87-1”), annexed additional territory thereto and designated Improvement Area No. 1 of CFD No. 87-1 (the “Improvement Area”), all pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”);

WHEREAS, CFD No. 87-1 issued its Series 1989 Special Tax Bonds in the amount of \$44,370,000 pursuant to Resolution No. 89-56, adopted by the Board of Trustees acting as the legislative body of CFD No. 87-1 (the “Series 1989 Special Tax Bonds”) and its Series 1990 Special Tax Bonds in the amount of \$36,170,000 pursuant to Resolution No. 90-103, adopted by the Board of Trustees acting as the legislative body of CFD No. 87-1 (the “Series 1990 Special Tax Bonds”) and issued its Series 1996A and Series 1996B Special Tax Refunding Bonds in the respective principal amounts of \$42,640,000 and \$38,910,000 pursuant to Resolution No. 9697-06, adopted by the Board of Trustees acting as the legislative body of CFD No. 87-1 (collectively, the “Series 1996 Bonds”) to refund the Series 1989 Special Tax Bonds and the Series 1990 Special Tax Bonds;

WHEREAS, on June 8, 2006, CFD No. 87-1 issued its Series 2006 Special Tax Refunding Bonds in the amount of \$71,810,000 pursuant to Resolution No. 0506-74, adopted by the Board of Trustees acting as the legislative body of CFD No. 87-1 (the “Series 2006 Bonds”) to refund the Series 1996 Bonds;

WHEREAS, the Series 2006 Bonds allow for optional redemption of outstanding maturities on or after September 1, 2016, pursuant to the terms of issuance contained in the Bond Indenture, dated as of June 1, 2006; and

WHEREAS, the Board of Trustees adopted its Resolution No. 1314-29 on January 8, 2014 relating to the redemption of the Series 2006 Bond and approving an agreement related thereto.

NOW THEREFORE BE IT RESOLVED that the Board of Trustees of the Capistrano Unified School District does hereby resolve, determine, and order as follows:

Section 1. The above recitals are true and correct and are incorporated herein.

Section 2. This Board of Trustees ratifies and approved action previously taken in connection with the adoption of Resolution No. 1314-29 and the Agreement between Capistrano Unified School District and Community Facilities District No. 87-1 of the Capistrano Unified School District Regarding School Facilities, Retirement of Bonds and Cessation of Special Taxes.

Section 3. The intention of this Board of Trustees will be effectuated by future required actions, and the officers and staff of CUSD 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 effectuate the purposes of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

Section 4. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED this May 11, 2016, by the Capistrano Unified School District Board of Trustees, San Juan Capistrano, Orange County, California.

President of the Board of Trustees of the
Capistrano Unified School District

ATTEST:

Clerk of the Board of Trustees of the
Capistrano Unified School District

CLERK'S CERTIFICATE

I, _____, Clerk of the Board of Trustees of the Capistrano Unified School District, hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly adopted at a regular meeting of said Board of Trustees duly and regularly held on May 11, 2016, of which meeting all of the members of said Board of Trustees had due notice and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

An agenda of said meeting was posted at least 72 hours before said meeting at 33122 Valle Road, San Juan Capistrano, California, a location freely accessible to members of the public, and a brief general description of said Resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing Resolution is a full, true, and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2016

Clerk of the Board of Trustees of the
Capistrano Unified School District

INTERAGENCY AGREEMENT
**Between Regional Center of Orange County,
Orange County Special Education Local Plan Areas,
Orange County Head Start Inc. and
Rancho Santiago Community College District Early Head Start Program**

This agreement is between California Early Start Agencies which include The Regional Center of Orange County (RCOC), and Orange County Special Education Local Plan Areas (SELPAs) hereinafter referred to as CES Agencies and Early Head Start grantees which include Orange County Head Start Inc. (OCHS) and Rancho Santiago Community College District (RSCCD), hereinafter referred to as EHS Agencies.

Early Head Start Programs offer home-based and center-based program options for eligible children and families. For pregnant women and families with infants and toddlers, birth to 36 months, EHS offers a home-based option that includes home visits and monthly socialization opportunities. The center-based option includes age-appropriate child development services in a classroom setting.

California Early Start Agencies provide early intervention services to families of infants and toddlers, birth to 36 months of age, who meet eligibility as described under Title 17 CCR, Ch. 2, Sec. 5200 et seq. within the categories of Developmental Delay and Established Risk.

I. Purpose Statement

The purpose of this agreement is to establish working procedures between the above named agencies in the provision of services to children aged birth to 36 months who are eligible for Early Head Start and CES services in compliance with federal and California state laws and regulations.

It is the Intent of this Agreement to:

- A. Define the services to be provided by each Agency.
- B. Ensure that children eligible for both Part C and EHS receive free and comprehensive child development services and CES services in compliance with Federal and California State laws and regulations.
- C. Ensure that each Agency cooperatively maintains communication and shares leadership responsibilities at the local level to ensure that available resources are utilized in the most effective manner.
- D. Ensure that cooperative procedures between the above named agencies are developed, implemented, and maintained.
- E. Priority for enrollment in EHS will be given to children who meet the Part C criteria for services.

II. Period of Agreement

This agreement shall be in effect on March 1, 2016 and reviewed on or about March 1 annually. The agreement will be considered in effect without the need for annual re-signing unless any party requires changes or determines that they cannot continue to be party to the agreement. In either case, the party wishing to initiate a change or to terminate the agreement shall be responsible for notifying all other parties. In the case of termination, this notification shall be in writing to the other executors of this agreement. The agreement shall terminate within 30 days of such notification unless all parties sign a modified agreement.

III. Mutual Points of Agreement

A. Child Find

Each agency agrees to inform the other of any specific child find activities they will be undertaking to encourage coordination of outreach efforts. Informational items such as brochures, flyers, resource directories, etc. will be shared and, when appropriate, will be distributed to potential consumers to inform them of the services offered by the other agency.

B. Coordination of Referral Procedures between California Early Start Agencies and Early Head Start Agencies

Early Head Start conducts developmental screening within 45 days after enrollment of a child. EHS program providers, as primary referral sources, are required to refer to California Early Start an infant or toddler who may qualify for early intervention services. Early Head Start providers make referrals to CES by faxing the #101/Referral for Service form (Attachment A) to the Intake Department at Regional Center of Orange County.

To make a referral to EHS, CES Agencies inform parents of the comprehensive child development program services provided by EHS. If the parents are interested in applying for EHS programs, the RCOC service coordinator will assist the family in completing and faxing the Pre-Enrollment Application form (Attachment B) and the IFSP. The CES agency will inform the family that an additional enrollment process must be completed in order for them to receive service through Early Head Start.

Contact lists of key staff from each agency will be shared annually including name, title, phone, fax, and email (Attachment C).

C. Information Sharing

RCOC will provide and/or assist EHS agencies in obtaining statistics on the number of children with disabilities in the Early Start Program, when applicable for the purpose of completing a community assessment or other mandated reports. RCOC will provide EHS a copy of current IFSP within 30 days of request with prior written release of information signed and dated by the parents(s) as described in Section IV.

EHS will annually provide CES agencies with program information, eligibility requirements, EHS/Head Start site lists, key contacts, the pre-enrollment application form, and community assessment reports.

CES agencies agree that during the 2 year 6 month transition planning process, information about pre-school options will be discussed with parents including Head Start services even if the child has not participated in Early Head Start. If the parent indicates an interest in Head Start services, the CES Service Coordinator will work with the family to complete a pre-enrollment application form and fax to Orange County Head Start. With parent consent, a representative from EHS/Head Start may attend the transition planning meeting.

IV. Confidentiality of Information Sharing

CES and EHS agencies shall obtain a written release of information from the parent(s) before sharing information from the records of the child. All agencies agree to use appropriate exchange of information forms when sharing confidential child and family information. The written release shall be presented in the parent's language, signed and dated by the parent(s) giving consent and shall include the following:

- A. Specification of the records to be disclosed;
- B. Purpose of the disclosure; and
- C. Parties to whom the disclosure will be made.

V. Community Coordination

The CES agencies and EHS agree to keep each other informed of any training being offered that would be appropriate and beneficial for staff of each agency by sending brochures, flyers or other forms of notice. Both CES agencies and EHS also agree to cross-train as appropriate and beneficial for staff of each agency (i.e., specific to disabilities and/or related topics.) EHS will be invited and agrees to participate in interagency CES sponsored activities.

EHS agencies will invite the CES agencies to attend Head Start/Early Head Start Health Advisory Committee Meetings.

VI. Dispute Resolutions

It is the intent of the CES and EHS agencies to resolve all disputes related to this Interagency Agreement at the lowest administrative level possible, within 60 business days.

1. Dispute resolutions for issues regarding the provision of services will be resolved as quickly as possible and at the earliest step possible.

1.1 Parties to this agreement are encouraged to resolve disagreements at their level whenever possible. If agreement cannot be reached within 15 business days the dispute will proceed to 1.2.

1.2 Parties to this agreement will refer the dispute to the next in charge within their organization for resolution. If agreement cannot be reached within 15 business days at this level, the dispute will proceed to 1.3

1.3 The Executive Directors from each agency will refer the dispute to the Dispute Resolution Committee. The committee will be composed of two representatives from each agency. The Dispute Resolution committee will reach a consensus agreement and render a final written decision within 30 business days of receipt of referral.



What is Regional Center of Orange County (RCOC)?

RCOC is a non-profit agency that coordinates individualized services for people with developmental disabilities.

Telephone: 714-796-5100 (24 Hour)

New Referrals Only: 714-796-5354 (Intake Department) or Fax 714-796-5200

Who Qualifies?

1. According to state law, a person is eligible for RCOC services if all of the following criteria are met:
 - ▶ The person has a disability due to intellectual disability, cerebral palsy, autism, epilepsy or a condition requiring treatment similar to that for people with intellectual disability.
 - ▶ The disability began before the age of 18.
 - ▶ The disability is likely to continue indefinitely.
 - ▶ The disability is substantially handicapping for the individual.
2. RCOC also coordinates the State-mandated Early Start Program which provides early intervention services for children under age 3 who have one of the following:
 - ▶ Significant developmental delay.
 - ▶ Established risk conditions expected to result in significant developmental problems.
 - ▶ Low incidence condition: vision, hearing or orthopedic impairment.
 - ▶ High risk of having a substantial developmental disability due to a combination of risk factors.
3. Comfort Connection Family Resource Center with referrals to generic agencies:
 - ▶ At risk of exhibiting a significant developmental delay.

Services Available

Some of the services offered to eligible individuals may include service coordination, early intervention services, respite, behavioral health services, support groups, residential care and adult programs. RCOC may purchase medical, diagnostic and assessment services when there is a need to clarify the person's developmental disability. Additionally, RCOC may supplement or fund for medical or dental services if these services are not available through another generic resource and the need is related to the developmental disability.

Referrals

If you have a patient who fits any of the above criteria, please refer to RCOC (see reverse) and ask the patient or the patient's parent to contact RCOC's Intake and Assessment Unit at 714-796-5354 for an initial assessment to determine eligibility for services.

RCOC Referral for Services Form

FAX TO: 714-796-5200

PHONE: 714-796-5354

REFERRAL FOR SERVICE

Date: _____ Is family aware of referral? Yes ☐ No ☐

Referred by: _____ Supporting documentation? Yes ☐ No ☐

Address: _____ City, State Zip

Phone: _____ Fax: _____

Language: English ☐ Spanish ☐ Vietnamese ☐ Other _____

Patient Name: _____ DOB: ____/____/____ Age: ____ M ☐ F ☐

a/k/a: _____ Email Address: _____

Address: _____ City, State, Zip

Phone Number: Home () _____ Facility: () _____

Name of: Parent ☐ Guardian ☐ Conservator ☐ _____

Early Start (Birth to 36 Months)

Children under age 3 are eligible for services under California's Early Start Program if one of the following factors is present:

- ☐ Significant developmental delay
- ☐ Established risk conditions expected to result in significant developmental problems
- ☐ High risk of having a developmental disability due to a combination of risk factors

LOW INCIDENCE:

Vision ☐ Hearing ☐ Orthopedics ☐

Comfort Connection Family Resource Center (Birth to 36 Months)

- ☐ At risk of exhibiting a significant developmental delay

Developmental Disability (Over Age 3)

- ☐ Intellectual Disability I.Q.: _____ ☐ Cerebral Palsy Type: _____
- ☐ Epilepsy Frequency of seizures: _____ ☐ Autism Diagnosed by: _____
- ☐ Other conditions similar to Intellectual Disability: _____

Comments:

Mailing Address: P. O. Box 22010, Santa Ana, CA 92702





Enrollment Referral Form


Referring Agency:		Date:	
Contact Person:			
Name of Child:			
Date of Birth:		Child's Sex: <input type="checkbox"/> M <input type="checkbox"/> F	
Parental Status: <i>(Family members must be supported by the parent and living in this household to count as part of the family size.)</i> <input type="checkbox"/> One Parent <input type="checkbox"/> Two Parents <input type="checkbox"/> Foster/Guardian <input type="checkbox"/> Grandparent <input type="checkbox"/> Other: _____			
Name of Mother/Guardian:		Date of Birth:	
Name of Father/ Guardian:		Date of Birth:	
Street Address:			Apt #:
City:		State:	Zip:
Home Phone #: () _____ - _____	Cell Phone #: () _____ - _____	Alternate #: () _____ - _____	
Does this child have an IEP/IFSP? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, additional information:			
Is this child or family in any specific need or crisis? <input type="checkbox"/> Yes <input type="checkbox"/> No Comments:			
Is this child an Early Head Start transitioning child from RSCCD-Early Head Start Program? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Center Applying for:			
Authorization: I consent that the information above will be sent to Orange County Head Start, Inc. and/or RSCCD Early Head Start, as a referral for enrollment.			
Parent/Guardian Signature: _____ Date: _____			
<i>*Information below to be completed by OCHS/RSCCD staff only*</i>			
Received by: _____ <small>(Signature of staff member receiving this referral form)</small>		Date: _____	
Given to: _____ <small>(Name of the staff member this referral form is given to for follow up with the parent)</small>		Date: _____	
Send this Referral Form attention to:			
Michelle Ahmad or Olivia Mena By fax 714-640-2332 or e-mail to enrollment@ochsinc.org		Connie Van By email <u>van_connie@rsccd.edu</u> or fax 714-796-3947 If the child resides in Santa Ana	

The following parties execute this Agreement.

Approved by:

By:  Date: 3/28/16
My Le Pham, Rancho Santiago Community College Early Head Start

By:  Date: 3/28/16
Colleen Versteeg, Executive Director, Orange County Head Start, Inc.

By:  Date: 3/25/2016
Janis White, Chief Operating Officer, Regional Center of Orange County

By: _____ Date: _____
Kristin Cinco, Sr. Director of Special Education Services and SELPA, Anaheim City School District

By: _____ Date: _____
Mark Miller, Assistant Superintendent, Capistrano Unified School District

By: _____ Date: _____
Lorraine Rae, Asst. Supt., Special Ed./Student Services, Garden Grove Unified School District

By: _____ Date: _____
Paul Lavigne, Ed.D., Executive Director, Greater Anaheim SELPA

By: _____ Date: _____
Melanie Hertig, Executive Director, Irvine Unified School District

By: _____ Date: _____
Sara Jocham, Assistant Superintendent, Newport Mesa Unified School District

By: _____ Date: _____
Jean Martin, Ed.D., Director, North Orange County SELPA

By: _____ Date: _____
Trisha Brady, Director, Northeast Orange County SELPA

By: _____ Date: _____
Dennis Roberson, Chief, Special Education Services

By: _____ Date: _____
Denise MacAllister, Director, Orange SELPA

By: _____ Date: _____
Doreen Lohnes, Assistant Superintendent, Santa Ana SELPA

By: _____ Date: _____
Scott Turner, Director, South Orange County SELPA

By: _____ Date: _____
Lori Stillings, Ed.D., Assistant Superintendent, Tustin SELPA

By: _____ Date: _____
Anne Delfosse, Director, West Orange County SELPA

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

Human Resource Services Activity List Board of Trustees Regular Meeting of May 11, 2016
Classified Employees

ACCEPT RESIGNATIONS/TERMINATIONS

<u>Name</u>	<u>Position Title</u>	<u>Reason</u>	<u>Original Hire Date</u>	<u>Date of Separation</u>
1. Cruz, Laura	Sch Clerk II	Voluntary	11/19/2015	04/27/2016
2. Herrera, Peter	Storekeeper/Delivery Driver	Retirement	04/20/1998	06/10/2016
3. Kerr, Myriam	Inst Asst-Sp Ed	Retirement	01/03/1979	06/09/2016
4. Mc Gee, Patricia	FS Worker	Voluntary	02/01/2016	05/09/2016
5. McLellan, Anita	HS Campus Supvr	Retirement	09/09/1993	05/27/2016
6. Meshkat, Neeka	IF-Sp Ed	Voluntary	09/09/2013	04/28/2016
7. Stucky, Suzanne	Elem Sch Office Mgr	Retirement	11/19/1992	03/31/2016
8. Yslas, Art	Custodian I	Retirement	03/27/1989	04/23/2016

APPROVE EMPLOYMENT

<u>Name</u>	<u>Position-Full Time</u>	<u>Salary</u>	<u>Range/Step</u>	<u>Effective Date</u>
9. Focht, Julie	Account Clerk III (12mo/40hpw)	\$ 3,348.00 mo	R32-1	04/25/2016
10. Jakovich, Alexis	School Clerk II (10.5mo/40hpw)	\$ 2,816.56 mo	R25-1	05/09/2016
11. Mechling, Gary	HVAC Tech (12mo/40hpw)	\$ 4,079.72 mo	R40-1	05/09/2016

<u>Name</u>	<u>Position-Part Time</u>	<u>Salary</u>	<u>Range/Step</u>	<u>Effective Date</u>
12. Bowman, Dora	IF-Sp Ed (9.5mo/30hpw)	\$15.09 hr	R22-1	04/25/2016
13. Fruman, Sara	Inst Asst-Sp Ed (9.5mo/17.5hpw)	\$14.36 hr	R20-1	04/25/2016
14. Hurt, Staci	IF-Sp Ed (9.5mo/17.5hpw)	\$15.09 hr	R22-1	04/28/2016
15. Jacks, Larry	MS Campus Supvr (9.5mo/17.5hpw)	\$15.47 hr	R23-1	04/20/2016

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

Human Resource Services Activity List Board of Trustees Regular Meeting of May 11, 2016
Classified Employees

APPROVE EMPLOYMENT (Cont.)

<u>Name</u>	<u>Position-Part Time</u>	<u>Salary</u>	<u>Range/ Step</u>	<u>Effective Date</u>
16. Jenner, Angel	Inst Asst-Sp Ed (9.5mo/17.5hpw)	\$14.36 hr	R20-1	04/25/2016
17. Mansour, Amira	MS Campus Supvr (9.5mo/15hpw)	\$15.47 hr	R23-1	04/26/2016
18. Walder, Nicole	Inst Asst-Sp Ed (9.5mo/17.5hpw)	\$14.36 hr	R20-1	04/18/2016
19. Zerboni, Lindy	IF-Sp Ed (9.5mo/17.5hpw)	\$15.09 hr	R22-1	05/02/2016
20. Zoccoli, Dianna	Inst Asst-Sp Ed (9.5mo/17.5hpw)	\$14.36 hr	R20-1	04/18/2016

<u>Name</u>	<u>Position-Substitute</u>	<u>Salary</u>	<u>Range/ Step</u>	<u>Effective Date</u>
21. Cruz, Laura	Clerk	\$16.01 hr	R23-01	04/28/2016
22. Eames, Kim	Student Supvr	\$10.00 hr		04/26/2016
23. Grulkowski, Susan	Inst Asst-Sp Ed	\$14.86 hr	R20-01	04/27/2016
24. Hammer, Samantha	Inst Asst-Preschool	\$14.36 hr	R20-01	04/14/2016
25. Kitagawa, Michelle	Inst Asst-Sp Ed	\$14.36 hr	R20-01	04/14/2016
26. Kochmanski, Patricia	Inst Asst-Sp Ed	\$16.39 hr	R20-03	04/21/2016
27. Kweiler, Wendy	Student Supvr	\$10.00 hr		04/25/2016
28. Linhart, Barbara	Student Supvr	\$10.00 hr		04/12/2016
29. Long, Alyson	Student Supvr	\$10.00 hr		04/13/2016
30. McClure, Julie	IBI Asst/Tutor	\$15.85 hr	R24-01	04/19/2016
31. Morris, Joseph	Inst Asst-Sp Ed	\$14.86 hr	R22-01	03/24/2016
32. Nixon, Mary	FS Worker	\$12.38 hr	R14-01	04/20/2016
33. Patterson, Maria	FS Worker	\$12.38 hr	R14-01	04/14/2016
34. Pourjafar, Taronnom	Inst Asst-Sp Ed	\$14.36 hr	R20-01	04/21/2016
35. Powers, Shannon	FS Worker	\$12.38 hr	R14-01	04/25/2016
36. Regan, Mary	FS Worker	\$12.38 hr	R14-01	07/01/2015
37. Weber, Deborah	Clerk	\$16.01 hr	R23-01	04/21/2016

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

Human Resource Services Activity List Board of Trustees Regular Meeting of May 11, 2016
Classified Employees

APPROVE CO-CURRICULAR ASSIGNMENTS

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Salary</u>	<u>Effective Date</u>
38. Degelsmith, Daylen	Swimming, Girls' Varsity (Asst)	Tesoro HS	\$ 2,693.00	02/27/2016- 05/06/2016
39. Miramontes, Jesus	Soccer, Girls' Varsity (Asst)	Aliso Niguel HS	\$ 2,693.00	11/07/2015- 02/10/2016
40. Skelly, Mike	Softball, Girls' (Asst)	Dana Hills HS	\$ 3,142.00	02/13/2016- 05/01/2016

APPROVE CIF CO-CURRICULAR ASSIGNMENTS

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Salary</u>	<u>Effective Date</u>
41. Miramontes, Jesus	Soccer, Girls' Varsity (Asst)	Aliso Niguel HS	\$ 269.30	02/13/2016

APPROVE ASB FUNDED ASSIGNMENTS @ \$10.00 PER UNIT

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Salary</u>	<u>Effective Date</u>
42. Aragona, Jeff	Basketball, Girls' (Asst)	San Clemente HS	\$ 500.00	06/11/2016- 06/30/2016
43. Berry, James	Proctor AP Exams	Capistrano Valley HS	\$ 6,800.00	05/02/2016- 05/20/2016
44. De La Garza, Doug	Baseball, Varsity (Asst)	Aliso Niguel HS	\$ 1,000.00	02/01/2016- 05/01/2016
45. Gustafson, Douglas	Track, (Asst)	Dana Hills HS	\$ 1,250.00	02/14/2016- 05/06/2016
46. Husbands, Kerri	Basketball, Girls' Varsity (Head)	San Clemente HS	\$ 1,000.00	06/11/2016- 06/30/2016
			\$ 1,000.00	07/01/2016- 07/29/2016

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

Human Resource Services Activity List Board of Trustees Regular Meeting of May 11, 2016
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APPROVE ASB FUNDED ASSIGNMENTS @ \$10.00 PER UNIT (Cont.)

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Salary</u>	<u>Effective Date</u>
47. Quiggle, Casey	Volleyball, Boys' JV (Head)	Aliso Niguel HS	\$ 2,600.00	02/01/2016- 05/10/2016
48. Smetona, John	Basketball, Boys' (Asst)	San Clemente HS	\$ 600.00	06/11/2016- 06/30/2016
49. Soto, Matt	Track, Boys' (Asst)	Capistrano Valley HS	\$ 2,693.00	02/01/2016- 04/30/2016
50. Taylor, Andrew	Track, (Asst)	Tesoro HS	\$ 2,500.00	03/15/2016- 05/12/2016
51. Tintle, Nicholas	Lacrosse, Boys' (Asst)	Tesoro HS	\$ 2,244.45	02/27/2016- 05/12/2016
52. Wright, Charlie	Football, Varsity	Capistrano Valley HS	\$ 3,559.00	02/29/2016- 04/30/2016
53. Wright, Matthew	Surf, (Asst)	San Juan Hills HS	\$ 1,250.00	01/25/2016- 04/29/2016

APPROVE PROMOTION

<u>Name</u>	<u>Former Position</u>	<u>Position</u>	<u>Range/Step</u>	<u>Effective Date</u>
54. Alvarez, Lupe	Custodian I (12mo/40hpw)	Custodian IV (Temp/40hpw)	R32-1	04/11/2016- 05/31/2016
55. Baker, Karen	Elem Sch Clerk (10.5mo/40hpw)	Elem Sch Office Mgr (Temp/40hpw)	R33-6	04/01/2016- 06/08/2016
56. Criscione, Charleen	Inst Asst (9.5mo/17.5hpw)	Inst Asst-Sp Ed (9.5mo/17.5hpw)	R20-15	05/09/2016
57. Gutierrez, Rafael	Custodian I (12mo/40hpw)	HVAC Asst (Temp/40hpw)	R40-1	04/01/2016- 04/30/2016
58. Lugo, Diana	Inst Asst (9.5mo/17.5hpw)	Inst Asst-Sp Ed (9.5mo/17.5hpw)	R20-4	05/09/2016
59. Summers, Denice	IF-Sp Ed (9.5mo/32.5hpw)	Int Office Asst (10.75mo/30hpw)	R25-3	04/25/2016

CAPISTRANO UNIFIED SCHOOL DISTRICT
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Classified Employees

APPROVE PROMOTION (Cont.)

<u>Name</u>	Former <u>Position</u>	<u>Position</u>	Range/ <u>Step</u>	Effective <u>Date</u>
60. Torres, Jesus	Custodian I (12mo/40hpw)	Custodian IV (Temp/40hpw)	R32-1	03/31/2016- 05/31/2016

APPROVE TEMPORARY ADDITIONAL ASSIGNMENT
PAY AT REGULAR RATE OF PAY

<u>Name</u>	Additional <u>Assignment</u>	Effective <u>Date</u>
61. Azzolini, Cheryl	Inst Asst-Presch TAA NTE 55 hrs (Attend meetings for end of year)	04/01/2016- 06/30/2016
62. Bethurum, Connie	Inst Asst-Presch TAA NTE 55 hrs (Attend meetings for end of year)	04/01/2016- 06/30/2016
63. Centeno, Celina	Presch Teacher TAA NTE 18 hrs (Moving from Crown Valley preschool)	06/10/2016- 07/01/2016
64. Downhower, Susan	Inst Asst-Presch TAA NTE 9 hrs (Moving from Crown Valley preschool)	06/10/2016- 07/01/2016
65. Espinosa, Rita	Inst Asst-Presch TAA NTE 9 hrs (Moving from Crown Valley preschool)	06/10/2016- 07/01/2016
66. Fuentes, Tara	Inst Asst-Presch TAA NTE 55 hrs (Attend meetings for end of year)	04/01/2016- 06/30/2016
67. Gonzalez, Sarah	Speech and Language Pathologist Asst TAA NTE 10 hrs (Assist students with language)	11/01/2015- 12/31/2015
68. Graves, Karen	HS Campus Supvr TAA NTE 25 hrs (Proctor after school detention)	04/11/2016- 06/08/2016
69. Kemp, Lorraine	Inst Asst-Presch TAA NTE 55 hrs (Attend meetings for end of year)	04/01/2016- 06/30/2016
70. Mar, Araceli	Blngl Clerk TAA NTE 40 hrs (Assist with Summer Academy)	07/21/2016- 08/14/2016
71. Martinez, Zonia	Blngl Comm Svcs Liaison TAA NTE 12 hrs (Assist with parent translations)	01/01/2016- 02/10/2016

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Human Resource Services Activity List Board of Trustees Regular Meeting of May 11, 2016
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APPROVE TEMPORARY ADDITIONAL ASSIGNMENT
PAY AT REGULAR RATE OF PAY (Cont.)

<u>Name</u>	<u>Additional Assignment</u>	<u>Effective Date</u>
72. Mejia, Rebecca	Blngl Comm Svcs Liaison TAA NTE 5 hrs (Assist with Braken testing)	03/01/2016- 06/09/2016
73. Miller, Julie	Account Clerk III TAA NTE 40 hrs (Assist with end of year training)	06/17/2016- 07/14/2016
74. Swartz, Brian	HS Campus Supvr TAA NTE 25 hrs (Proctor after school detention)	04/11/2016- 06/08/2016
75. Sweyd, Angela	Inst Asst-Presch TAA NTE 55 hrs (Attend meetings for end of year)	04/01/2016- 06/30/2016
76. Tarnovsky, Anastasiya	Inst Asst-Presch TAA NTE 55 hrs (Attend meetings for end of year)	04/01/2016- 06/30/2016
77. Vega, Irene	Inst Asst-Presch TAA NTE 55 hrs (Attend meetings for end of year)	04/01/2016- 06/30/2016

APPROVE LEAVES OF ABSENCE

<u>Name</u>	<u>Position</u>	<u>Reason</u>	<u>Effective Date</u>
78. Bingham, Monica	IF-Sp Ed	Personal	01/03/2016- 01/29/2016

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

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Certificated Employees

ACCEPT RESIGNATIONS/TERMINATIONS

<u>Name</u>	<u>Position Title</u>	<u>Reason</u>	<u>Original Hire Date</u>	<u>Date of Separation</u>
1. Barrett, Janet	Teacher	Retirement	09/07/1977	06/15/2016
2. Blakely, Deborah	Teacher	Retirement	11/01/1977	06/10/2016
3. Carlini-Castiglia, Marcella	Teacher	Relocation	08/27/2001	06/10/2016
4. Davis, Christy	Teacher	Other Employment	08/29/1997	06/22/2016
5. Degen, Marcus	Teacher	Retirement	09/07/1977	06/10/2016
6. Dornan, Marian	Teacher	Retirement	09/01/1987	06/10/2016
7. Evans, Sylvia	Teacher	Retirement	09/24/1990	06/10/2016
8. Hayden, Curtis	Teacher	Retirement	09/20/1983	06/10/2016
9. Yamamoto, Kera	Teacher	Relocation	10/24/2011	06/10/2016
10. Trager, James	Sub Teacher	Voluntary	01/23/2013	03/31/2016

APPROVE SUBSTITUTE TEACHERS

Pay @ \$105.00 per hour

11. Buchanan, Megan	18. Lian, Jennifer
12. Chong, Jessica	19. Mendenhall, Katherine
13. Espinoza, Bianca	20. Norton, Corinne
14. Gillett, Ashley	21. Palacios Jr, Rogelio
15. Greenwood, Beth	22. Payne, Andrea
16. Grulkowski, Susan	23. Reed, Dana
17. LeVander, Christopher	

APPROVE 6/5ths ASSIGNMENT-2nd SEMESTER

Not to exceed \$19,800 for 6/5ths section

24. Henry, Lisa	27. Summer, Robert
25. Homs, Jamie	28. Tinker, James
26. Moore, Farrel	

CAPISTRANO UNIFIED SCHOOL DISTRICT
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APPROVE ANNUAL Y-RATE

<u>Name</u>	<u>Assignment</u>	<u>Salary</u>	<u>Effective Date</u>
29. Crowley, Heidi	Coordinator, Charter Schools & Strategic Initiatives	R61-10 (Y-Rate)	07/01/2016- 06/30/2017

APPROVE ADDITIONAL ASSIGNMENTS

Family Math & Science Night - Castille ES

Not to exceed 3 hours non-instructional pay @ \$30.00 per hour
4/26/2016

30. Giacchino, Corinne	32. Shaler, Barbi
31. Gruenewald, Eric	33. Smiggs, Donna

Technology Staff Development - Castille ES

Not to exceed 2 hours non-instructional pay @ \$30.00 per hour
03/25/2016-06/09/2016

34. Brooks, Teresa	45. Puccio, Lisa
35. Collins, Kathleen	46. Regan, Alison
36. Evans, Stuart	47. Rondeau, Heidi
37. Gebert, Elizabeth	48. Rucker, Michelle
38. Giacchino, Corinne	49. Shaler, Barbi
39. Gruenewald, Eric	50. Smiggs, Donna
40. Josephson, Shonna	51. Taglieri, Christine
41. Kauo, Karen	52. Villarreal, Erica
42. Lane, Luann	53. Werthmuller, Kelly
43. Logan, Traci	54. Wolbrink, Barbara
44. McPherson, Kathleen	

Attend Training for WFTB - Kinoshita ES

Not to exceed 2.5 hours non-instructional pay @ \$30.00 per hour
04/26/2016-06/09/2016

55. Andre, Marla	58. Biggs, Stacy
56. Arndt, Terri	59. Blackburn, Nancy
57. Barragan, Kathleen	60. Cortez, Jennifer

CAPISTRANO UNIFIED SCHOOL DISTRICT
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Human Resource Services Activity List Board of Trustees Regular Meeting of May 11, 2016
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APPROVE ADDITIONAL ASSIGNMENTS (Cont.)

Attend Training for WFTB - Kinoshita ES

Not to exceed 2.5 hours non-instructional pay @ \$30.00 per hour

04/26/2016-06/09/2016

- | | |
|----------------------------|---------------------|
| 61. Dang, Gina | 67. Johnson, Marsha |
| 62. Duarte, Amy | 68. Kaaz, Susan |
| 63. Gearn, Gina | 69. Murphy, Cynthia |
| 64. Guilbert, Geralyn | 70. Nieto, Lillian |
| 65. Hendrickson, Katharine | 71. Regan, Lynda |
| 66. Hutchinson, Jessica | 72. Ridgway, Damon |

Attend Training for WFTB - Kinoshita ES

Not to exceed 2.5 hours non-instructional pay @ \$30.00 per hour

04/26/2016-06/09/2016

- | | |
|--------------------------|--------------------------|
| 73. Rodda, Rosalee | 78. Shea, Dawn |
| 74. Rogan, Terryll | 79. Tonai, Jennifer |
| 75. Rojas, Christy | 80. VanHofwegen, Martyne |
| 76. Rose, Stephany | 81. Velarde, Valerie |
| 77. Scarborough, Shannon | |

Attend Illuminate Training - Kinoshita ES

Not to exceed 1 hour non-instructional pay @ \$30.00 per hour

03/29/2016-06/09/2016

- | | |
|----------------------|--------------------------|
| 82. Biggs, Stacy | 87. Rojas, Christy |
| 83. Blackburn, Nancy | 88. Tonai, Jennifer |
| 84. Cortez, Jennifer | 89. VanHofwegen, Martyne |
| 85. Dang, Gina | 90. Barragan, Kathy |
| 86. Duarte, Amy | |

Attend A Write From the Beginning Training - Las Palmas ES

Not to exceed 2 hours non-instructional pay @ \$30.00 per hour

04/26/2016-05/17/2016

- | | |
|------------------------|----------------------|
| 91. Becerra, Alejandra | 94. Carter, Juliana |
| 92. Brannam, Andrea | 95. Connors, Eryn |
| 93. Campos, Hilda | 96. Cornejo, Eduardo |

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

Human Resource Services Activity List Board of Trustees Regular Meeting of May 11, 2016
Certificated Employees

APPROVE ADDITIONAL ASSIGNMENTS (Cont.)

Attend A Write From the Beginning Training - Las Palmas ES

Not to exceed 2 hours non-instructional pay @ \$30.00 per hour

04/26/2016-05/17/2016

- | | |
|--------------------------|--------------------------------|
| 97. Elder, Anna | 106. Mora, Sandra |
| 98. Gomez, Martha | 107. Morales, Star |
| 99. Hendrickson, Rachel | 108. Morrison-Lantz, Catherine |
| 100. Hogancamp, Yesenia | 109. Munoz, Veronica |
| 101. Jiron, Laurel | 110. Neumann, Richard |
| 102. Kopjak, Angie | 111. Noguez, Veronica |
| 103. Loya-Amador, Imelda | 112. Paz Soldan, Paola |
| 104. Medrano, Eileen | 113. Rettele, Margaret |
| 105. Mendoza, Wendy | 114. Rhodes, Mariela |

Attend A Write From the Beginning Training - Las Palmas ES

Not to exceed 2 hours non-instructional pay @ \$30.00 per hour

04/26/2016-05/17/2016

- | | |
|----------------------------------|---------------------------------|
| 115. Ririe, Martha | 119. Thompson, Nicola |
| 116. Romo Higley, Rosa | 120. Villafranca-Ruiz, Estrella |
| 117. Sandoval-Martinez, Angelica | 121. Villalobos, Claudia |
| 118. Skelly, Barbara | |

Prep for Meeting Regarding Academy - RH Dana ES

Not to exceed 2 hours non-instructional pay @ \$30.00 per hour

04/14/2016-04/28/2016

122. Slee, Elisa

Teach During Summer Academy - San Juan ES

Not to exceed 40 hours instructional pay @ \$35.00 per hour

07/21/2016-08/14/2016

- | | |
|------------------------------|-----------------------|
| 123. Diaz, Monica | 128. Perez, Carmen |
| 124. Gonzalez, Joann | 129. Ramirez, Theresa |
| 125. Jacques, Pierre | 130. Sanchez, Lidia |
| 126. Liceaga-Reyes, Gabriela | 131. Vargas, Ricardo |
| 127. Martinez Ramirez, Saul | 132. Ward, Yesenia |

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

Human Resource Services Activity List Board of Trustees Regular Meeting of May 11, 2016
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APPROVE ADDITIONAL ASSIGNMENTS (Cont.)

Plan, Staff and Develop Curriculum for Summer Academy - San Juan ES

Not to exceed 10 hours non-instructional pay @ \$30.00 per hour

07/21/2016-08/14/2016

133. Martinez Ramirez, Saul

134. Ward, Yesenia

Provide Staff Development to Teachers - San Juan ES

Not to exceed 10 hours non-instructional pay @ \$30.00 per hour

07/01/2016-10/15/2016

135. Garcia-Serrato, Martha

137. Hamidi, Luz

136. Gerson, Victoria

138. Le, Leslie

Plan Curriculum/Materials and Train Teachers for Summer Academy - San Juan ES

Not to exceed 4 hours non-instructional pay @ \$30.00 per hour

07/21/2016-08/14/2016

139. Tawil, Gracie

After School Detention - Don Juan Avila MS

Not to exceed 2.5 hours instructional pay @ \$35.00 per hour

03/29/2016-06/09/2016

140. Coppes, Paul

143. McMichael-Willis, Susan

141. Homs, Jamie

144. Poteet, Gina

142. Jacobson, Lisa

145. Waterman, Charles

Before School Instruction in Math/ELD - Marco Forster MS

Not to exceed 30 hours instructional pay @ \$35.00 per hour

01/22/2016-06/09/2016

146. Stough, Kathleen

Before School Instruction in Math/ELD - Marco Forster MS

Not to exceed 15 hours instructional pay @ \$35.00 per hour

01/22/2016-06/09/2016

147. Dilloughery, Colleen

148. Romero, Debra

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

Human Resource Services Activity List Board of Trustees Regular Meeting of May 11, 2016
Certificated Employees

APPROVE ADDITIONAL ASSIGNMENTS (Cont.)

Collect and Prepare for hazardous waste materials to be picked up - Aliso Niguel HS

Not to exceed 3 hours non-instructional pay @ \$30.00 per hour

04/14/2016-06/10/2016

149. Murphy, Kelli

Participate on ELD Task Force - San Clemente HS

Not to exceed 6 hours non-instructional pay @ \$30.00 per hour

03/18/2016-06/09/2016

150. Compean, Laura

153. Kerr, Lisa

151. Dul, Kylie

154. Mack, Alana

152. Eckert-Toler, Jennifer

155. Oliphant, Rob

Participate on ELD Task Force - San Clemente HS

Not to exceed 6 hours non-instructional pay @ \$30.00 per hour

03/18/2016-06/09/2016

156. Sigafos, Kathleen

AP Review - San Clemente HS

Not to exceed 6 hours instructional pay @ \$35.00 per hour

04/01/2016-05/15/2016

157. Cain, Joshua

166. Signer, Jeff

158. Compean, Laura

167. Sisca McGuire, Carla

159. Eckert-Toler, Jennifer

168. Soto, Antonio

160. Enmeier, Mark

169. Swenson, Casey

161. Finnerty, Stacey

170. Tanaka, Mio

162. Kolasa, Jeff

171. Tubb, Mike

163. Olsen, Shirley

172. Urquidi, Roderick

164. Shick, Allison

173. Young, Gregg

165. Sigafos, Kathleen

CAPISTRANO UNIFIED SCHOOL DISTRICT
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APPROVE ADDITIONAL ASSIGNMENTS (Cont.)

After School Tutoring - Tesoro HS

Not to exceed 12 hours instructional pay @ \$35.00 per hour

04/18/2016-06/09/2016

174. Busenkell, Willian
175. Lombardo, Monica
176. Manzotti, Maria

177. O'Brien, James
178. O'Malley, Shannon

Participate in CAG Planning - Education Services

Not to exceed 20 hours non-instructional pay @ \$30.00 per hour

09/01/2015-06/30/2016

179. Bucher, Ernst
180. Cintas, Heather

181. McNeil, Kelly

Work, Plan and Meet as part of CUSD's ELA Task Force - Education Services

Not to exceed 25 hours non-instructional pay @ \$30.00 per hour

01/05/2016-06/10/2016

182. Ciolek, Rhonda
183. Henchel, Jennifer
184. Hill, Erin
185. Holley, Cindi
186. Jacques, Heather
187. LeFever-Mazzaro, Jill
188. Lightner, Liz

189. McLaren, Chris
190. Mendoza, Wendy
191. Millat, Carrie
192. Munoz, Veronica
193. Sykes, Marie
194. Taglieri, Christine
195. Thibault, Bobbie

Math Course Placement Testing with Students - Education Services

Not to exceed 31 hours instructional pay @ \$35.00 per hour

07/01/2016-08/30/2016

196. Chamberlain, Dave

Math Placement, Scoring, Prepping and Parent Communications - Education Services

Not to exceed 159 hours non-instructional pay @ \$30.00 per hour

07/01/2016-08/30/2016

197. Chamberlain, Dave

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

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APPROVE CO-CURRICULAR ASSIGNMENTS

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Salary</u>	<u>Effective Date</u>
198. Balck, Jenni	Outdoor Ed, Elem	Oso Grande Elem	\$ 112.25 per night	04/20/2016- 04/22/2016
199. Berger, Ann	Outdoor Ed, Elem	Oso Grande Elem	\$ 112.25 per night	04/19/2016- 04/22/2016
200. Beyer, Quinn	Outdoor Ed, Elem	Don Juan Avila Elem	\$ 112.25 per night	05/31/2016- 06/02/2016
201. Caldera Corral, Cynthia	Department Chair, Special Ed-	Bernice Ayer MS	\$ 817.00	02/24/2016- 03/23/2016
202. Donnelly, John	Football, Freshman (Head)	Dana Hills HS	\$ 3,142.00	08/11/2016- 11/04/2016
203. Goss, Kristen	Department Chair, Special Ed-	Bernice Ayer MS	\$ 817.00	08/25/2015- 01/20/2016
204. Hall, Kimberly	Outdoor Ed, Elem	Oso Grande Elem	\$ 112.25 per night	04/19/2016- 04/22/2016
205. Haupt, Mary	Outdoor Ed, Elem	Oso Grande Elem	\$ 112.25 per night	04/19/2016- 04/22/2016
206. Jenkins, Erin	Department Chair, Special Ed-	Bernice Ayer MS	\$ 817.00	03/24/2016- 06/10/2016
207. Kolley-Bruaski, Christina	Outdoor Ed, Elem	Don Juan Avila Elem	\$ 112.25 per night	05/31/2016- 06/02/2016
208. Larwood, Susan	Outdoor Ed, Elem	Don Juan Avila Elem	\$ 112.25 per night	05/31/2016- 06/02/2016
209. Martinez, Judy	Pep Squad, HS	Aliso Niguel HS	\$ 3,142.00	10/12/2015- 06/09/2016
210. Mednick, Melissa	Outdoor Ed, Elem	Oso Grande Elem	\$ 112.25 per night	04/19/2016- 04/22/2016
211. Pinon, Ryan	Surf, Varsity (Head)	Tesoro HS	\$ 336.70	04/17/2016

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

Human Resource Services Activity List Board of Trustees Regular Meeting of May 11, 2016
Certificated Employees

APPROVE CO-CURRICULAR ASSIGNMENTS (Cont.)

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Salary</u>	<u>Effective Date</u>
212. Polk, Rich	Volleyball, Varsity (Head)	Tesoro HS	\$ 3,367.00	02/27/2016- 05/06/2016
213. Reichert, Hillary	Department Chair, Special Ed- 25%	Bernice Ayer MS	\$ 817.00	01/25/2016- 02/23/2016
214. Shwam, Celina	Outdoor Ed, Elem	Oso Grande Elem	\$ 112.25 per night	04/19/2016- 04/22/2016
215. Smith, Staci	Outdoor Ed, Elem	Oso Grande Elem	\$ 112.25 per night	04/19/2016- 04/22/2016
216. Tyler, Sonet	Outdoor Ed, Elem	Don Juan Avila Elem	\$ 112.25 per night	05/31/2016- 06/02/2016

APPROVE ASB FUNDED ASSIGNMENTS @ \$10.00 PER UNIT

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Salary</u>	<u>Effective Date</u>
217. Brickey, Heidi	Test Proctor	Tesoro HS	\$ 1,500.00	05/02/2016- 05/20/2016
218. Butler, Peter	Volleyball, Girls' Varsity (Head)	Aliso Niguel HS	\$ 3,300.00	02/01/2016- 05/30/2016
	Volleyball, Girls' JV (Head)		\$ 2,500.00	02/01/2016- 05/30/2016
219. Labac, Julie	Test Proctor	Tesoro HS	\$ 3,000.00	05/02/2016- 05/20/2016
220. Soto, Antonio	Music	San Clemente HS	\$ 2,500.00	03/15/2016- 05/01/2016
221. Wiggins, Jeremy	Vocal	San Clemente HS	\$ 3,000.00	03/15/2016- 05/01/2016

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

Human Resource Services Activity List Board of Trustees Regular Meeting of May 11, 2016
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APPROVE ASB FUNDED ASSIGNMENTS @ \$10.00 PER UNIT (Cont.)

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Salary</u>	<u>Effective Date</u>
222. Wittman, Justin	Test Proctor	Tesoro HS	\$ 1,000.00	05/02/2016- 05/20/2016

APPROVE LEAVES OF ABSENCE

<u>Name</u>	<u>Reason</u>	<u>Effective Date</u>
223. Bailey, April	Childcare	04/25/2016- 05/13/2016
224. Brannon, Desiree	Personal	05/06/2016- 06/10/2016
225. Dodge, Christina	Personal	2016-2017
226. Guite, Lauren	School	2016-2017
227. Sanchez, Karen	Childcare	2016-2017
228. Wang, Melissa	Childcare	11/04/2016- 06/01/2017

CAPISTRANO UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
MINUTES OF REGULAR MEETING
MARCH 9, 2016
EDUCATION CENTER – BOARD ROOM

President Hanacek called the meeting to order at 5:00 p.m.

Call to Order

At 5:00 p.m. the Board recessed to closed session to discuss: Public Employee Performance Evaluation; Public Employee Employment/Appointment; Employee Discipline/Dismissal/Release; Conference with Legal Counsel – Anticipated Litigation, one cases; Conference with Legal Counsel – Anticipated Litigation, multiple cases; Conference with Labor Negotiators; and Student Expulsion, one case. The regular meeting of the Board reconvened to open session and was called to order by President Amy Hanacek at 7:01 p.m.

**Adjourn to
Closed Session**

ROLL CALL:

Present: Trustees Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas, Pritchard, Reardon and Student Advisor Sorensen

Absent: None

The Pledge of Allegiance was led by, Jason Allemann, Principal, Dana Hills High School.

**Pledge of
Allegiance**

A CD of the Board meeting discussion related to each of the items on the public agenda is on file in the Superintendent's office as a matter of the permanent record. An audio recording of the meeting is available on the District website:

www.capousd.org

**Permanent
Record**

It was moved by Trustee Hatton-Hodson, seconded by Trustee Reardon and by a 7-0 vote, motion carried to adopt the Board Agenda.

**Adoption of the
Board Agenda**

AYES: Trustees Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas, Pritchard and Reardon

NOES: None

ABSENT: None

President Hanacek reported the following action taken during closed session:

**President's
Report from
Closed Session
Meeting**

Agenda Item 3A – Public Employee Performance Evaluation

No reportable action.

Agenda Item 3B – Public Employee Employment/Appointment

The Board voted 7-0 to appoint Brad Baker, Principal, Shorecliffs Middle School.

AYES: Trustees Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas, Pritchard and Reardon

NOES: None

ABSENT: None

Agenda Item 3C – Public Employee Discipline/Dismissal/Release

No reportable action.

Agenda Item 3D – Conference with Legal Counsel – Anticipated Litigation

The Board voted 7-0 to approve staff denial to hear the Level 4 Complaint received on February 27, 2015 regarding minimum educational curriculum requirements for Visual and Performing Arts.

AYES: Trustees Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas,
Pritchard and Reardon
NOES: None
ABSENT: None

Agenda Item 3E – Conference With Legal Counsel – Anticipated Litigation

Item not discussed.

Agenda Item 3F – Conference with Labor Negotiators

No reportable action.

Agenda Item 3G – Student Expulsion

The Board voted 7-0 to ratify Student Expulsion Stipulation Agreement, Student Expulsion Case #2016-024.

AYES: Trustees Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas,
Pritchard and Reardon
NOES: None
ABSENT: None

Associated Student Body Report:

Dr. Jason Allemann, Principal, Mr. Ken Nedler, Director Of Student Activities, and John Stafford, Student Body President Dana Hills High School will report on their school and activities.

**Special
Recognitions**

Elizabeth Sorensen, Student Advisor introduced Dr. Jason Allemann, Principal, Dana Hills High School.

Extra Miler:

To recognize Keith Hancock, Tesoro High School Choral Conductor who was recently recognized as a Grammy Music Educator finalist, one of ten in the nation out of 4,500 nominations. He was the only choir director to be nominated for this prestigious award. In addition, Mr. Hancock was chosen as Secondary Vocal Music Educator of the Year in Orange County. The District is recognizing Keith Hancock as an “Extra Miler.”

Ryan Burris introduced Keith Hancock.

Superintendent Vital reported on various school visits and the activities of the past two weeks including her visit to testify to the Assembly Budget Subcommittee on Educational Finance.

**Board and
Superintendent
Comments**

Trustee Gila Jones reported on her role as the new President for South Coast ROP and presented Trustee John Alpay with a plaque to recognize his work as past President of South Coast ROP.

Trustee Amy Hanacek reported on various school visits and reminded everyone that Spring Music Season has begun and encouraged everyone to attend as many events as possible.

President Hanacek announced all speakers will be heard for oral comments.

**Oral
Communications**

The following speakers addressed the Board:

- *Ami Barrett spoke on the 5th Annual Friends of MIP Gala at Bergeson Elementary*
- *Dawn Urbanek spoke on LCFF and Study regarding adequate funding*

PUBLIC HEARING

President Hanacek announced the Public Hearing open at 7:35 p.m. to hear instructional materials Recommended For Adoption: Secondary Mathematics, Grades 6 – 12.

**Public Hearing:
Recommended
For Adoption:
Secondary
Mathematics,
Grades 6 - 12**

With no public speakers present, President Hanacek declared the Public Hearing closed at 7:36 p.m.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered by the Board to be routine and will be enacted by the Board in one motion in the form listed below. There will be no discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar. The Superintendent and the staff recommend approval of all Consent Calendar items.

President Hanacek asked Trustees for items they wished to pull from the Consent Calendar. Staff pulled Item 13. Trustee McNicholas requested to pull Item 15.

**Items Pulled
from the Consent
Calendar**

It was moved by Trustee McNicholas, seconded by Trustee Jones, and motion carried by a 7-0 Roll Call vote to approve the following Consent Calendar, with the exception of Item 13 and Item 15.

Approval of donations of funds and equipment.

**Donations
Agenda Item 2**

Approval of the Final Acceptance and filing of the Notice of Completion for Bid No. 1415-16, Shorecliffs Middle School Roof Replacement and Repainting.

**Notice Of
Completion For
Bid No. 1415-16,
Shorecliffs
Middle School
Roof
Replacement**

Approval of the District standardized Independent Contractor, Professional Services, Master Contract, and Field Service Agreements.

Purchase orders, warrants, and previously Board-approved bids and contract as listed.

Approval of the ratification of special education Settlement Agreement Case #2015110140, Settlement Agreement Case #2015110932, Informal Dispute Resolution Case #20160111, Informal Dispute Resolution Case #20160113, and Informal Dispute Resolution Case #20160129.

Approval of the Sungard Business-Plus System Implementation and Software Support Service Agreement, Human Resources Application Implementation and Software Support Service Agreement, and Payroll Time and Attendance System Development and Implementation Agreement, a business administrative software, which includes agreements encompassing Human Resources and Payroll components.

Approval of Internship Contract Agreement with Brandman University. To meet the growing demand of employing qualified teachers in hard-to-fill areas such as Special Education, Mathematics, Physics, Chemistry, and Foreign Language, Human Resource Services has several options for attracting and training highly qualified candidates.

Rejection of Government Claim: No. LPD 1501533 DP, a claim filed against the District by United Financial Casualty Company for John Rodriguez.

Approval of the activity list for employment, separation, and additional assignments of classified employees.

Approval of the activity list for employment, separation, and additional assignments of certificated employees.

Approval of the minutes for the November 18, 2015 Regular Board Meeting.

**And Repainting –
Letner Roofing
Company
Agenda Item 3
Master Contract
Agreements
Agenda Item 4
Purchase Orders
and Warrants
Agenda Item 5
Special
Education
Settlement
Agreements
Agenda Item 6
Sungard
Business-Plus
System
Implementation
And Software
Support Service
Agreement
Agenda Item 7
Internship
Contract
Agreement With
Brandman
University
Agenda Item 8
Government
Claim: No. LPD
1501533 DP
Agenda Item 9
Resignations/
Retirements/
Employment –
Classified
Employees
Agenda Item 10
Resignations/
Retirements/
Employment –
Certificated
Employees
Agenda Item 11
Board Meeting
Minutes
November 18,
2015
Agenda Item 12**

Item pulled by staff.

**Board Meeting
Minutes
December 9, 2015
Agenda Item 13
Board Meeting
Minutes January
13, 2016
Agenda Item 14
Board Meeting
Minutes January
20, 2016
Agenda
Item 15**

Approval of the minutes for the January 13, 2016 Regular Board Meeting.

Approval of the minutes for the January 20, 2016 Board workshop minutes.

DISCUSSION/ACTION ITEMS

It was moved by Trustee Alpay, seconded by Trustee Reardon, and motion carried by a 7-0 vote to move Item 20 to the beginning of the Discussion/Action Items.

**Revisions To
Board Policy
5111.5, Language
Immersion And
International
Baccalaureate
Admissions
Agenda Item 20**

Due to the number of Blue Cards, President Hanacek requested a motion to waive the maximum time limit and allow each speaker 3 minutes.

It was moved by Trustee Alpay, seconded by Trustee McNicholas, and motion carried by a 7-0 vote to waive the time limit and hear all speakers.

The following speakers addressed the Board:

- *Juan Araiza IV spoke on Mandarin Immersion Program, expand Kindergarten*
- *Hilary Kisting spoke on Mandarin Immersion Program, expand Kindergarten*
- *Susanne Dachgruber spoke on Mandarin Immersion Program, feeder pattern, Kindergarten and propose another site for growth*
- *Chi Nguyen spoke on Mandarin Immersion Program, for Carl Hankey K-8 as site*
- *Ron Pei spoke on Mandarin Immersion Program, for Carl Hankey K-8 as site*
- *Mari Scott spoke on Mandarin Immersion Program, for Carl Hankey K-8 as site*
- *Ami Barrett spoke on Mandarin Immersion Program, Middle School Mandarin Class Schedule*
- *Paula Yousef spoke on Mandarin Immersion Program, feeder pattern and more options for sites*
- *Mike Yousef spoke on Mandarin Immersion Program, feeder pattern and option to allow for growth, please maintain the integrity of the program with greatest Mandarin content*
- *Debra Smith spoke on Mandarin Immersion Program, middle school with two immersion programs will potentially divide the two communities, requested another site option*
- *Juintow Lin spoke on Mandarin Immersion Program, middle school alternative location, Newhart is not a sustainable option for her family*
- *Anna Stehrenberg spoke on Mandarin Immersion Program, middle school alternative location, Newhart is a difficult option for family*

Following discussion, it was moved by Trustee Alpay, seconded by Trustee Reardon, and motion carried by a 4-3 vote to continue the Item and add Niguel Hills to the analysis as a potential site.

AYES: Trustee Alpay, McNicholas, Pritchard, and Reardon
NOES: Trustee Hanacek, Hatton-Hodson and Jones
ABSENT: None

Following discussion, it was moved by Trustee Jones, seconded by Trustee McNicholas, and motion carried by a 7-0 Roll Call vote to approve Certification of the 2015-2016 Second Interim Report and Adoption of Resolution No. 1516-38, 2015-2016 Revenue and Expenditure Increases/Decreases.

AYES: Trustee Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas, Pritchard, and Reardon
NOES: None
ABSENT: None

President Hanacek recognized Gordon Amerson, Assistant Superintendent, Human Resource Services to present the item.

Following discussion, it was moved by Trustee Reardon, seconded by Trustee McNicholas, and motion carried by a 7-0 vote to approve the Tentative Agreement with Teamsters, Local 952, for July 1, 2015 – June 30, 2018.

AYES: Trustee Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas, Pritchard, and Reardon
NOES: None
ABSENT: None

President Hanacek recognized Gordon Amerson, Assistant Superintendent, Human Resource Services to present the item.

Following discussion, it was moved by Trustee Reardon, and seconded by Trustee McNicholas to approve Board Policy 5180, discussion followed.

Following discussion Trustee Reardon made a substitute motion to remove governing language at the bottom of the policy and change the word shall to must, Trustee Alpay seconded, motion carried by a 7-0 vote.

AYES: Trustee Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas, Pritchard, and Reardon
NOES: None
ABSENT: None

President Hanacek recognized Dr. Susan Holliday, Assistant Superintendent, Education Services to present the item.

**Certification Of
The 2015-2016
Second Interim
Report And
Adoption Of
Resolution No.
1516-38, 2015-
2016 Revenue
And Expenditure
Agenda Item 16
Recommendation
Of Tentative
Agreement With
Teamsters, Local
952
Agenda Item 17**

**Board Policy
5180 Non-
discrimination
Agenda Item 18**

**Instructional
Materials
Recommended
For Adoption:
Secondary**

President Hanacek recognized Clark Hampton, Deputy Superintendent, Business and Support Services to present the Item.

Item was continued.

President Hanacek recognized Clark Hampton, Deputy Superintendent, Business and Support Services to present the Item.

Item was continued.

President Hanacek recognized Clark Hampton, Deputy Superintendent, Business and Support Services to present the Item.

Following discussion, it was moved by Trustee Hatton-Hodson, seconded by Trustee Reardon, and motion carried by a 7-0 Roll Call vote to approve Resolution No. 1516-39, Close Inactive Funds 0908, 2147, and 3034.

AYES: Trustee Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas, Pritchard, and Reardon
 NOES: None
 ABSENT: None

President Hanacek recognized Clark Hampton, Deputy Superintendent, Business and Support Services to present the Item.

Following discussion, it was moved by Trustee Jones, seconded by Trustee Reardon, and motion carried by a 6-1 Roll Call vote to approve Resolution No. 1516-40, Declaring an Intention to Consider the Conveyance of Easement to the City of San Clemente subject to the parcel swap.

AYES: Trustee Hanacek, Hatton-Hodson, Jones, McNicholas, Pritchard, and Reardon
 NOES: Trustee Alpay
 ABSENT: None

ITEMS PULLED FROM CONSENT CALENDAR

Following discussion, it was moved by Trustee McNicholas, seconded by Trustee Reardon and motion carried by a 5-0-2 vote to approve of the minutes of the January 20, 2016 Board workshop as amended.

The amendment was as follows: Trustee McNicholas corrected her statement ‘health should not be required’ to ‘CCP should not be required’.

**Mathematics,
 Grades 6 – 12
 Agenda Item 19
 Revisions To
 Board Policy
 3290, Gifts,
 Grants And
 Bequests
 Agenda Item 21
 Revisions To
 Board Policy
 3300,
 Expenditures/Ex
 pending
 Authority
 Agenda Item 22
 Resolution No.
 1516-39, Close
 Inactive Funds
 0908, 2147, and
 3034
 Agenda Item 23**

**Resolution No.
 1516-40,
 Declaring An
 Intention To
 Consider The
 Conveyance Of
 Easement To The
 City Of San
 Clemente
 Agenda Item 24**

**Board Meeting
 Minutes January
 20, 2016
 Agenda Item 15**

AYES: Trustees Hanacek, Hatton-Hodson, Jones, McNicholas, and
Reardon
NOES: None
ABSENT: None
ABSTAIN: Trustee Alpay and Trustee Pritchard

ADJOURNMENT

It was moved by Trustee Reardon, seconded by Trustee McNicholas and motion carried by a 7-0 vote to adjourn the meeting. **Adjournment**

AYES: Trustees Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas,
Pritchard, and Reardon
NOES: None
ABSENT: None

President Hanacek announced the meeting adjourned at 10:09 p.m.

Board Clerk

Secretary, Board of Trustees

Minutes submitted by Colleen Hayes, Manager IV, Superintendent's Office

President Hanacek called the meeting to order at 5:05 p.m.

**Call to Order/
Adjourn to
Closed Session**

At 5:05 p.m. the Board recessed to closed session to discuss: Public Employee Performance Evaluation; Public Employee/Discipline/Dismissal/Release; Conference with Legal Counsel - Anticipated Litigation; Conference with Labor Negotiators and Student Expulsions. The regular meeting of the Board reconvened to open session and was called to order by President Hanacek at 7:04 p.m.

ROLL CALL:

Present: Trustees Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas, Pritchard, Reardon and Student Advisor Sorensen

Absent: None

The Pledge of Allegiance was led by San Clemente High School Principal, Chris Carter.

**Pledge of
Allegiance
Permanent
Record**

A CD of the Board meeting discussion related to each of the items on the public agenda is on file in the Superintendent's office as a matter of the permanent record. An audio recording of the meeting is available on the District website: www.capousd.org

It was moved by Trustee McNicholas, seconded by Trustee Jones and by a 6-1-0 vote, motion carried to adopt the Board Agenda as amended with the following amendments, Item 4 was pulled from the Agenda and Exhibit 34 Classified Employment activities list was updated to reflect the addition of Janet Pilot, Supervisor IV Purchasing.

**Adoption of the
Board Agenda**

AYES: Trustees Hanacek, McNicholas, Pritchard and Reardon
NOES: Trustees Alpay
ABSENT: None

President Hanacek reported the following action taken during closed session:

**President's
Report from
Closed Session
Meeting**

Agenda Item 3 A – Public Employee Performance Evaluation:

The Board voted to continue the item to March 9, 2016.

Agenda Item 3 B-1 – Resolution No. 1516-37 Non-Reelection of Probationary Management Employee #30777:

The Board voted 7-0 to adopt the Resolution.

Agenda Item 3 B-2 – Resolution No. 1516-37 Non-Reelection of Probationary Certificated Employees #32402, #31474, #12866, #32315, #32355, #31421, #31480, #32389:

The Board voted 7-0 to adopt the Resolution.

Agenda Item 3 C1 Conference with Legal Counsel –Anticipated Litigation:

No reportable action.

Agenda Item 3 C2 and Item 3 C3– Conference with Legal Counsel –Anticipated Litigation:

The Board did not address these items.

Agenda Item 3 D – Conference with Labor Negotiators.

Trustees gave direction to staff.

Agenda Item 3 E – Student Expulsions:

The Board voted 7-0 to ratify Student Expulsion Stipulation Agreement, Student Expulsion Case #2016-019.

AYES: Trustees Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas,
Pritchard and Reardon
NOES: None
ABSENT: Trustee

The Board voted 7-0 to ratify Student Expulsion Stipulation Agreement, Student Expulsion Case #2016-020.

AYES: Trustees Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas,
Pritchard and Reardon
NOES: None
ABSENT: Trustee

The Board voted 7-0 to ratify Student Expulsion Stipulation Agreement, Student Expulsion Case #2016-022.

AYES: Trustees Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas,
Pritchard and Reardon
NOES: None
ABSENT: Trustee

Associated Student Body Report – San Clemente High School:

Chris Carter, Principal, Matt Reid, Director of Student Activities and McKenna Brownell, Student Body President from San Clemente High School will report on their school and activities.

**Special
Recognitions**

Ms. Elizabeth Sorensen recognized McKenna Brownell, Student Body President from San Clemente High School who reported on their school and activities. San Clemente High School is the oldest High School in our District and this year will mark the end of the first 50 years and the beginning of the future. ASB President highlighted musicals, drama, homecoming and efforts to go forward by leaving a greener footprint.

Extra Milers:

To recognize Shalin Shah, a Tesoro High School student for the creation of the Vision app that serves the blind and visually impaired. The District is recognizing Shalin as an “Extra Miler.”

Ryan Burris recognized Tesoro High student Shalin Shah for the creation of his “voice” app. This app allows the blind and visually impaired individuals to hear any document, by taking a picture of any document the app processes the document and reads it allowed. Shalin’s voice app is free. 11,000 users have downloaded the app and read over 70,000 pictures for users.

Learning in Capo Spotlight:

Innovation in Education: The District raises the bar with the addition of 30 school counselors at the start of the school year to support our students' needs in social-emotional prevention and support, academics and college and career readiness.

Wendy Pospichal reported on the addition of 46 school counselors supporting student needs. At the recent Counselor Showcase, Dr. Jamie Parsons of OCDE said it is rare to have counselors at the elementary level. Dr. Parsons believes the earlier you provide intervention the better and life trajectories will be changed. The District goal is prevention and intervention. Rebecca Pianta discussed prevention and the Core Curriculum in K-8. SOS has been adopted in grade 10. Classroom presentation are based on student needs for instance, Naviance has been put in place for college and career planning. Counselors also provide indirect support. This program operates completely within the school system.

Superintendent Vital welcomed CUEA and the family of Tesoro High School. She also recognized Mike Beekman who received an outstanding Administrator Award from the 4th District PTA.

**Board and
Superintendent
Comments**

President Hanacek thanked teachers and shine a spotlight for taking students on field trips, athletic events, college visits and visit places they may never otherwise be able to attend.

The following speakers addressed the Board:

**Oral
Communications**

- *Sally White represented the family of Tesoro High School. She shared the story of the Prudent Farmer as a parable to support teachers and the negotiation process.*
- *Peter Chance supported pay increase and will support a Bond Measure, but stated teachers need more than a pat on the back.*
- *Veronica Hoggatt complimented the STEPS program and Principal of San Clemente High School, Chris Carter.*
- *John Rosser supported pay increase and made a plea for a settlement.*
- *Michelle Ploessel-Campbell invited Trustees and the public to Class act family night concert at Crown Valley Elementary.*

DISCUSSION/ACTION ITEMS

PUBLIC HEARING

President Hanacek announced the Public Hearing open at 7:52 p.m. to hear presentation for Petition for Global Business Academy Charter School. President Hanacek recognized Dr. Susan Holliday, Assistant Superintendent Education Services. Dr. Holliday introduced Ryan Cummins, lead petitioner for Global Business Academy. Mr. Cummins gave a presentation and answered questions.

**Public Hearing
Petition for
Global Business
Academy
Charter School
Agenda Item 1**

Due to the number of Blue Cards submitted, Trustees discussed waiving Board Policy; Bylaw of the Board § 9323(b), *Meeting Conduct*, regarding the maximum time limit of 20 minutes to hear all speakers per Agenda topic.

After discussion amongst Trustees, it was moved by Trustee Alpay, seconded by Trustee Reardon and motion carried by a 5-2 vote to waive Board Policy, Bylaw of the Board § 9323(b), *Meeting Conduct*, and allow each speaker to address the Board.

AYES: Trustees Alpay, Hanacek, McNicholas, Pritchard and Reardon
 NOES: Trustee Hatton-Hodson, and Jones
 ABSENT: None

The Following speakers addressed the Board:

- Sally White, spoke against another charter school in the District.
- Dr. James Corbett, spoke against another charter school in the District.
- Monica Haydt, spoke in favor of Global Business Academy Charter School.
- Erika Johnson, spoke in favor of Global Business Academy Charter School.
- Ella Hansen, spoke in favor of Global Business Academy Charter School.
- Heidi Landgraf, spoke in favor of Global Business Academy Charter School.
- Shawna Brown, spoke in favor of Global Business Academy Charter School.
- Jon Hendricks, spoke in favor of Global Business Academy Charter School.
- Jon Hansen, spoke in favor of Global Business Academy Charter School.
- Abhihit Joshi, spoke in favor of Global Business Academy Charter School.
- Alison Burggren, spoke in favor of Global Business Academy Charter School.
- Michael McMahon, spoke in favor of Global Business Academy Charter School.
- Angela Hansen, spoke in favor of Global Business Academy Charter School.
- Lindsey Denison, spoke in favor of Global Business Academy Charter School.
- Skylar Clifford, spoke in favor of Global Business Academy Charter School.
- Wendy Lang, spoke in favor of Global Business Academy Charter School.
- Michelle Anderson, spoke in favor of Global Business Academy Charter School.
- Catherine Sanchirico, spoke in favor of Global Business Academy Charter School.
- Atul Gupta, spoke in favor of Global Business Academy Charter School.
- Alexis Hansen, spoke in favor of Global Business Academy Charter School.

Following discussion, Dr. Susan Holliday stated staff will continue the review process and bring back a recommendation to the Board on March 23, 2016.

President Hanacek announced the Public Hearing open at 9:25 p.m. to hear the presentation for California Department of Education Waiver Approval Modified Instructional Day Transitional Kindergarten at Kinoshita Elementary.

President Hanacek called on Susan Holliday to present this item.

There were no speakers on this item. President Hanacek closed the public hearing at 9:31 p.m.

President Hanacek announced the request to move Agenda Item 5 before Item 3. It was moved by Trustee McNicholas and seconded by Trustee Reardon, motion carried 7-0.

President Hanacek recognized Dr. Susan Holliday to present Item 5 Fourth Reading, Revisions to Board Policy 5119 School of Choice.

The Following speakers addressed the Board:

**Public Hearing
 CDE Waiver
 Approval
 Modified Day
 Transitional
 Kindergarten at
 Kinoshita
 Agenda Item 2
 Move Agenda
 Item 5 before
 Item 3
 Fourth Reading
 Revisions to BP
 5119 School of
 Choice**

Agenda Item 5

- *Roni Schwartz, spoke for teachers' rights for school of choice priority.*
- *Gina Reney, spoke for teachers' rights for school of choice priority.*
- *Kim Houldin, spoke for teachers' rights for school of choice priority.*
- *Anand Ganesan, spoke for parents rights for school of choice for siblings.*
- *Robin Chapa, spoke for teachers' rights for school of choice priority.*
- *Liza Dembiec, spoke for teachers' rights for school of choice priority.*
- *Michelle Procter, spoke for teachers' rights for school of choice priority.*

Trustee Alpay noted that this policy was approved on a Third Reading on December 9, 2015 by a vote of 5-1-1. This item should be presented as a First Reading.

It was moved by Trustee Alpay and seconded by Trustee Reardon and by a 7-0 vote, motion carried to waive a second reading and approve the policy as amended.

AYES: Trustee Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas,
Pritchard, and Reardon
NOES: None
ABSENT: None

President Hanacek recognized Clark Hampton, Deputy Superintendent, to present this item on CFD's. Mr. Hampton introduced Keith Weaver to present work on our CFD's.

**2016 Financing
Plans for
Community
Facilities
Districts
Agenda Item 3**

The Following speakers addressed the Board:

- *Paul Jenkinson, shared his appreciation for this work.*
- *Stacy Tran, shared her appreciation for this work and all the support especially the work done by Clark Hampton.*
- *Chris Basiates, shared his appreciation and thanks to all CUSD staff.*

Trustee Alpay requested that it be reflected in the minutes that if this were to be an actionable item he would recuse himself from the action taken due to the fact he owns property within 90-2 to comply with applicable law.

This item was a discussion item only.

This item was pulled by staff during the adoption of the Agenda.

**Fourth Reading
Revision to BP
5111.5
Language
Immersion and
IB Admissions
Agenda Item 4
First Reading
Revisions to BP
3100 Budget
Agenda Item 6**

President Hanacek recognized Clark Hampton to present the item.

Trustee Alpay asked for the management resource listing at the bottom of the policy be stricken.

Following discussion, it was moved by Trustee Jones and seconded by Trustee Hatton-Hodson to waive a second reading and by a 7-0 vote, motion carried to approve the policy as amended.

AYES: Trustee Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas,
 Pritchard, and Reardon
 NOES: None
 ABSENT: None

President Hanacek recognized Clark Hampton, Deputy Superintendent to present the item.

**First Reading
 Deletion of BP
 3110 Fund
 Designation
 Agenda Item 7**

Following discussion, it was moved by Trustee Jones and seconded by Trustee Hatton-Hodson to waive a second reading and by a 7-0 vote, motion carried.

President Hanacek recognized Dr. Susan Holliday, Assistant Superintendent, Education Services to present the item. This item was a discussion item only.

**Local Control
 Accountability
 Plan Update
 Agenda Item 8
 Resolution No.
 1516-36 Non
 Reelection of
 Temporary
 Certificated
 Employees
 Agenda Item 9**

President Hanacek recognized Tim Brooks, Executive Director, Human Resource Service/Investigations to present the item.

Following discussion, it was moved by Trustee Reardon and seconded by Trustee McNicholas to adopt Resolution No. 1516-36 and by a Roll Call Vote motion carried by a 7-0 vote.

AYES: Trustee Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas,
 Pritchard, and Reardon
 NOES: None
 ABSENT: None

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered by the Board to be routine and will be enacted by the Board in one motion in the form listed below. There will be no discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar. The Superintendent and the staff recommend approval of all Consent Calendar items.

President Hanacek asked Trustees for items they wished to pull from the Consent Calendar. Trustee Alpay removed items 28, 29, 30, 31, 32 and 33.

**Items Pulled
 from the
 Consent
 Calendar**

It was moved by Trustee Jones, seconded by Trustee Reardon and motion carried by a 7-0 Roll Call vote to approve the following Consent Calendar, with the exception of items 28, 29, 30, 31, 32 and 33.

BUSINESS & SUPPORT SERVICES

Approval of donations of funds and equipment.

**Donations
 Agenda Item 10
 Purchase
 Orders and
 Warrants**

Approval of purchase orders and commercial warrants.

Agenda Item 11

Approval of the District standardized Independent Contractor, Professional Services, Master Contract, and Field Service Agreements.

**Independent Contractor, Professional Services Field Service and Master Contract Agreements
Agenda Item 12**

Approval of Extension No. 1 of Agreement Bid No. 1415-13, Concrete Repairs and Maintenance with Above All Names, Inc., to provide concrete repairs and maintenance as needed throughout the District.

**Extension No. 1 of Agreement for Bid No. 1415-13 Concrete Repairs and Maintenance Above All Names Inc.
Agenda Item 13**

Approval of Extension No. 2 of Agreement of Bid No. 1314-17, Milk and Dairy Products with Hollandia Dairy, Incorporated to provide milk and dairy products for all sites throughout the District.

**Extension No. 2 of Agreement for Bid No. 1314-17 Milk and Dairy Products Hollandia Dairy Inc.
Agenda Item 14**

Approval of Change Order No. 1 related to the necessary upgrade of electrical wiring for new thermostats and the encapsulation of existing ductwork to seal and mitigate air loss.

**Change Order NO. 1 Bid No. 1516-09 Newhart Middle School
Agenda Item 15**

Approval to utilize the Chula Vista Elementary School District Bid No. 14/15-3 for the purchase, relocation, dismantle, and removal of DSA approved portable classroom buildings from Silver Creek Industries, Incorporated, under the same terms and conditions of the public agency's contract.

**District Bid No. 14/15-3, Purchase, Relocation, Dismantle and Removal of Portable Classrooms Districtwide
Agenda Item 16**

Approval to utilize Corona-Norco Unified School District Bid No. 2015/16-006 JIT Classroom & Office Supplies for the purchase of office supplies and equipment from Southwest School Supply, as needed, under the same terms and conditions of the public agency's contract.

Bid No. 2015/16-006 JIT Classroom & Office Supplies

**Southwest
School Supply
Agenda Item 17**

Approval of the ratification of the Aliso Viejo Community Association Limited Use and Maintenance Agreement (LUMA) for Winter 2016.

**Aliso Viejo
Community
Assoc. Limited
Use and
Maintenance
Agreement for
Winter 2016
Agenda Item 18**

Approval of the Agreement for Architectural and Related Services with WLC Architects, Incorporated to provide services related to the design and construction of one portable classroom and associated site work at Aliso Niguel High School to accommodate a growing orchestra and band program.

**Architectural
and Related
Services
Agreement-
WLC Architects
Inc. Aliso Niguel
High School
Agenda Item 19**

Approval of the ratification of special education Informal Dispute Resolution Case #20160121.

**Special
Education
Informal
Dispute
Resolution
Agenda Item 20**

Approval of the Amendment to the AVID College Readiness System Services and Products Agreement for AVID Secondary Membership.

**AVID College
Readiness
System Services
and Products
Agreement for
AVID
Secondary
Membership
Agenda Item 21**

Approval of Resolution No. 1516-34 authorizing the adoption of the Negative Declaration for Esencia K-8 in compliance with California Environmental Quality Act (CEQA) Guidelines 15072.

**Resolution
Board of
Trustees
Adopting a
Negative
Declaration
Approving
Esencia K-8
Agenda Item 22**

Approval to readmit students from expulsion.

**Student
Readmissions
Agenda Item 23**

Approval of waiver to offer modified instructional day Transitional Kindergarten program, Pursuant to Education Code § 37202.	CDE Waiver Approval to Modify Instructional Day TK Program at Kinoshita Agenda Item 24
Approval of payment to District master teachers who supported a student teacher during the 2015 Fall semester.	CSUF Master Teacher Payment Agenda Item 25
Approval of unpaid field experience/student teaching agreement with San Diego Christian College for placement of teaching candidates.	Field Experience Student Teaching Agreement San Diego Christian College Agenda Item 26
Approval of unpaid field experience/student teaching agreement with University of Phoenix for placement of teaching candidates.	Field Experience Student Teaching Agreement University of Phoenix Agenda Item 27
Approval of the activity list for employment, separation, and additional assignments of classified employees.	Resignation Retirement Employment Classified Employees Agenda Item 34
Approval of the activity list for employment, separation, and additional assignments of certificated employees.	Resignation Retirement Employment Certificated Employees Agenda Item 35

ITEMS PULLED FROM CONSENT CALENDAR

After discussion and further clarification regarding item 28, it was moved by Trustee Reardon, seconded by Trustee McNicholas and motion carried by a 7-0 vote to approve item 28, Modification to the Agenda.	Modification to the Agenda Agenda Item 28
Trustee Alpay spoke to items 29, 30, 31 and 32. Trustee Alpay asked that the Board continue items again and have staff go back and make necessary corrections and add the consent calendar listing to the minutes. It was moved by Trustee Alpay, seconded by Trustee Reardon and motion carried by a 7-0 vote to continue the item.	School Board Minutes Agenda Item 29 Agenda Item 30 Agenda Item 31 Agenda Item 32

AYES: Trustee Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas, Pritchard, and Reardon

NOES: None

ABSENT: None

After discussion and further clarification regarding item 33, it was moved by Trustee Alpay, seconded by Trustee Reardon and motion carried by a 7-0 vote to continue the item Joint Powers Agreement School Employers Association of California.

**Joint Powers
Agreement
SEAC
Agenda Item 33**

ADJOURNMENT

It was moved by Trustee McNicholas, seconded by Trustee Jones and motion carried by a 7-0 vote to adjourn the meeting.

Adjournment

AYES: Trustees Alpay, Hanacek, Hatton-Hodson, Jones, McNicholas,
Pritchard, and Reardon
NOES: None
ABSENT: None

President Hanacek announced the meeting adjourned at 10:55 p.m.

Board Clerk

Secretary, Board of Trustees

Minutes submitted by Colleen Hayes, Manager IV, Superintendent's Office

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

May 11, 2016

HIGH SCHOOL GRADUATION REQUIREMENTS

BACKGROUND INFORMATION

Following three board study sessions this past 2015-2016 school year, staff provided Trustees at the April 27, 2016 Board meeting proposed revisions and changes to the Board Policy 6164.1, *High School Graduation Requirements*. This exhibit outlines the process by which staff is recommending to address both the immediate components of the policy that require updating as well as the process by which to have the deeper conversation around Trustee values and goals regarding High School graduation requirements.

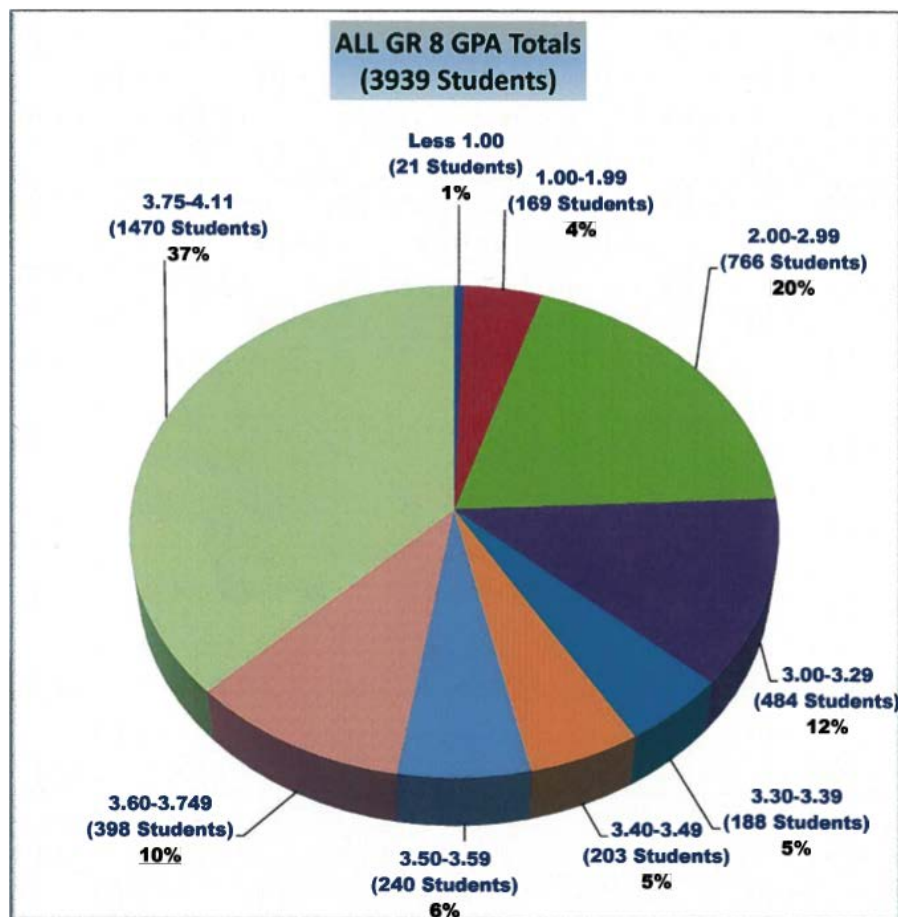
The process can be divided into three parts: 1) the immediate edits as it pertains to changes in practice and education code, 2) the edits as it pertains to Math credit requirements and added flexibility for Health and College and Career Planning (CCP), and 3) the desire of Trustees to continue the conversation regarding the policy language Trustees would like to include that addresses their overall goals, values, and philosophy regarding high school graduation requirements..

CURRENT CONSIDERATIONS

1. These are the proposed edits that must be removed or edited within the policy to be in alignment to current ed code and current practice:
 - a) Removal of the CAHSEE (no longer required)
 - b) Removal of the Reading Skills Development class (no longer offered)
 - c) Edits to formatting and phrasing to be in alignment to current board policy terminology (i.e.: Board of Trustees in place of Governing Board, Superintendent or designee, removal of grade levels in parenthesis next to the required course credits, etc).
2. These are the changes and recommendations by which Trustees shall provide direction to staff so that staff and schools can properly prepare for the next school year (2016-2017):
 - a) The first recommendation is regarding mathematics. Staff recommends the increase in the mathematics credits required for earning a diploma from the District from 20 credits to 30 credits. Based upon the previous data shared at the Board Study Sessions, this recommendation will provide additional support and instruction for all students which will in turn better prepare students for college and career. As of current, students can elect to opt out of mathematics instruction following their Sophomore year, this directly correlates to the poor performance many students experience on college placement tests. As a result many students are required to take a variety of remedial courses which has the potential consequence of students not

persisting in college. Therefore, upon approval of this increase in mathematics credits from 20 to 30, Education Services will convene a group of mathematics teachers to look at alternative mathematics courses to support students with this three year requirement. This curriculum and course development is intended to address a variety of college and career pathways not just a four year university path. The intent would be to have these new requirements be in place for the current class of incoming Freshmen (Class of 2020).

- b) The second recommendation is regarding the pending waiver process for the College and Career Planning course (CCP). There are many factors to consider when developing the criteria for the CCP waiver. Using a student's 8th grade Grade Point Average (GPA) as the first marker for the waiver is an important consideration. Based upon the chart found below and the impending implications for master schedules, the recommendation is to use a 3.75 GPA and above (37%) as the first marker for the CCP waiver. Here are two possible recommendations per the conversation on April 27, 2016.
- Option 1: 3.75 GPA and creation of a Four Year Plan in Naviance
 - Option 2: 3.75 GPA and creation of a Four Year Plan in Naviance plus a Technology Skills Proficiency Assessment



- Staff recommends Option 1. With Chromebooks in every classroom in Grades 4-5 and all English and Mathematics classes in Grades 6-8, the assertion that CCP is one of the only places by which technology is addressed is not the case any longer. All

- secondary Curriculum Alignment Guides (CAGs) have technology built into the lessons and units. Therefore, requiring a proficiency test on technology skills should not be a consideration in students receiving a waiver. Based upon this decision, we will need to prioritize our implementation of the waiver in the following manner:
- 1) Assess how many of the students registered for Summer School meet the waiver requirements (we will possibly need to administer the proficiency test),
 - a. These seats could be reassigned to Health if the students so choose.
 - 2) Secondly staff would need to work with Academic Advisors to assess in-coming 9th grade students who meet the requirement and offer them the waiver prior to August registration.
3. Staff will return on June 8, 2016 to discuss and develop the language by which Trustees would like to add and/or edit that outlines the Board's values, goals and philosophy regarding High School Graduation Requirements and Board expectations. Based upon the direction received, staff will conduct a major rewriting of the existing structure to streamline and remove redundancies including the removal of the section related to Adult Education Diplomas as all services will be transferred to Saddleback College following the 2016 Summer School session.

STAFF RECOMMENDATION

It is recommended the Board President recognize Susan Holliday, Assistant Superintendent, Education Services, to present this item.

Staff recommends Trustees approve the second reading of Board Policy 6164.1 to align the policy to current education code, to update it to reflect the new requirements in Mathematics, and to provide the desired flexibility for Health and for CCP with the option for class waiver.

HIGH SCHOOL GRADUATION REQUIREMENTS

The state of California has established high school graduation requirements for all students. The state's prescribed course of study for students in Grades 9-12 to receive a diploma is listed in the table below (Education Code 51225.3). The [Board of Trustees](#)~~Governing Board~~ of the District has adopted graduation requirements for all students which exceed the requirements of the state of California. (Note: 10 credits equal 1 full-year course, and 5 credits equal 1 semester course.)

	CA	Class of 2017-2019 2009-11	Class of 2020 2012	Serra Class of 2020	Adult Ed Class of 2020
Subject	Credit	Credit	Credit	Credit	Credit
English	30	40	40	40	40/ 40 / 40
Mathematics	20 Algebra	20 with Algebra	30 20 with Algebra	30 20 with Algebra	30 20-with Algebra
Science	20	20	20	20	20
Social Studies	30	30	30	30	30
Visual or Performing Arts, or World Foreign Language	10	10	10	10	10
Health**		5	5	5	5
College and Career Planning		<u>5</u>	5	5	
Physical Education	20*	20*	20*	20*	20
Electives	* 20	75 70	70 60	35 45 30	55 65
High School Exit Examination		Must Pass to Graduate	Must Pass to Graduate	Must Pass to Graduate	Must Pass to Graduate
TOTAL	130	220	230 220 220	190	190

* Such other coursework as the [Board](#)~~governing board~~ of the ~~school~~[District](#)~~district~~ may, by rule specify.

** [A full course is not required according to education code. Specific units of study must be addressed during the high school year.](#)

The [Board](#)~~Governing Board~~ authorizes the granting of a high school diploma to any pupil who has completed the prescribed course of study for any of the following schools: (1) traditional high school, (2) continuation high school, and/or (3) adult school.

HIGH SCHOOL GRADUATION REQUIREMENTS (continued)

1. Requirements for Graduation/Traditional High School

General Conditions

a. High school graduation is conditional upon the successful completion of the required course of study totaling a minimum of 220 semester units of work.

~~b. To receive a high school diploma from the Capistrano Unified School District, in addition to 1(a), students must pass the California High School Exit Examination.~~

c. To receive a high school diploma from the District~~CUSD~~, students must maintain a satisfactory program of continued education and attend a total of eight semesters in Grades 9-12, unless application for early graduation is filed one semester in advance.

A traditional high school program includes successful completion of the following credits ~~(recommended grade level in parentheses)~~:

~~5 of Reading Skills Development (9)—students who score at or above grade level on the approved district reading assessment are exempt from the graduation requirement to take a course in reading during Grade 9.~~

40 of English

30 of Social Science, including:

10 World History ~~(10)~~

10 U.S. History ~~(11)~~

5 American Government ~~(12)~~

5 Economics ~~(12)~~

30~~20~~ Mathematics ~~(9)(11)~~ (Includes Algebra I, ~~or Algebra IA/IB or Applied Mathematics I/II~~)

20 Science, including both biological and physical sciences ~~(9)(11)~~

10 Fine Arts or World~~Foreign~~ Language ~~(9)(11)~~

20 Physical Education ~~(9)(11)~~

5 Health ~~(9)~~

5 College and Career Planning ~~(9)~~

Electives needed to complete a total of 220 semester units through 2019; in 2020 it will be a total of 230 semester units.

~~Students will be provided multiple flexible options to complete to Graduation Requirements for the College and Career Planning (CCP) course and the Health course. This flexibility includes the ability to take both courses over the summer through~~

DistrictCUSD Summer School, ACCESS, Pacific Coast High School or any other accredited institution. This option is open to all students not just those with “impacted
Instruction BP 6146.1(c)

HIGH SCHOOL GRADUATION REQUIREMENTS (continued)

schedules.” However, due to space limitations, students with impacted schedules ~~are~~may be given first priority.

Students may fulfill both the College and Career Planning and Health courses during the regular school year by taking the courses through CUSD APEX either before school, during Tutorial, lunch or after school (options vary by site). Additionally, students with an overall Grade point Average of 3.75 or higher may apply to opt out of CCP by completing the approved District CCP Waiver form, passing the proficiency test, to be implemented Fall 2016 and by completing the Four Year Plan.~~Regular school year options are also available before school, during Tutorial, during lunch and after school. There will also be instances where these courses may be taken through Cal Prep. Additionally, students with an overall Eighth Grade Grade Point Average of 3.75 or higher may apply to opt out of the CCP course by completing the approved District CCP Waiver form, passing the proficiency test and by completing the Four Year Plan to be implemented Fall 2016.~~

The Superintendent or designee shall establish regulations under which the District may grant credits toward graduation for college courses and private instruction attended by District students.

The Superintendent or ~~his~~ designee may grant physical education credit for independent study programs. Specifically, only individual sports with national competitive rankings are eligible for consideration under this provision.

The Superintendent or designee may grant physical education credit for participation in District interscholastic athletic programs when a student has been exempted from physical education classes because of this participation and when such participation entails a comparable amount of time and physical activity.

Students using interscholastic athletics participation to fulfill physical education requirements may be graded on this participation, provided that a teacher credentialed to teach physical education supervises this participation and assigns the grade.

2. Transfers

To participate in a graduation ceremony and receive a diploma from a DistrictCUSD comprehensive high school, a student must be enrolled prior to the first day of the spring semester. These students must successfully complete 25 DistrictCUSD credits. Students who transfer in the fall semester of their senior year must successfully complete 50 DistrictCUSD credits.

a. Reciprocity on Graduation Requirements

HIGH SCHOOL GRADUATION REQUIREMENTS (continued)

Students in Grades 9-12 transferring to this District from schools outside of California must meet District~~CUSD's~~ graduation requirements, ~~including CAHSEE~~, in order to receive a high school diploma.

- b. Transfer credits are accepted from accredited institutions only.
- c. Courses from the transferring district which are designated as honors courses will not receive honors credit if there is not a corresponding District~~CUSD~~ course of the same title with the same description.
- d. Courses designated as Advanced Placement from accredited transferring districts will receive additional weighted credit, which will be computed using the following numerical value: A = 5, B = 4, C = 3, D = 1, and F = 0.

3. Requirements for Graduation/Continuation School

a. General Conditions

The Board~~Governing Board~~ shall grant a diploma of continuation high school graduation to any pupil upon completion of the prescribed course of study including satisfactory completion of a minimum of 190 semester credits of classroom instruction and supervised learning.

b. Basic Requirements

- (1) The specific subject requirements for a continuation high school diploma are identical to those required of the traditional high school. In addition to the specific subject requirements, electives are needed to complete a total of 190 semester credits.
- (2) Students wishing to receive a continuation high school diploma must successfully complete a minimum of five credits at the continuation high school. In the event of extenuating circumstances, the Superintendent or designee, may waive this requirement.

(3) Requirements for Graduation/Adult School

a. General Conditions

The Board~~Governing Board~~ shall grant a diploma of adult high school graduation to any pupil upon completion of the prescribed course of study, including

satisfactory completion of a minimum of 190 semester credits of classroom instruction and supervised learning.

Instruction

BP 6146.1(e)

HIGH SCHOOL GRADUATION REQUIREMENTS (continued)

b. Basic Requirements

- (1) The specific subject requirements for an adult high school diploma are identical to those required of the traditional high school with the exception of physical education and College and Career Planning courses. Such courses are not required for adult school graduation. In addition to the specific subject requirements, electives are needed to complete a total of 190 semester credits.
- (2) Students wishing to receive an adult school diploma must successfully complete a minimum of five credits at that adult school. In the event of extenuating circumstances, the Superintendent or designee may waive this requirement.

4. SATISFACTORY HIGH SCHOOL CREDIT MAY BE EARNED THROUGH OTHER AVENUES:

a. Juvenile Court School

The District shall accept for credit any coursework satisfactorily completed by students while detained in a juvenile court school or county or state-operated detention institution. District students who successfully complete District graduation requirements while so detained shall receive a diploma from the school they last attended.

b. Private Instruction/Online~~Internet~~ Learning

At their discretion, the Superintendent or designee may grant credit toward high school graduation for private instruction or online~~Internet~~ Learning, provided that:

- (1) The instruction entails fields and subjects included in the school's courses of study and curricula.
- (2) The student demonstrates his/her capabilities at the beginning and at the end of the period of private instruction or online~~Internet~~ learning by examinations given under the school's supervision, thereby showing that the student has made progress in learning satisfactory to the school.
- (3) The Assistant~~Deputy~~ Superintendent, ~~Education,~~ or designee has approved the curriculum and final evaluation instrument used in the private instruction or created by the online curriculum provider~~Internet service provider.~~

HIGH SCHOOL GRADUATION REQUIREMENTS (continued)

(4) ~~Credit earned online while the student attends District schools in Grades 9-12 is solely intended for remedial work to make up a grade of "F."~~

(5) Credit earned at a different accredited institution ~~private high school~~ while the student attends District schools in Grades 9-12 is limited to a maximum of 10 credits annually and may only be granted if the District's summer school does not offer the course.

c. World~~Foreign~~ Language Instruction

The District shall accept for credit world~~foreign~~ language courses successfully completed in an accredited~~a~~ private school or via the online provider~~Internet~~, provided that all of the following conditions are met:

(1) The student or parent/guardian applies in writing for the credit, specifies the private school attended or the pre-approved online~~Internet~~ provider, the amount and level of credit requested, and submits written evidence from the private school showing the student successfully completed the course.

(2) The number of credits sought equals at least one semester's work.

(3) The Assistant~~Deputy~~ Superintendent, Education~~,~~ or designee determines that the student's achievement is equivalent to that expected of a student of comparable ability taking the same or similar instruction in a District school.

(4) Students desiring credit in a world language course or courses through private study or via theonline provider–Internet may do so if the target language is not offered at the student's home school.

d. College Courses

(1) The individual may complete his/her high school education by attending an accredited college.

(2) The District maintains a cooperative agreement with Saddleback College—the Concurrent College Studies Program. Under the auspices of the program, a student may enroll in one Saddleback College course per semester. Courses under this program receive high school credit as well as college credit. College courses may not be taken if the course is offered at

the student's home campus. Graduation requirements, with the exception of electives, may not be taken under this program.

Instruction

BP 6146.1(g)

HIGH SCHOOL GRADUATION REQUIREMENTS (continued)

- (3) College courses will be equated to high school credits on the following basis: each semester unit of college credit is equal to three and one-third high school credits.
- (4) The student receives the same letter grade for the high school credit as is granted by the college. No additional grade point will be added if a student earns an "A" or "B" grade.

5. High School Equivalency/California High School Proficiency Examination (CHSPE)

The ~~Board Governing Board~~ desires that every student have the opportunity to earn a high school diploma through successful completion of class work and Board-approved competency tests.

The ~~Board Governing Board~~, however, recognizes that the California Legislature has provided two alternatives to the high school diploma: the General Educational Development Certificate for individuals 18 or older, and the California High School Competency

Certificate for persons 16 or older or who have been in the tenth grade for a year or who are currently enrolled in the final semester of tenth grade. These certificates may be granted by the California Department of Education (CDE) to individuals who pass performance tests established by the Department.

The principal of each school maintaining tenth, eleventh, and/or twelfth grades shall distribute to each student in those grades an announcement explaining the California High School Proficiency Examination (CHSPE) as provided under Education Code 48412. When announcements from the CDE or its contractor are received, this information shall be distributed early enough to enable interested students to register for the test.

Any person 16 or older or who has been in the tenth grade for a year or who is currently enrolled in the final semester of tenth grade may apply to have his/her proficiency in basic skills verified by examination according to criteria established by the CDE.

Any person 18 or older may take the General Educational Development Test (GED) given by the CDE in order to receive the High School Equivalency Certificate.

~~California High School Exit Examination (CAHSEE)~~

- a. ~~The Superintendent or designee shall provide notification to the parent or guardian of the pupil that each pupil completing the 12th grade will be required to successfully pass the California High School Exit Examination.~~

Instruction

BP 6146.1(h)

HIGH SCHOOL GRADUATION REQUIREMENTS (continued)

- b. ~~Each pupil shall take the CAHSEE commencing in March of the tenth grade and may take it each time the District offers the CAHSEE until all sections of the examination have been passed.~~
- c. ~~The Superintendent or designee shall provide remedial instruction for any student who does not demonstrate adequate progress toward passing the CAHSEE or fails to pass any section of the CAHSEE. This instruction may be provided before, during, or after school, during weekend sessions, or in summer school, and shall continue until the student has passed the CAHSEE or ceases to be enrolled in the district. Participation in remedial summer school instruction is required before a pupil may enroll in any enrichment component offered in summer school.~~

6 Graduation Ceremonies

- a. The ~~Board~~Governing Board does not permit nor recognize any graduation ceremony for ~~District~~CUSD students other than the ceremonies attached to graduation from high school (Grade 12); continuation school (Grade 12); or Adult/~~Community~~ Education (Grade 12).
- b. Students may participate in the graduation ceremony if:
 - (1) They qualify for a diploma by earning 220 credits ~~through 2019; in 2020 it will be a total of 230 semester units and~~, meeting all graduation requirements, ~~and passing the CAHSEE~~, or
 - (2) They qualify for a Certificate of Achievement by earning 220 credits ~~through 2019; in 2020 it will be a total of 230 semester units~~ and meeting all graduation requirements, ~~except for passing the CAHSEE. Students must complete intervention classes and attempt to pass the CAHSEE after 10th grade unless otherwise indicated by an IEP.~~

HIGH SCHOOL GRADUATION REQUIREMENTS (continued)*Legal Reference:***EDUCATION CODE**

37252 Summer school instructional programs
35160 Authority of governing boards
35160.1 Broad authority of school districts
35160.5 Extracurricular and cocurricular activities, differential standards
8645.5 Course credit re juvenile court schools
48400-48403 Persons subject to compulsory continuation education
48410 Persons exempt from continuation classes
48412 Certificate of Proficiency; examination fees
48413 Enrollment in continuation classes
48414 Reenrollment in district
48430 Continuation education schools and classes
48431.6 Review and counseling of academic progress at age 16 or 10th grade
48800-48803 Attendance at community college; advanced education
51220 Areas of study; grades 7-12
51224 Skills and knowledge required for adult life
51225.3 Requirements for graduation
51225.4 Elementary school certification of sufficient preparation for high school
51226 Board review of curriculum every three years; model standards
5124051246 Exemptions from requirements
51242 Exemption from physical education for athletic program participants
51243-51245 Credit for foreign language private school studies
5126051269 Drug education
5140051442 Diplomas and certificates
51740 Authority to provide instruction by correspondence
52508 Diplomas or certificates (adult school)
52510 Requirements for eighth grade graduation (adult school)
56000 Education of individuals with exceptional needs
56341 Individualized education program team
56345 Elements of the IEP
~~60850 High School exit examination~~
60851 Successful completion of test for graduation
60852 Deferment of examination requirement for certain students
60853 Preparation of students for examination

HIGH SCHOOL GRADUATION REQUIREMENTS (continued)

VEHICLE CODE

12507 Driver education

CODE OF REGULATIONS, TITLE 5

16001651 Graduation of pupils from Grade 12 and credit toward graduation

1630 Credit for college courses

1631 Credit for private instruction

1632 Credit for private school foreign language instruction

1633 Credit for correspondence instruction

1634 Credit to present or past member of the armed services

3069 Graduation

11520 Definitions

11521 Placement on pupil transcript

11522 Requirements for exemption from school attendance form

11523 Requirement to make examination announcements

11530 High School Equivalency Certificate

Policy

adopted: February 8, 1999

revised: June 12, 2000

revised: June 24, 2002

revised: August 19, 2002

CAPISTRANO UNIFIED SCHOOL DISTRICT

San Juan Capistrano, California

revised: September 11, 2006

revised: April 21, 2008

revised: February 9, 2009



2017-2018 School Calendar Committee Update

Regular Board Meeting
May 11, 2016

Calendar Engagement Process

- A committee of over 37 representatives
 - Parents
 - Parent Leaders (PTA and CUCPTSA)
 - Board Members
 - Union Representatives (Teamsters, CSEA, CUEA)
 - District Personnel
 - School Personnel (activities and athletic directors)
 - Elementary, middle and high school representatives
 - Students

- Engagement Opportunities
 - 3 Forums
 - Email input via calendarinput@capousd.org
 - Independent polling of CUSD families

2 of 16



Community Engagement: 3 Forums

- ▶ CUSD families were invited to join CUSD administrators at one of three events:
- ▶ Five major consistencies emerged:
 - Heat and weather in August
 - August start dates and impact on family vacations
 - Alignment with CIF and sports schedules
 - Ending the first semester before winter holidays
 - Alignment with colleges for summer school and college orientations
- ▶ There were two types of themes: Student/Academic and Adult/Family focus
 - Student/Academic
 - Heat in August and potential affect on learning environment
 - CIF schedules are moving up to August with league games starting earlier.
 - First Semester Ending with a true winter break for students, faculty and families.
 - Calendar aligning with college start dates for both summer classes and college orientations.
 - Adult/Family focus
 - August start dates may impact family vacations for some

3 of 16



Community Engagement: Email Input via calendarinput@capousd.org

- ▶ A total of 164 emails were received
 - Parents, teachers and staff responded
- ▶ Primary Focus of Email:
 - A plan that addresses the heat in August
 - A calendar that meets the best needs of students
 - The importance of uninterrupted days of instruction.
 - Ending the first semester before winter break allowing a homework and project-free break

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Community Engagement: Poll Results Summary

▶ CUSD commissioned

Fairbank, Maslin, Maullin, Metz & Associates (FM3)

An independent public opinion polling firm

5 of 16

- Conducted Telephone Survey
 - Landlines and Cell Phones between February 2–6, 2016
 - Interviews with 436 parents/guardians of CUSD students
 - Survey was available in English and Spanish



Calendar Poll: Key Findings

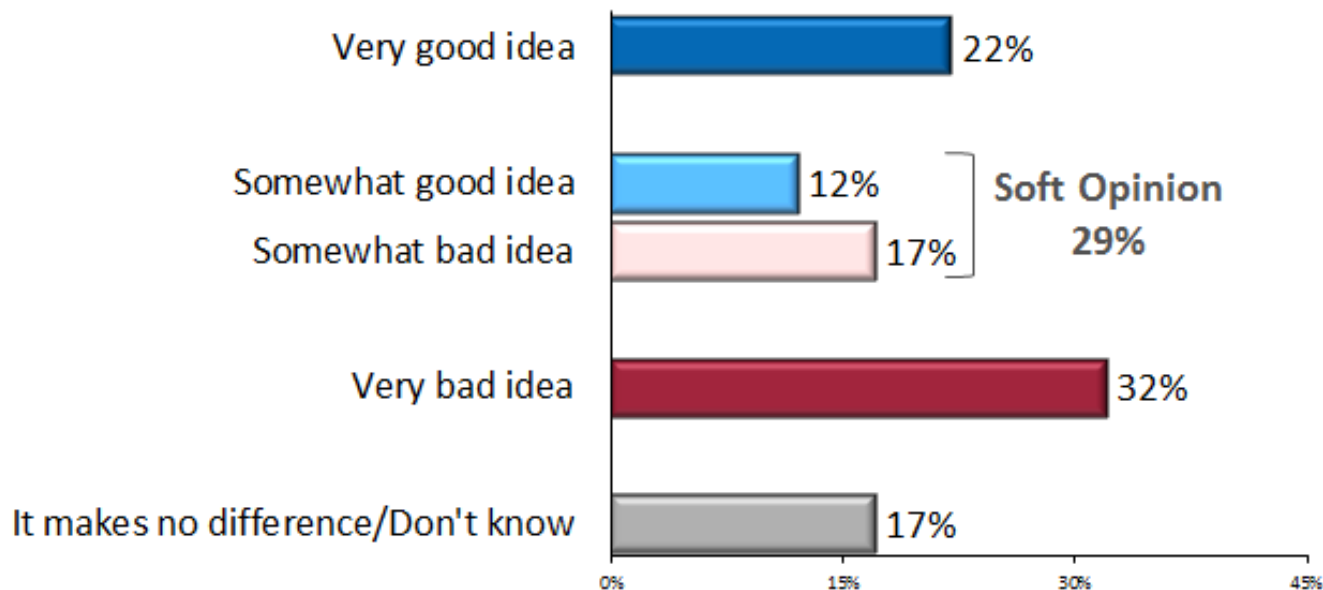
- ▶ Providing more consistent academic instruction for students; ensuring sufficient preparation time for standardized tests and AP exams; and the perception that students will learn more were among the most important reasons to consider the 2016–2017 to be a good idea.
- ▶ Having school in late August will be expensive for the schools that have air conditioning and uncomfortable for those that do not; the perception that the September to end of June calendar worked just fine and conflict with holidays and vacation time lead reasons to consider the 2016–2017 calendar to be a bad idea.

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Responses to August 15 Start Date




**Just more than 2 in 10 think this is a very good idea,
while about 1 in 3 think it is a very bad idea.**



Initial Opinion of the 2016-17 School Calendar

Consistent academic instruction & access to orientation were among the most important reasons, regardless of opinion about the calendar.

Top Three Ranked Factors (Extremely/Very Important) to Consider in Deciding on the CUSD Calendar by Initial Opinion of the Calendar

		Initial Opinion on the 2016-2017 School Calendar		
Factors Considered in Deciding on the CUSD Calendar	Full Sample			
		Very Good Idea	Somewhat Good/Bad "Soft View"	Very Bad Idea
Providing more consistent academic instruction for students	72%	84%	69%	63%
Providing access to all college and university orientation sessions	65%	75%	71%	51%
Ensuring sufficient preparation time for standardized tests and AP exams	64%	81%	68%	
....				
Impact on the family vacation plans at the end of summer	51%			73%
....				
The weather during the days school is in session	40%			51%



Heat and Weather in August

Historic Average

[Home](#) » [Local](#) » [Historic Averages](#)

San Juan Capistrano, California

[Weather Report](#) · [Interactive Map](#) · [Extended Forecast](#) · [Hourly Forecast](#) · [Past Observations](#) · [Historic Averages](#)

Monthly Averages & Records - °F °C						
Date	Average Low	Average High	Record Low	Record High	Average Precipitation	Average Snow
January	44°	67°	21° (1949)	89° (1983)	2.75"	0"
February	45°	67°	27° (1990)	92° (1954)	2.96"	0"
March	46°	68°	28° (1979)	92° (1988)	2.58"	0"
April	49°	71°	31° (1945)	97° (1989)	0.84"	0"
May	54°	71°	33° (1950)	100° (2004)	0.25"	0"
June	57°	74°	37° (1950)	102° (1990)	0.13"	0"
July	60°	77°	30° (1978)	104° (1985)	0.04"	0"
August	60°	79°	38° (1978)	100° (1955)	0.12"	0"
September	60°	79°	40° (1978)	108° (1963)	0.35"	0"
October	55°	76°	33° (1978)	104° (1958)	0.47"	0"
November	48°	71°	28° (1980)	100° (1950)	1.23"	0"
December	44°	67°	24° (1956)	90° (1938)	1.84"	0"

- ▶ Hot weather plans are being developed for each school site and will be in place for the 2016–17 school year



Heat and Weather in August

- ▶ Installing air conditioning in every classroom is estimated to cost \$12.5 million
 - Aliso Niguel High School Gym \$899,766
 - Capistrano Valley High School Gym \$950,160
 - Concordia Elementary School \$1,880,400
 - Dana Hills High School Gym \$488,400
 - Don Juan Avila Middle School Locker rooms \$77,952
 - Serra High School \$1,530,000
 - Las Palmas Elementary School \$1,509,600 for replacing entire site and adding to Kindergarten area. To add to Kindergarten area only is estimated at \$800,000
 - Palisades Elementary School \$2,256,600
 - Tesoro High School Gym \$1,049,727
 - San Clemente High School Gymnasium \$1,633,502
- ▶ Alternative improvements such as adding portable A/C units is challenging in older facilities



Impact on Family Vacation

- ▶ The District has sent notice to teachers that homework may not be assigned during Summer and Winter break
- ▶ The first semester will end before the start of Winter break
- ▶ These steps will allow our students to have “true” breaks and better quality time with their families during breaks

11 of 16



Alignment is CIF & Sports

- ▶ The 2016–17 Calendar provides this alignment



Ending First Semester Before Winter Break

- ▶ The 2016–17 Calendar provides for the end of the first semester before Winter break



Alignment with Colleges for Summer School and Orientations

- ▶ The 2016–17 Calendar provides for greater access to summer school and college orientations



Guiding Factors for the 2017–2018 and Future Calendars

▶ School Calendar Committee Priorities

- Uninterrupted instructional days (without breaks)
- Student academic success and student healthy social/emotional well-being
- The first semester ends at Winter Break
- Semesters are somewhat balanced
- Alignment to sports schedules
- Maintains a consistent start date
- Allows time to prepare classrooms and facilities
- School starts on a full day

15 of 16



Next Steps

School Calendar Committee will meet again on May 13 to review draft calendars for 2017–2018.

Proposed calendars to be presented to the Board on May 25 for consideration and adoption.

- The calendar will end the first semester at winter break
- The calendar will provide the most uninterrupted instructional days
- The calendar will align with CIF, Athletics, Summer School and College Orientation
- The calendar will provide three weeks of additional instruction before testing



COMMUNITY FACILITIES DISTRICT CITIZENS' OVERSIGHT AND ADVISORY COMMISSION

The Board of Trustees believes a citizens' commission is beneficial in providing advice and oversight on topics pertaining to Community Facilities Districts (CFDs).

Examples of advisory topics may include:

Facilities

- Needs of schools that serve the CFDs
- Prioritization of projects for CFDs
- Regular maintenance and repair

Funding

- CFD bond proceeds
- CFD pay-as-you-go funds
- District-wide funding sources that include CFDs

Community Information

- Educational materials
- Community outreach

Examples of oversight topics may include:

Review

- Review facilities plans for schools serving CFDs
- Review CFD financing and refinancing plans
- Review CFD expenditures
- Review CFD audit reports
- Review CFD administration reports

Report

- Report to the public by posting meeting materials on the District website
- Report to the Board of Trustees during Board meetings

1. Membership

In considering the membership of the Commission, the District will strive to seek input from each active CFD. The total membership will consist of six to twelve members. There will not be more than two members per CFD, unless the number of active CFDs reaches three or less, in which case more members per CFD is allowable. Members will have terms of two years, with consecutive terms allowed. Membership expires upon termination of the CFD. Members must live or own property within a CFD where the District is the lead agency. Members may include District teachers or staff. Members must not have conflicts of interest.

2. Selection of Members

Community members may volunteer for membership on the Commission by submitting an application to the Superintendent. The Superintendent will lead a selection committee of District staff to review the applications that involves the Deputy Superintendent, Business and Support Services, the Executive Director, Fiscal Services, and the Executive Director, Facilities, Maintenance, and Operations, and/or other staff as designated by the Superintendent. In considering the selection, applicants that have prior involvement with the District, the community, and advisory/oversight roles will be weighted favorably. The Superintendent will submit the recommended applicants to the Board of Trustees for consideration of appointment to the Commission.

3. Meetings

Meetings will be held quarterly, or as otherwise determined by the Commission. Meetings will be open to the public. District staff will post the meeting agenda in the same manner as a Board of Trustees meeting. Questions or comments about topics not on the agenda cannot be discussed at the meeting. The meeting agenda will specify the following information:

- a) An opportunity for public comment on any topic under the Commission's purview.
- b) The option for disability assistance to be provided for any member of the public, including the contact information at the District to request such assistance.
- c) The subject matter of each topic to be discussed during the meeting, and whether the topic is an information item or an action item.
- d) Topics to be discussed at the next meeting, so any questions or comments about items not on the agenda can be scheduled for the next meeting.

Meeting agendas, materials, and minutes will be posted on the District website. Minutes will specify the meeting start time, end time, what agenda items were discussed, and what action was taken.

The Commission will lead its own meetings and be chaired by a member of the Commission. District staff will facilitate the meetings and make data available for review.

District staff assigned to facilitate the Commissions meetings include the Deputy Superintendent, Business and Support Services, the Executive Director, Fiscal Services, the Executive Director, Facilities, Maintenance, and Operations, and additional staff on an as-needed basis.

3. Reports

Commission members will make periodic reports, at least annually, to the Board of Trustees during regularly scheduled Board meetings. Commission members may also, in their discretion, prepare a written report.

Capistrano Unified School District

Community Committee and Commission Application Process

Types of Questions to be Asked:

Contact Information

- Name
- Address
- Phone
- Email

District Involvement

- Live within District?
- Work within District?
- Own property within District?
- Children or dependent enrolled in District?
- Serve on any District advisory committee, PTA, etc.?
- Teacher or staff working for District?
- Vendor, contractor, or consultant to District?

Community Involvement

- Belong to community service, civic, or youth organization?

Employment

- Name of employer (if any)?

Advisory and Oversight

- Any relevant experience or knowledge?
- Any potential conflict of interest?
- Willing and able to serve two year term?
- Reason for interest in serving on commission?

Selection Criteria:

Broad representation of membership will be sought. Prior involvement with the District, community, and advisory/oversight roles will be weighted favorably.

Selection Committee of District Staff:

Superintendent

Deputy Superintendent, Business and Support Services

Executive Director, Fiscal Services

Executive Director, Facilities, Maintenance, and Operations

Capistrano Unified School District

School Facilities and Finance Administrative Advisory Committee

Mission: provide advice and oversight on topics pertaining to school facilities and finance as requested by the Board and Staff.

Example topics:

Facilities

Identifying needs with consideration of:

- Regular maintenance and repair
- Meeting minimum standards
- Achieving equity
- Vision for classroom of the future
- Project prioritization

Funding

- Availability of financial resources
- General obligation bond program
- State school construction program
- Corporate support and public-private partnerships
- Grants
- General Fund contribution to maintenance

Community Information

- Educational materials
- Community outreach

Accountability

- Review facilities plans and expenditures
- Review financing plans
- Review reports from the CFD citizens' oversight and advisory commission
- Report to the Board of Trustees at least annually

Membership: strive for broad community input, consisting of 6 - 12 members. Two-year terms, with consecutive terms allowed. Must live or work in the District boundaries, and/or have a child or dependent enrolled in the District. May include District teachers or staff. Must not have conflicts of interest.

Meetings: to be held quarterly. Committees will lead the meetings and be chaired by a member of the committee. District staff will facilitate the meetings and make data available for review.

Staff assigned:

Deputy Superintendent, Business and Support Services

Executive Director, Fiscal Services

Executive Director, Facilities, Maintenance, and Operations

Additional staff on an as-needed basis

Board updates:

Per Board Policy 1220, the Committee is established as an Administrative Advisory Committee by the Superintendent. The Superintendent or designee shall inform the Board when such committees are established and shall describe their charges, size, term of office, and membership. The Superintendent or designee shall inform the Board of the persons appointed to such committees and any changes in committee membership or charge. The Superintendent or designee shall provide the Board with a final report of each committee's accomplishments and shall provide summary reports and appraisals of the committee as requested by the Board.

IMMUNIZATION REQUIREMENTS FOR SCHOOL ENTRY

To protect the health of all students and staff and to curtail the spread of infectious diseases, the ~~Board of Trustees~~ District shall cooperate with state and local public health agencies to encourage and facilitate immunization of all district students against preventable diseases.

The California Health and Safety Code requires that all students be fully immunized against diphtheria, pertussis (whooping cough), tetanus, poliomyelitis, measles, mumps, and rubella in the manner and with immunization agents approved by the state department prior to their first admission to a district school. Students entering kindergarten after August 1997 shall have Hepatitis immunizations prior to school entry.

Each student enrolling for the first time in an elementary or secondary school, preschool, or child care and development program or, after July 1, 2016, enrolling in or advancing to grade 7 shall present an immunization record from any authorized private or public health care provider certifying that he/she has received all required immunizations in accordance with the age/grade and dose required by the California Department of Public Health, against the following diseases:

1. Measles, mumps, and rubella (MMR)
2. Diphtheria, tetanus, and pertussis (whooping cough) (DTP, DTaP, or Tdap)
3. Poliomyelitis
4. Hepatitis B
5. Varicella (chickenpox)
6. Haemophilus influenza type b (Hib meningitis)
7. Any other disease designated by the California Department of Public Health.

Notwithstanding the above required immunizations, full immunization against hepatitis B shall not be a condition by which District shall admit or advance any pupil to the 7th grade level.

The District shall not unconditionally admit or advance any pupil to the 7th grade level unless the pupil has been fully immunized against pertussis, including all pertussis boosters appropriate for the pupil's age.

After July 1, 2016, the District shall not unconditionally admit a student for the first time, or admit or advance any pupil to 7th grade level, unless the pupil has been immunized for his or her age as required by Health & Safety Code Section 120335.

If there is good cause to believe that a child has been exposed to a disease listed above, and his or her documentary proof of immunization status does not show proof of immunization against that disease, that child may be temporarily excluded from the school until the county health officer is satisfied and submits in writing that the child is no longer at risk of developing or transmitting the disease pursuant to Health & Safety Code Section 120370(b).

The District shall prohibit from further attendance any pupil admitted conditionally who failed to obtain the required immunizations within the time limits allowed, unless the pupil

IMMUNIZATION REQUIREMENTS FOR SCHOOL ENTRY (continued)

is temporarily or permanently medically exempt, or until that pupil has been fully immunized as required above.

~~Students who have met all immunization requirements shall be allowed to enroll and attend class. Students who have not met all legal immunization requirements must do so and provide appropriate documentary proof of required immunization before being allowed to attend class.~~

Exemptions

~~Parents or legal guardians may submit a statement of medical exemption from their healthcare provider or sign a personal beliefs exemption in lieu of immunization.~~

~~Students shall be excluded from school or~~ **fully immunized as listed above, unless exempted from immunization requirements ~~only~~ as when the allowed by law and listed below:**

1. **A parent or guardian files with the District a written statement by a ~~A~~ licensed physician ~~indicates~~ that a student should be exempted for medical reasons and indicating the specific nature and probable duration of the medical condition or circumstances, including, but not limited to, family medical history, for which the physician does not recommend immunization, and from which the pupil should be exempt pursuant to Health & Safety Code Section 120370(a).**
2. **A student who, prior to January 1, 2016, submitted a letter or affidavit, on file at a California private or public elementary or secondary school, child care center, day nursery, nursery school, family day care home, or development center, stating beliefs opposed to immunization shall be allowed **continued** enrollment ~~only~~ until the pupil enrolls in the next grade span. Thereafter, he/she must conform to the immunization requirements set forth herein pursuant to Health & Safety Code Section 12035(g).**

Grade span is defined as each of the following: birth to preschool; kindergarten and grades 1-6, inclusive, including transitional kindergarten; and, grades 7 to 12, inclusive.

3. **A student is enrolled in a **district** independent study **program and** but does not receive classroom-based instruction.**

Conditional Enrollment

The Superintendent or designee may conditionally admit a student with documentation from an authorized health care provider providing one of the following:

1. The student has received some but not all required immunizations and is not due for any vaccine dose at the time of admission.
2. The student has a temporary exemption from immunization for medical reasons.

IMMUNIZATION REQUIREMENTS FOR SCHOOL ENTRY (continued)

The Superintendent or designee may conditionally admit a student without documentation from an authorized health care provider under the following conditions:

1. Homeless children and foster youth must be immediately enrolled even if they are unable to produce records normally required for enrollment, including medical records.
2. Children of military families must be allowed ~~30~~ **thirty** days from the date of enrollment to obtain required immunizations.
3. A transfer student may be conditionally admitted for up to ~~30~~ **thirty** school days while his/her immunization records are being transferred from the previous school. If these records do not arrive within 30 school days, the student shall be excluded from school until the required immunizations have been administered.
4. A student who qualified for an individualized education program (IEP), unless otherwise exempt, shall be fully immunized in accordance with Health-~~and~~ & Safety Code **Section 120335 and this regulation**. However, the district shall continue to implement the student's IEP and shall not prohibit the student from accessing any special education and related service required by his/her IEP regardless of whether the student is fully immunized **pursuant to federal law and Section 56026 of the Education Code**.

Records

The Superintendent or designee shall record each new entrant's immunizations in the California School Immunization Record and retain it as part of the student's mandatory permanent student record. **The immunization record of each new entrant admitted conditionally shall be reviewed periodically by the District to ensure that within the time periods designated by regulation of the department, he or she has been fully immunized against all of the required diseases.** District staff shall maintain the confidentiality of immunization records and may disclose such information to state and local health departments only in accordance with law.

(cf. 1400 – Relations Between Other Governmental Agencies and the Schools)

(cf. ~~5163~~ **5141.22** – Infectious Disease **Control and Prevention**)

(cf. ~~5141.26~~ **5165.2** – Tuberculosis Testing)

(cf. 6142.8 – Comprehensive Health Education)

(cf. 5112.1 – Exemptions **and Exclusions** from Attendance)

(cf. ~~5112.2~~ **Exclusions from Attendance**)

(cf. ~~5141.32~~ **Health Screening for School Entry**)

(cf. ~~5165~~ **Health Examinations**)

(cf. 5148 – Child Care and Development)

(cf. ~~5148.3~~ **Preschool/Early Childhood Education**)

(cf. ~~6176~~ **6173** – Education for Homeless Children **and Youth**)

(cf. ~~6173.1~~ **Education for Foster Youth**)

IMMUNIZATION REQUIREMENTS FOR SCHOOL ENTRY (continued)

(cf. 6173.2 – Education of Children of Military Families)

(cf. 5165.3 – Child Health and Disability Prevention Program)

(cf. 5175.1 – Preschool Programs)

(cf. 6159 – Individualized Education Program)

(cf. 6158 – Independent Study)

EDUCATION CODE

44871 Qualifications of supervisor of health

46010 Total days of attendance

48216 Immunization

48853.5 Immediate enrollment of foster youth

48980 Required notification of rights

49403 Cooperation in control of communicable disease and immunizations

49426 Duties of school nurses

49701 Flexibility in enrollment of children of military families

51745-51749.6 Independent study

HEALTH AND SAFETY CODE

120325-120380 Immunization against communicable disease, especially:

120335 Immunization requirement for admission

120395 Information about meningococcal disease, including recommendation for vaccination

120440 Disclosure of immunization information

CODE OF REGULATIONS, TITLE 5

430 Student records

CODE OF REGULATIONS, TITLE 17

6000-6075 School attendance immunization requirements

UNITED STATES CODE, TITLE 20

1232g Family Educational Rights and Privacy Act

UNITED STATES CODE, TITLE 42

11431 Equal educational access of homeless children

11432 Immediate enrollment of homeless children

CODE OF FEDERAL REGULATIONS, TITLE 34

99.1-99.67 Family Educational Rights and Privacy

**SECTION 504 OF THE REHABILITATION ACT OF 1973
and AMERICANS WITH DISABILITIES ACT OF 1990
 NONDISCRIMINATION OF ~~FOR~~ STUDENTS WITH DISABILITIES**

The District is committed to providing ~~appropriate~~-equal opportunities for students in educational programs and activities without discrimination on ~~ng~~ on the basis of ~~sex, race, color, religion, origin, ethnic group, marital or parental status, and physical or mental~~ disability.

The Board shall ensure equal opportunities for all students in admission and access to academic courses, guidance and counseling programs, athletic programs, testing ~~procedures~~, vocational education, and all other educational activities.

It is the responsibility of the District to identify and evaluate students ~~with exceptional needs and students~~ who, because of a qualifying disability under Section 504, may be entitled to the nondiscrimination protections of Section 504 and may require regular or special education and related ~~aides~~ and supports or services in order to receive a free and appropriate public education.

Students who are identified as individuals with exceptional needs under the Individuals with Disabilities Education Act (IDEA), California Education Code Section 56500 et. seq., and Title V of the California Code of Regulations are provided for under Board Policy 5182 and 6164.4(a).91 ~~(Educationally Handicapped) and its procedures in compliance with the Individuals with Disabilities Education Act (IDEA), the California Education Code Section 56500 et. seq., and Title V of the California Code of Regulations.~~

Eligible Students Under Section 504

Students may be eligible for supports or services under the provisions of Section 504 of the Rehabilitation Act of 1973 or the Americans with Disabilities Act of 1990, even if they do not require services under IDEA. A student ~~is who may be entitled to a free appropriate public education under need special services or programs within the intent of~~ Section 504 if is a multidisciplinary team determines that such student ~~one who:~~

1. ~~Has~~ Has a physical or mental impairment that substantially limits one or more major life activities, without regarding to the ameliorative effects of any existing mitigating measures. ~~-including learning; or~~
2. ~~Has a record of such an impairment; or~~
3. ~~Is regarded as having such an impairment; and~~

**SECTION 504 OF THE REHABILITATION ACT OF 1973
and AMERICANS WITH DISABILITIES ACT OF 1990**

NONDISCRIMINATION OF ~~FOR~~ STUDENTS WITH DISABILITIES (continued)

~~4. It is established that the impairment has a present negative effect on the student's access to a free and appropriate education.~~

~~Students who are not identified under IDEA, but are disabled under Section 504, are provided for under this policy.~~

~~Students protected under Title II of the Americans with Disabilities Act of 1990 are addressed under this policy as students disabled under Section 504.~~

The Superintendent or designee shall develop Section 504 regulations and/or procedures to comply with the identification, evaluation and placement provisions of the Section 504 regulations. See 34 C.F.R. §104.31-§104.38.

The Superintendent or designee shall establish and implement, with respect to actions regarding the identification, evaluation, or educational placement of persons who, because of a disability, need or are believed to need special instruction or related services, a system of procedural safeguards that includes notice, an opportunity for the parents or guardian of the person to examine relevant records, an impartial hearing with opportunity for participation by the person's parents or guardian and representation by counsel, and a review procedure.

Students who may require supports or services under Title II of the Americans with Disabilities Act of 1990, that are not otherwise appropriately addressed under the IDEA or Section 504 can address those individualized concerns with the District's ADA Compliance Officer.

~~Conditions Excluded from Section 504 Disability~~

~~The Rehabilitation Act Amendments of 1992 amended Section 504's definition of disability to exclude the following: homosexuality, bisexuality, transvestitism, transsexualism, pedophilia, exhibitionism, voyeurism, gender identity disorders not resulting from physical impairments or other sexual behavior disorders, compulsive gambling, kleptomania, pyromania or psychoactive substance use disorders resulting from illegal use of drugs.~~

~~People who are no longer engaging in the illegal use of drugs and are participating or have participated in a drug rehabilitation program are included in the Rehabilitation Act's definition "individual with disability."~~

~~Identification and Referral Procedures~~

**SECTION 504 OF THE REHABILITATION ACT OF 1973
and AMERICANS WITH DISABILITIES ACT OF 1990**

NONDISCRIMINATION OF ~~FOR~~ STUDENTS WITH DISABILITIES (continued)

~~When it is suspected that a student requires school modifications or services due to a handicapping condition, the student will be referred for assessment by the Student Study Team (SST).~~

~~The SST coordinator will bring the referral to the school's SST. The SST shall include: one school site administrator; a school psychologist, counselor or the District nurse; at least one teacher; and other professionals as needed. This team will be knowledgeable about the student's individual needs, the student's school history, the meaning of evaluation data, and program options.~~

~~The SST will consider the referral and, based upon a review of the student's school records (including academic, social and behavioral records), the current strategies in place, and the student's needs, make a determination as to whether or not additional evaluation is required before a decision is made regarding eligibility under Section 504 and the need for modifications within the school setting. Students requiring further evaluation will be referred to appropriate evaluation staff.~~

~~If a parent's/guardian's request for evaluation is denied, the SST will inform the parents/guardians of this decision and of their procedural rights.~~

Evaluations

~~The SST will evaluate the nature of the student's disability and the impact of the disability upon the student's education. This evaluation will include consideration of any behaviors that interfere with the regular participation of a student who otherwise meets the criteria (such as age) for participation in the educational program and/or activities.~~

~~If the student is suspected of being eligible for special education pursuant to California Education Code 56000 et. seq. and the Individuals with Disabilities Education Act, the procedures governing special education students will be followed.~~

~~No final determination of whether the student will or will not be identified as a disabled individual within the meaning of Section 504 will be made by the SST without first inviting the parents/guardians of the student to participate in a meeting concerning such determination.~~

~~A final decision will be made by the SST in writing, and the parents/guardians of the student shall be notified of the Section 504 procedural safeguards available to them, including the right to an impartial hearing.~~

**SECTION 504 OF THE REHABILITATION ACT OF 1973
and AMERICANS WITH DISABILITIES ACT OF 1990**

NONDISCRIMINATION OF ~~FOR~~ STUDENTS WITH DISABILITIES (continued)

~~If the student is determined not to be eligible for special education but is disabled under Section 504 of the Rehabilitation Act of 1973, the SST will convene to develop a 504 Service Plan, describing the educational program modifications, related aides and services needed by the student, and how these will be provided.~~

~~Section 504 Service Plan~~

~~For a student who has been identified as disabled within the meaning of Section 504, the SST shall be responsible for determining the modifications necessary for the student to benefit from his or her school program.~~

~~In developing the 504 Service Plan, the SST shall consider all available relevant information from various sources which may include, but not be limited to, comprehensive assessments conducted by the District's professional staff and input from appropriate special education staff.~~

~~The parents/guardians shall be invited to participate in the SST meeting where modifications for the student will be determined and shall be given an opportunity to examine all relevant records.~~

~~The SST will develop a 504 Service Plan which will describe the disability and the modification needed. A copy of the plan shall be maintained in the student's cumulative file. The student's teacher, aide, and other school employees who provide service to the student shall be informed of the modifications necessary for the student, to the extent that any of these individuals need to be informed in order to provide for the student in the school setting.~~

~~If the team determines that no modifications are necessary, the 504 Service Plan will reflect the identification of the student as a disabled person under Section 504 and will state the basis for the decision that no modifications are presently needed. The parents/guardians will be asked to sign the plan regardless of whether modifications are necessary.~~

~~A disabled student shall be placed in the regular educational environment of the District with the use of modifications, unless the District reasonably demonstrates that such a placement cannot be achieved satisfactorily. The disabled student shall be educated with those who are not disabled to the maximum extent appropriate to the individual needs of the student.~~

~~The parents/guardians shall be notified of the Section 504 procedural safeguards, including the right to appeal the determinations of the SST.~~

**SECTION 504 OF THE REHABILITATION ACT OF 1973
and AMERICANS WITH DISABILITIES ACT OF 1990**

NONDISCRIMINATION OF ~~FOR~~ STUDENTS WITH DISABILITIES (continued)

~~Review of the Student's Progress~~

~~The SST will monitor the progress of the disabled student and the effectiveness of the student's 504 Service Plan annually to determine whether the accommodations are appropriate and necessary.~~

~~Prior to any subsequent significant change in placement, a re-evaluation of the student's needs will be conducted.~~

~~Procedural Safeguards~~

~~The parents/guardians shall be notified in writing of all District decisions concerning the identification, evaluation, and modifications made for a student under this policy.~~

~~The parents/guardians shall be notified that they may examine all student records maintained by the District.~~

~~With respect to actions regarding the identification, evaluation, and modifications for students under this policy, parents/guardians shall have the right to an impartial hearing with opportunity for participation by the parents/guardians and their counsel or representative. In~~

~~the notification of any District decision concerning identification, evaluation, or modifications in the school placement, the parents/guardians will be advised that:~~

- ~~1. A request for a Section 504 hearing must be filed within 30 calendar days from the time the parent/guardian received written notice of the District's action with regard to identification, evaluation, or placement.~~

~~Within 30 days of receiving the parent/guardian's request for a hearing, the Superintendent or Superintendent's designee shall select an impartial hearing officer. The 30-day timeline may be extended for good cause or by mutual agreement of the parties. During the 30-day period, the Superintendent's designee may request an informal conference meeting with the parent or guardian to resolve the matter informally.~~

~~The notice or invitation for such an informal meeting with the parent or guardian will include a statement that such meetings are voluntary and do not preclude the parent from proceeding to hearing.~~

~~Within 45 days of the selection of the hearing officer, the administrative hearing shall be conducted and a written decision mailed to all parties. The 45-day timeline~~

**SECTION 504 OF THE REHABILITATION ACT OF 1973
and AMERICANS WITH DISABILITIES ACT OF 1990**

NONDISCRIMINATION OF ~~FOR~~ STUDENTS WITH DISABILITIES (continued)

~~may be extended for good cause or by mutual agreement of the parties. The Superintendent or Superintendent's designee shall represent the District at the hearing.~~

~~The request for the hearing must be filed in writing to Doreen Lohnes, Associate Superintendent, Special Services and shall include:~~

- ~~_____ (a) the specific nature of the decision(s) made by the District which the appellant disagrees;~~
- ~~_____ (b) the specific relief the appellant is seeking through appeal procedures; and~~
- ~~_____ (c) any other information the appellant believes will assist in understanding the appeal.~~

- ~~2. Parent/guardian has the right to request an administrative hearing if they wish to appeal the school district's identification, evaluation, or modifications for their child. The request for a hearing must be filed with Doreen Lohnes, Associate Superintendent, Special Services within 30 days of the notice of the District's denial. Within 30 days of receiving that request, a hearing~~

~~officer will be appointed. Within 45 days after the appointment of a hearing officer, a hearing will be held. The District may request an unofficial meeting with the parent/guardian prior to the hearing to resolve any disagreements. This meeting is voluntary and does not preclude the parent/guardian from proceeding directly to hearing.~~

~~The hearing will be conducted in accordance with the "Procedural Safeguards: Section 504 of the Rehabilitation Act—Hearing Procedures." The decision of the impartial hearing officer may be appealed only to a court of competent jurisdiction. The parties shall abide by the decision of the Section 504 hearing officer unless appealed and the decision is stayed by the court.~~

~~If parents, students, or any adult on behalf of student feel discrimination has occurred based upon physical or mental disability, but is not directly related to identification, evaluation, and/or modifications for a student, they may utilize the District's grievance procedure. To initiate this process, they may contact Doreen Lohnes, Associate Superintendent, Special Services. They may also file a discrimination complaint with the Office for Civil Rights, U.S. Department of Education, (415) 556-7025.~~

**SECTION 504 OF THE REHABILITATION ACT OF 1973
and AMERICANS WITH DISABILITIES ACT OF 1990
NONDISCRIMINATION OF ~~FOR~~ STUDENTS WITH DISABILITIES (continued)**

Legal Reference:

EDUCATION CODE

49423.5 Specialized physical health care services

CODE OF REGULATIONS, TITLE 5

3051.12 Health and Nursing Services

UNITED STATES CODE, TITLE 20

1232g Family Educational Rights and Privacy Act of 1974

1400 et seq. Individuals with Disabilities Education Act

UNITED STATES CODE, TITLE 29

701 et seq. Rehabilitation Act of 1973

794 Rehabilitation Act of 1973, Section 504

CODE OF FEDERAL REGULATIONS, TITLE 34

104.1-104.61 Nondiscrimination on the basis of handicap, especially

104.1 Purpose to effectuate Section 504 of the Rehabilitation Act of 1973

104.3 Definitions

104.35 Evaluation and placement

104.36 Procedural safeguards

Policy adopted: August 18, 1997

Policy revised: August 9, 2000

CAPISTRANO UNIFIED SCHOOL DISTRICT

San Juan Capistrano, California

IDENTIFICATION AND EDUCATION UNDER SECTION 504

The Governing Board recognizes the need to identify and evaluate students with handicaps in order to provide them with appropriate educational opportunities. Such individuals may require reasonable accommodation under Section 504 of the Federal Rehabilitation Act of 1973.

The Superintendent or designee shall establish procedures whereby parents/guardians or staff may request screening and evaluation for any student they believe to have a handicap that significantly impairs learning. These specific procedures are included in BP 5152 which also addresses the filing of claims of discrimination.

A school site team of knowledgeable professionals shall meet to evaluate the student's eligibility under Section 504, and the student's parent/guardian shall be invited to participate on this team. The evaluation may include, but is not limited to, classroom and playground observation, performance-based testing, academic assessment information, and data offered by the parent/guardian.

If the student is found to have a defined handicap that significantly interferes with his/her learning, he/she shall be eligible for reasonable accommodation under Section 504, and the school site committee shall develop a written accommodation plan for the student. This plan shall specify the modifications which will be made in the regular education program in order to ensure the student a free appropriate education. It shall also include a schedule for periodic review of the student's needs and indicate that this review may occur sooner at the request of the parent/guardian or school staff.

(cf BP 5152 - Section 504 - Complaints of Discrimination)

The school site committee shall provide the parent/guardian with a written copy of the accommodation plan. If the committee determines that no accommodation is needed, the parent/guardian shall receive a record of the proceedings stating the basis for this decision. Parents/guardians shall also receive a copy of the procedural safeguards guaranteed under the Code of Federal Regulations, Title 34, Part 104.36.

(cf. 0420 - Nondiscrimination in District Programs and Activities)

IDENTIFICATION AND EDUCATION UNDER SECTION 504 (continued)

Legal Reference:

EDUCATION CODE

49423.5 *Specialized physical health care services*

CODE OF REGULATIONS, TITLE 5

3051.12 *Health and Nursing Services*

UNITED STATES CODE, TITLE 20

1232g *Family Educational Rights and Privacy Act of 1974*

1400 *et seq. Individuals with Disabilities Education Act*

UNITED STATES CODE, TITLE 29

701 *et seq. Rehabilitation Act of 1973*

794 *Rehabilitation Act of 1973, Section 504*

CODE OF FEDERAL REGULATIONS, TITLE 34

104.1-104.61 *Nondiscrimination on the basis of handicap, especially*

104.1 *Purpose to effectuate Section 504 of the Rehabilitation Act of 1973*

104.3 *Definitions*

104.35 *Evaluation and placement*

104.36 *Procedural safeguards*

Policy
adopted: February 8, 1999

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

IDENTIFICATION AND EDUCATION UNDER SECTION 504

~~The Governing Board recognizes the need to identify and evaluate students with handicaps in order to provide them with appropriate educational opportunities. Such individuals may require reasonable accommodation under Section 504 of the Federal Rehabilitation Act of 1973.~~

~~The Superintendent or designee shall establish procedures whereby parents/guardians or staff may request screening and evaluation for any student they believe to have a handicap that significantly impairs learning. These specific procedures are included in BP 5152 which also addresses the filing of claims of discrimination.~~

~~A school site team of knowledgeable professionals shall meet to evaluate the student's eligibility under Section 504, and the student's parent/guardian shall be invited to participate on this team. The evaluation may include, but is not limited to, classroom and playground observation, performance-based testing, academic assessment information, and data offered by the parent/guardian.~~

~~If the student is found to have a defined handicap that significantly interferes with his/her learning, he/she shall be eligible for reasonable accommodation under Section 504, and the school site committee shall develop a written accommodation plan for the student. This plan shall specify the modifications which will be made in the regular education program in order to ensure the student a free appropriate education. It shall also include a schedule for periodic review of the student's needs and indicate that this review may occur sooner at the request of the parent/guardian or school staff.~~

~~(cf BP 5152 Section 504 Complaints of Discrimination)~~

~~The school site committee shall provide the parent/guardian with a written copy of the accommodation plan. If the committee determines that no accommodation is needed, the parent/guardian shall receive a record of the proceedings stating the basis for this decision. Parents/guardians shall also receive a copy of the procedural safeguards guaranteed under the Code of Federal Regulations, Title 34, Part 104.36.~~

~~(cf. 0420 Nondiscrimination in District Programs and Activities)~~

IDENTIFICATION AND EDUCATION UNDER SECTION 504 (continued)

Legal Reference:

EDUCATION CODE

49423.5 Specialized physical health care services

CODE OF REGULATIONS, TITLE 5

3051.12 Health and Nursing Services

UNITED STATES CODE, TITLE 20

1232g Family Educational Rights and Privacy Act of 1974

1400 et seq. Individuals with Disabilities Education Act

UNITED STATES CODE, TITLE 29

701 et seq. Rehabilitation Act of 1973

794 Rehabilitation Act of 1973, Section 504

CODE OF FEDERAL REGULATIONS, TITLE 34

104.1 104.61 Nondiscrimination on the basis of handicap, especially

104.1 Purpose to effectuate Section 504 of the Rehabilitation Act of 1973

104.3 Definitions

104.35 Evaluation and placement

104.36 Procedural safeguards

NAMING OF FACILITY

Naming New Schools

The ~~Governing~~ Board of Trustees shall form a committee of the Board when a new school is to be named. The committee will bring a recommendation forward to the full Board for final approval.

School names may include, but are not limited to, geographical locations within the District or other potential names significant to the District or community.

The full Board shall have final approval with respect to the naming of each school constructed by the District.

Renaming Existing Schools

The renaming of existing schools or major facilities shall occur under extraordinary circumstance and after extensive community stakeholder engagement and collaboration. The written request shall be Superintendent or his/her designee. The request shall identify the facility for renaming. The request should include the rationale for the renaming of the facility and may include documentation to demonstrate that the name is consistent with the District's naming policy.

The Board shall have final approval with respect to the renaming of the school.

Dedication Plaques – New Schools

With the dedication of each new school in the District, the Board wishes to recognize those individuals who have contributed significantly to the planning and construction of the school.

A dedication plaque shall be affixed to each new school and shall include the following:

1. The name of the school and the year the construction bid was awarded.
2. The name of each Board member who was on the Board at the time the construction bid was awarded.
3. The name of the Superintendent at the time the construction bid was awarded.
4. The name of the architect.
5. The name of the contractor.

It shall be the practice of the District to have the dedication plaque provided by the construction firm who built the school.

Policy

adopted: January 8, 1996

revised: June 12, 2000

revised February 26, 2001

CAPISTRANO UNIFIED SCHOOL DISTRICT

San Juan Capistrano, California

CAPISTRANO UNIFIED SCHOOL DISTRICT

NOTICE OF PUBLIC HEARING

The Capistrano Unified School District Board of Trustees hereby gives notice that a Public Hearing will be held as follows:

TOPIC OF HEARING

Adoption of **Grade 6-8 Math Instructional Materials**, recommended for adoption by the Instructional Materials Review Committee.

Copies of the materials may be inspected at:

Instructional Materials Center, 33122 Valle Road, San Juan Capistrano, CA
until May 10, 2016, between the hours of 8:30 a.m. and 3:30 p.m.

After the Public Hearing, the Capistrano Unified School District Board of Trustees will consider adoption of the **Grade 6-8 Math Instructional Materials**.

HEARING DATE: May 11, 2016
TIME: 7:00 p.m.
LOCATION: CUSD Education Center
33122 Valle Road
San Juan Capistrano, CA
949-234-9200

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

May 11, 2016

RESOLUTION NO. 1516-61

Excerpt from the Journal of the Board of Trustees/Education of the Capistrano Unified School District/Community College District of Orange County, State of California, for a Board meeting held on the 11th day of May, 2016, at 7:00 p.m. at which the following members were:

Present:

Absent:

On motion of Trustee _____, seconded by Trustee _____, a Resolution No. 1516-61 and Order of Election and Specifications of the Election Order was adopted by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Certified a correct copy this 11th day of May, 2016.

Clerk, Board of Trustees
Capistrano Unified School District

RESOLUTION AND ORDER OF BIENNIAL TRUSTEE ELECTION
AND SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, the election of the governing board members is ordered by law pursuant to § 5000 of the Education Code to fill the office of members whose terms expire on December 2, 2016, next succeeding the election,

NOW BE IT RESOLVED that pursuant to the authority of Education Code § 5304 and 5322, the County Superintendent of Schools, Orange County, is hereby informed of the specifications of the election order for the forthcoming Biennial Governing Board Election to be held on Tuesday, November 8, 2016.


The County Superintendent is further ordered to consolidate this election in accordance with Education Code § 5340 and 5342.

Dated this 11th day of May, 2016.

Clerk, Board of Trustees
Capistrano Unified School District

MEMORANDUM

To: Clark Hampton

From: Keith Weaver 

Date: April 25, 2016

Re: Board Documents for CFDs: the Formation of CFD 98-1B, the Issuance of Bonds for CFD 98-1A and CFD 2005-1, the Refinancing of Bonds for CFD 90-2, and the Prepayment of Bonds for CFD 87-1

Clark, on May 11th the Board will be asked to consider approval of resolutions and related legal documents that pertain to upcoming activity in CFD 98-1A and 98-1B (Pacifica San Juan), CFD 90-2 (Talega), and CFD 87-1 (Mission Viejo/Aliso Viejo). In preparation for the Board's consideration of these items, this memorandum briefly reviews the role of each of the primary documents.

Resolution of Formation of CFD 98-1B (Pacifica San Juan)

This resolution establishes CFD 98-1B. The resolution sets a date for a public hearing at the Board meeting on May 11, 2016 and provides for an election where the landowner(s) within the CFD will vote on the approval of the CFD. It describes the facilities to be financed by the CFD. Finally, it includes a rate and method of apportionment of the CFD tax.

Rate and Method of Apportionment

The rate and method of apportionment describes how taxes levied within the CFD will be applied amongst the property owners. There will be six zones of taxes based on the different locations and housing products planned by the developer. Developed property is levied first, and undeveloped property is only levied to the extent required to pay debt service on the bonds. Property owners have the ability to prepay the tax. The tax has an expiration date of 40 years, beginning with FY 2016-17.

Resolution to Incur Bonded Indebtedness Within CFD 98-1B (Pacifica San Juan)

The resolution describes CUSD's determination that it is necessary to issue bonds to help fund the share of mitigation owed by new homes within CFD 98-1B. The bonds will finance school facilities and city infrastructure. The estimated bond amount is \$11.5 million, and the resolution establishes a not-to-exceed amount of \$14.0 million. The estimated term of the bonds is 30 years, and the resolution establishes a not-to-exceed term of 40 years.

Resolution Calling Special Election for CFD 98-1B (Pacifica San Juan)

The resolution calls for a special election of the landowners within the CFD. The election will be held at the District office during the Board meeting on May 11, 2016. The Clerk of the Board will conduct the election by receiving and counting the ballots.

Resolution Declaring Results of Special Election for CFD 98-1B (Pacifica San Juan)

Once the Clerk of the Board has counted the ballots, she will submit the canvass of results to the Board for review. Assuming the election is successful, the Resolution declares the election as having passed, and directs that a notice of special tax lien be filed upon the property within the CFD.

Resolution Reducing the Levy of Taxes for CFD 98-1A (Pacifica San Juan)

This resolution permanently reduces the levy of special taxes for CFD 98-1A, and directs that an amended notice of special tax lien be filed upon the property within the CFD. The reason for the reduction is that the homes within CFD 98-1A will receive a credit to acknowledge the pay-as-you-go funds that they have already paid. The new maximum special tax levy will be 39.67% of the prior maximum special tax levy. The remaining share of total development mitigation will be paid from CFD 98-1B.

Resolution Authorizing the Issuance of Bonds for CFD 98-1A (Pacifica San Juan)

This resolution authorizes the issuance of bonds for CFD 98-1A in an amount not-to-exceed \$6.5 million. The estimated amount of bonds planned for issuance is \$4.8 million, though the not-to-exceed amount allows for additional bonds to be issued should market conditions prove more favorable than anticipated. The resolution also approves several CFD 98-1A bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The creation of funds and accounts for the bonds and the allocation of bond proceeds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 98-1A, the underwriter is Hilltop Securities, selected via an RFP process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the District or the Underwriter. This document will be finalized on the day of pricing of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant

events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned pricing date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Issuance of Refunding Bonds for CFD 90-2 (Talega)

This resolution authorizes the issuance of refunding bonds (for the purpose of refinancing the outstanding bonds) for CFD 90-2 in an amount not-to-exceed \$45.0 million, and sets the minimum net present value savings after costs to be 3% of the principal amount of CFD 90-2 bonds to be refunded. The estimated amount of refunding bonds planned for issuance is \$40.0 million, though the not-to-exceed amount allows for additional bonds to be issued should the flexibility be needed to cover additional costs. The resolution also approves several CFD 90-2 bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The allocation of bond proceeds into specified funds and accounts for the bonds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 90-2, the underwriter will be selected via a competitive bid process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the Underwriter. This document will be finalized on the day of sale of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned sale date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo) (Acting on Behalf of CFD 87-1)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Next Steps

It is currently anticipated that the CFD 2005-1 bond issuance will be completed in June, the CFD 98-1A bond issuance will be completed in July, the CFD 90-2 bond issuance will be completed in August, and the CFD 87-1 prepayment will be completed in September. Following completion, the Board will receive an information presentation on the results.

Clark, please let us know if you have any questions or comments. Thank you.

KW/abm

RESOLUTION NO. 1516-57

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT
AUTHORIZING THE ISSUANCE OF NOT TO EXCEED
\$6,500,000 AGGREGATE PRINCIPAL AMOUNT OF
COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA
SAN JUAN) SPECIAL TAX BONDS, SERIES 2016,
APPROVING THE EXECUTION AND DELIVERY OF AN
INDENTURE, A BOND PURCHASE AGREEMENT AND A
CONTINUING DISCLOSURE CERTIFICATE AND THE
PREPARATION OF AN OFFICIAL STATEMENT AND
OTHER MATTERS RELATED THERETO**

**Community Facilities District No. 98-1A
of the Capistrano Unified School District (Pacifica San Juan)**

WHEREAS, the Board of Trustees (the “Board”) of the Capistrano Unified School District (“CUSD”) has formed Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the “Community Facilities District”) under the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”);

WHEREAS, the Community Facilities District is authorized under the Act to levy special taxes (the “Special Taxes”) to pay for the costs of certain public facilities (the “Facilities”) and to issue bonds payable from the Special Taxes;

WHEREAS, in order to provide funds to finance certain of the Facilities, the Community Facilities District desires to provide for the issuance of Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016 (the “Bonds”), in the aggregate principal amount of not to exceed \$6,500,000;

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured, and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District proposes to enter into an Indenture with U.S. Bank National Association, as trustee (the “Trustee”) (such Indenture, in the form presented to this meeting, with such changes, insertions, and omissions as are made pursuant to this Resolution, being referred to herein as the “Indenture”);

WHEREAS, Hilltop Securities Inc. (the “Underwriter”) has presented the Community Facilities District with a proposal, in the form of a Bond Purchase Agreement, to purchase the Bonds from the Community Facilities District (such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Purchase Agreement”);

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Bonds, the Underwriter must have reasonably determined that the Community Facilities District or an obligated person has undertaken in a written agreement or contract for the benefit of the holders of the Bonds to provide disclosure of certain financial and operating data and certain material events on an ongoing basis;

WHEREAS, in order to assist in providing for the satisfaction of such requirement, the Community Facilities District desires to enter into a Continuing Disclosure Certificate (such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Certificate”);

WHEREAS, a Preliminary Official Statement to be used in connection with the offering and sale of the Bonds has been prepared (such Preliminary Official Statement in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”);

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Indenture;
- (b) the Purchase Agreement;
- (c) the Continuing Disclosure Certificate; and
- (d) the Preliminary Official Statement;

WHEREAS, the Board desires to authorize the issuance of the Bonds and the execution and delivery of such documents and the performance of such acts by or on behalf of the Community Facilities District as may be necessary or desirable to effect the issuance of the Bonds and the execution and delivery of such documents;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the Capistrano Unified School District as follows:

Section 1. Subject to the provisions of Section 2 hereof, the issuance of the Bonds, in an aggregate principal amount of not to exceed \$6,500,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form, and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution.

Section 2. The Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. Each of the President of the Board of Trustees, and such other member of the Board of Trustees as the President may designate, the Superintendent of CUSD, the Deputy Superintendent, Business and Support Services, of CUSD, and such other officer or employee of CUSD as the Superintendent may

designate (the “Authorized Officers”), is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Indenture in the form submitted to this meeting, with such changes, insertions, and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Indenture by such Authorized Officer; provided, however, that such changes, insertions, and omissions shall not authorize an aggregate principal amount of Bonds in excess of \$6,500,000, shall not result in a final maturity date of the Bonds later than September 1, 2044, and shall not result in a true interest cost for the Bonds in excess of 6.00%.

Section 3. The Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Purchase Agreement in the form presented to this meeting, with such changes, insertions, and omissions as the Authorized Officer of the Community Facilities District executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions, and omissions shall not result in an aggregate underwriter’s discount (not including any original issue discount) from the principal amount of the Bonds in excess of 1.25% of the aggregate principal amount of the Bonds. The Board hereby finds and determines that the sale of the Bonds at negotiated sale as contemplated by the Purchase Agreement will result in a lower overall cost.

Section 4. The Continuing Disclosure Certificate, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Continuing Disclosure Certificate in the form presented to this meeting, with such changes, insertions, and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate by such Authorized Officer.

Section 5. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes therein as may be approved by an Authorized Officer, be and the same is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to certify to the Underwriter that the Preliminary Official Statement has been “deemed final” for purposes of Rule 15c2-12.

Section 6. The preparation and delivery of a final Official Statement (the “Official Statement”), and its use in connection with the offering and sale of the Bonds, be and the same 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 approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and

delivery thereof. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute the final Official Statement and any amendment or supplement thereto.

Section 7. The assessed values of the property within the Community Facilities District are set forth in the Preliminary Official Statement and the value-to-lien information with respect thereto is set forth therein and, based thereon, the Board of Trustees, for purposes of Section 53345.8 of the Act, hereby finds and determines that the value of the real property that would be subject to the Special Tax to pay debt service on the Bonds will be at least three times the principal amount of the Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Community Facilities District or a special assessment levied on property within the Community Facilities District.

Section 8. The Authorized Officers and the officers and employees of CUSD are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to do any and all things, and to execute and deliver any and all other documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution.

Section 9. All actions heretofore taken by the officers and employees of CUSD with respect to the issuance of the Bonds, or in connection with or related to any of the agreements or documents referred to herein, are hereby approved, confirmed, and ratified.

Section 10. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED this May 11, 2016, by the Capistrano Unified School District Board of Trustees, San Juan Capistrano, Orange County, California.

President of the Board of Trustees of the
Capistrano Unified School District

ATTEST:

Clerk of the Board of Trustees of the
Capistrano Unified School District

CLERK'S CERTIFICATE

I, _____, Clerk of the Board of Trustees of the Capistrano Unified School District, hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly adopted at a regular meeting of said Board of Trustees duly and regularly held on May 11, 2016, of which meeting all of the members of said Board of Trustees had due notice and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

An agenda of said meeting was posted at least 72 hours before said meeting at 33122 Valle Road, San Juan Capistrano, California, a location freely accessible to members of the public, and a brief general description of said Resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing Resolution is a full, true, and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2016

Clerk of the Board of Trustees of the
Capistrano Unified School District

INDENTURE

by and between

**COMMUNITY FACILITIES DISTRICT NO. 98-1A
OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT
(PACIFICA SAN JUAN)**

and

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

Dated as of [DATED AS OF DATE]

**Relating to
Community Facilities District No. 98-1A
of the Capistrano Unified School District (Pacifica San Juan)
Special Tax Bonds, Series 2016**

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INDENTURE

THIS INDENTURE (this “Indenture”), dated as of [DATED AS OF DATE], is by and between COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN), a community facilities district organized and existing under and by virtue of the laws of the State of California (the “Community Facilities District”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”).

WITNESSETH:

WHEREAS, the Board of Trustees of the Capistrano Unified School District has formed the Community Facilities District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311 of the California Government Code (the “Act”);

WHEREAS, the Community Facilities District is authorized under the Act to levy special taxes (the “Special Taxes”) to pay for the costs of certain public facilities (the “Facilities”) and to authorize the issuance of bonds payable from the Special Taxes;

WHEREAS, in order to provide funds to finance certain of the Facilities, the Community Facilities District desires to provide for the issuance of Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016 (the “Series 2016 Bonds”), in the aggregate principal amount of not to exceed \$_____;

WHEREAS, the Community Facilities District desires to provide for the issuance of additional bonds (the “Additional Bonds”) payable from the Special Taxes on a parity with the Series 2016 Bonds, provided that said issuance is in accordance with the Act and this Indenture (the Series 2016 Bonds and any such Additional Bonds being collectively referred to as the “Bonds”);

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District has authorized the execution and delivery of this Indenture; and

WHEREAS, the Community Facilities District has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Community Facilities District, authenticated and delivered by the Trustee and duly issued, the valid, binding, and legal special obligations of the Community Facilities District, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture has been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in

consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Community Facilities District does hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any certificate, opinion or other document herein or therein mentioned, have the meanings herein specified.

“Act” means the Mello-Roos Community Facilities Act of 1982, constituting Sections 53311 *et seq.* of the California Government Code.

“Additional Bonds” means Bonds other than Series 2016 Bonds issued hereunder in accordance with the provisions of Sections 3.05 and 3.06.

“Administrative Expense Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.07.

“Administrative Expenses” means any ordinary expenses of the School District or the Community Facilities District directly related to the administration of the Community Facilities District, consisting of the costs of computing the Special Taxes and preparing the annual Special Tax schedules and the costs of collecting the Special Taxes, the costs of remitting the Special Taxes to the Trustee, the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under this Indenture, the costs incurred by the Community Facilities District in complying with the disclosure provisions of any continuing disclosure undertaking and this Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners, the costs of the Community Facilities District related to an appeal of the Special Tax, any amounts required to be rebated to the federal government in order for the Community Facilities District to comply with Section 6.08, the fees and costs of legal counsel to the School District and an allocable share of the salaries of the staff of the School District providing services on behalf of the Community Facilities District directly related to the foregoing and a proportionate amount of general administrative overhead of the School District related thereto, and the costs (including legal fees and expenses) of foreclosure of delinquent Special Taxes.

“Affiliate” of another Person means (a) each Person that, directly or indirectly, owns or controls, whether beneficially or as trustee, guardian, or other fiduciary, 50% or more of any class of equity securities of such other Person, and (b) each Person that controls, is controlled by, or is under common control with or by such Person or any Affiliate of such Person. For the purpose of this definition, “control” of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.

“Annual Debt Service” means, for each Bond Year, the sum of: (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions); and (b) the principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year).

“Appraised Value” means the value of all or any portion of the [Developed Property], as set forth in a Qualified Appraisal Report prepared by a Qualified Appraiser.

“Assessed Value” means, with respect to all or any portion of the Developed Property, as of any date, the assessed value thereof, as such value is shown on the most recently equalized assessment roll.

“Auditor” means the Auditor/Controller of the County of Orange.

“Authorized Denominations” means (a) with respect to the Series 2016 Bonds, \$5,000 and any integral multiple thereof, and (b) with respect to each Series of Additional Bonds, the authorized denominations for such Series of Additional Bonds specified in the Supplemental Indenture pursuant to which such Additional Bonds are issued.

“Authorized Representative” means, with respect to the Community Facilities District, the Deputy Superintendent of Business and Support Services of the School District, and any other Person designated as an Authorized Representative of the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee.

“Average Annual Debt Service” means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

“Board of Trustees” means the Board of Trustees of the School District.

“Bond Counsel” means a firm of nationally recognized bond counsel selected by the Community Facilities District.

“Bond Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.03.

“Bond Year” means each twelve-month period beginning on September 2 in each year and extending to the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on September 1, 2016.

“Bonds” means the Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds issued hereunder, and includes the Series 2016 Bonds and any Additional Bonds.

“Book-Entry Bonds” means the Bonds of a Series registered in the name of the nominee of DTC, or any successor securities depository for such Series of Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.09.

“Business Day” means a day which is not (a) a Saturday, Sunday, or legal holiday in the State of California, (b) a day on which banking institutions in the State of California, or in any state in which the Office of the Trustee is located, are required, or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.

“Capitalized Interest Account” means the account by that name within the Bond Fund established and held by the Trustee pursuant to Section 5.03.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to a Series of Book-Entry Bonds.

“City Facilities” means the facilities of the type described in Exhibit C to the Mitigation Agreement to be owned and operated by the City and which the City is authorized to provide.

“City Facilities Account” means the City Facilities Account established and held by the Trustee as an account of the Construction Fund pursuant to Section 3.04.

“Closing Date” means the date upon which the Series 2016 Bonds are delivered to the Original Purchaser, being _____, 2016.

“Code” means the Internal Revenue Code of 1986.

“Community Facilities District” means Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan), a community facilities district organized and existing under and by virtue of the laws of the State of California, and any successor thereto.

“Construction Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.04.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Community Facilities District relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel, including the Trustee’s first annual administrative fee, fees, charges and disbursements of attorneys, financial advisors, accounting firms, appraisers, consultants, and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“Developed Property” means, for any Fiscal Year, all Taxable Property that, pursuant to the Rate and Method, is classified as Developed Property for such Fiscal Year.

“Developer” means Pacific Point Development Partners, a Delaware limited liability company, and its successors or assigns.

“District Continuing Disclosure Certificate” means the Continuing Disclosure Certificate, dated as of the Closing Date, executed by the Community Facilities District and agreed and accepted to by David Taussig and Associates, Inc., as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for any Series of Book-Entry Bonds, including any such successor appointed pursuant to Section 2.09.

“Facilities” means those facilities described in the [Resolution of Formation].

“Federal Securities” means (a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), and (b) obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Community Facilities District designated in a Written Certificate of the Community Facilities District delivered to the Trustee.

“Indenture” means this Indenture, as originally executed and as it may be amended or supplemented from time to time by any Supplemental Indenture.

“Independent Consultant” means any consultant or firm of such consultants selected by the Community Facilities District and who, or each of whom: (a) is generally recognized to be qualified in the financial consulting field; (b) is in fact independent and not under the domination of the Community Facilities District or the School District; (c) does not have any substantial interest, direct or indirect, with or in the Community Facilities District or the School District, or any owner of real property in the Community Facilities District, or any real property in the Community Facilities District; and (d) is not connected with the Community Facilities District or the School District as an officer or employee thereof, but who may be regularly retained to make reports to the Community Facilities District or the School District.

“Interest Account” means the account by that name within the Bond Fund established and held by the Trustee pursuant to Section 5.03.

“Interest Payment Dates” means March 1 and September 1 of each year, commencing March 1, 2017, so long as any Bonds remain Outstanding.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made.

“Mitigation Agreement” means the Amended and Restated Impact Mitigation Agreement Related to Community Facilities District No. 98-1A and Community Facilities District No. 98-1B, dated as of March 1, 2016, by and among the School District, the Community Facilities District, and the Developer, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of

a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

“Net Special Tax Revenues” means Special Tax Revenues, less amounts required to pay Administrative Expenses.

“Office of the Trustee” means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Community Facilities District by the Trustee in writing.

“Ordinance” means any ordinance adopted by the School District levying the Special Taxes.

“Original Purchaser” means the original purchaser of the Series 2016 Bonds from the Community Facilities District.

“Other CFD Bonds” means, as of the date of determination, any and all bonds, notes or other evidences of indebtedness, other than the Bonds, then outstanding issued under the Act and payable at least partially from special taxes to be levied on parcels of Developed Property.

“Outstanding” means, when used as of any particular time with reference to Bonds, subject to the provisions of Section 11.09, all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Community Facilities District shall have been discharged in accordance with Section 10.01, including Bonds (or portions of Bonds) disqualified under Section 11.09; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

“Owner” means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

“Participant” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

“Participating Underwriter” has the meaning ascribed thereto in the District Continuing Disclosure Certificate.

“Permitted Investments” means the following, to the extent that such securities are otherwise eligible legal investments of the Community Facilities District:

(a) Federal Securities;

(b) any of the following direct or indirect obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank; (ii) certificates of beneficial ownership issued by the Farmers Home Administration; (iii) participation certificates issued by the General Services Administration; (iv) mortgage-backed bonds or pass-through obligations issued and

guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal Housing Administration; (v) project notes issued by the United States Department of Housing and Urban Development; and (vi) public housing notes and bonds guaranteed by the United States of America;

(c) interest-bearing demand deposit accounts or time deposits (including certificates of deposit) in a federal or state chartered bank (including the Trustee and its affiliates) or a state licensed branch of a foreign bank or a state or federal association (as defined in Section 5102 of the California Financial Code), provided that: (i) the unsecured short-term obligations of such commercial bank or savings and loan association shall be rated A1 or better by S&P; or (ii) such demand deposit accounts or time deposits shall be fully insured by the Federal Deposit Insurance Corporation;

(d) commercial paper rated in the highest short-term rating category by S&P, issued by corporations which are organized and operating within the United States of America, and which matures not more than 180 days following the date of investment therein;

(e) bankers acceptances, consisting of bills of exchange or time drafts drawn on and accepted by a commercial bank whose short-term obligations are rated in the highest short-term rating category by S&P, which mature not more than 270 days following the date of investment therein;

(f) obligations the interest on which is excludable from gross income pursuant to Section 103 of the Code and which are rated A or better by S&P;

(g) obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by S&P;

(h) money market funds which are rated Am or better by S&P, including funds for which the Trustee and its affiliates provide investment advisory or other management services;

(i) an investment agreement or guaranteed investment contract with, or guaranteed by, a financial institution or corporation, the long-term unsecured obligations of which are or, in the case of an insurance company, the long term financial strength of which is, rated "AA-" or better by S&P at the time of initial investment; provided, that the investment agreement shall be subject to a downgrade provision with at least the following requirements:

(1) the agreement shall provide that within ten Business Days after the financial institution's long-term unsecured credit rating has been withdrawn, suspended, or reduced below "AA-" by S&P (such events referred to as "rating downgrades") the financial institution shall give notice to the Community Facilities District and the Trustee and, within such ten-day period, and for as long as the rating downgrade is in effect, shall deliver in the name of the Trustee Federal Securities

with an aggregate current market value equal to at least 105% of the principal amount of the investment agreement invested with the financial institution at that time, and shall deliver additional Federal Securities as needed to maintain an aggregate current market value equal to at least 105% of the principal amount of the investment agreement within three days after each evaluation date, which shall be at least weekly, and

(2) the agreement shall provide that, if the financial institution's long-term unsecured credit rating is reduced below "A-" by S&P, the financial institution shall give notice of the downgrade to the Community Facilities District and the Trustee within five Business Days, and the Trustee may, upon five Business Days' written notice to the financial institution, withdraw all amounts invested pursuant to the investment agreement, with accrued but unpaid interest thereon to the withdrawal date, and terminate the agreement.

(j) repurchase agreements with: (i) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated at least "A" by S&P and Moody's; (ii) any broker-dealer with "retail customers" or a related affiliate thereof, which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (iii) any other entity (or entity whose obligations are guaranteed by an affiliate or parent company) rated at least "A" by S&P and Moody's, provided that:

(1) the market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

(2) the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(3) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral, and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(4) all other requirements of S&P and Moody's in respect of repurchase agreements shall be met; and

(5) the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3" respectively, the provider must immediately notify the Community Facilities District and Trustee and the provider must, at the direction of the Community Facilities District or the Trustee, within 10 days of receipt of such

direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Community Facilities District or Trustee.

“Person” means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Principal Account” means the account by that name within the Bond Fund established and held by the Trustee pursuant to Section 5.03.

“Priority Administrative Expenses” means an assumed \$50,000, as of Fiscal Year 2016-17 and escalating at 2% each subsequent fiscal year, in annual Administrative Expenses.

“Project” means certain of the Facilities authorized to be financed by the Community Facilities District, as more particularly described in the [Resolution of Formation].

“Qualified Appraisal Report” means a real estate appraisal report which (a) has been prepared by a Qualified Appraiser, (b) uses a date of value that is no earlier than three months prior to the date on which the value reported in such appraisal report is used in accordance with the provisions of this Indenture, (c) is prepared in accordance with the applicable standards of the Appraisal Institute for such reports, and (d) is prepared in accordance with the applicable guidelines of the California Debt and Investment Advisory Commission for such reports, as such guidelines are in effect on the Closing Date.

“Qualified Appraiser” means a real estate appraiser selected by the Community Facilities District and having an “MAI” designation from the Appraisal Institute.

“Rate and Method” means the Amended and Restated Rate and Method of Apportionment of Special Tax Lien for Capistrano Unified School District Community Facilities District No. 98-1A (Pacifica San Juan) approved by the qualified electors of the Community Facilities District [including the terms of Resolution No. ____ adopted by the Board of Trustees of the School District on May 11, 2016].

“Rebate Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.06.

“Rebate Requirement” has the meaning ascribed thereto in the Tax Certificate.

“Record Date” means the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.04.

“Redemption Price” means the aggregate amount of principal of and premium, if any, on the Bonds upon the redemption thereof pursuant hereto.

“Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.04.

“Representation Letter” means the Letter of Representations from the Community Facilities District to DTC, or any successor securities depository for any Series of Book-Entry Bonds, in which the Community Facilities District makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.05.

“Reserve Requirement” means, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service.

“Resolution of Formation” means the [resolution adopted by the Board of Trustees of the School District on or about _____, establishing and forming the Community Facilities District, as originally adopted and as it may be amended or supplemented from time to time.]

“School Facilities Account” means the School Facilities Account established and held by the Trustee as an account of the Construction Fund pursuant to Section 3.04.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

“School District” means the Capistrano Unified School District, a school district organized and existing under and by virtue of the laws of the State of California.

“School Facilities” means the school facilities of the type described in Exhibit C to the Mitigation Agreement to be owned and operated by the School District.

“Series” means the initial series of Bonds executed, authenticated, and delivered on the date of initial issuance of the Bonds and identified pursuant to this Indenture as the Series 2016 Bonds, and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate Series of Bonds.

“Series 2016 Bonds” means the Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016, issued hereunder.

“Special Tax Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.02.

“Special Tax Revenues” means the proceeds of the Special Taxes received by or on behalf of the Community Facilities District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, which shall be limited to the amount of said lien and interest and penalties thereon.

“Special Taxes” means the special taxes described in the Rate and Method as “Special Tax A” levied within the Community Facilities District pursuant to the Act, the Ordinance and this Indenture.

“Supplemental Indenture” means any supplemental indenture amendatory of or supplemental to this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Surplus Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.08.

“2016 Facilities Account” means the account by that name within the Construction Fund established and held by the Trustee pursuant to Section 3.04.

“Taxable Property” has the meaning ascribed thereto in the Rate and Method.

“Tax Certificate” means the Tax Certificate executed by the Community Facilities District at the time of issuance of the Series 2016 Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Trustee” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee hereunder, appointed as provided herein.

“Written Certificate” and **“Written Request”** of the Community Facilities District mean, respectively, a written certificate or written request signed in the name of the Community Facilities District by an Authorized Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion, or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Community Facilities District, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full and final payment of the principal of, premium, if any, and interest on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Community Facilities District shall be for the equal and proportionate benefit, protection, and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds

by reason of the number or date thereof or the time of authorization, sale, execution, issuance, or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. The Community Facilities District hereby authorizes the issuance of the Bonds under and subject to the terms of this Indenture, the Act and other applicable laws of the State of California. The Bonds may consist of one or more Series of varying denominations, dates maturities, interest rates and other provisions, subject to the provisions and conditions contained herein. The Bonds shall be designated generally as the “Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds,” each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds.

Section 2.02. Terms of Series 2016 Bonds. (a) The Series 2016 Bonds shall be designated “Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016.” The aggregate principal amount of Series 2016 Bonds that may be issued and Outstanding under this Indenture shall not exceed \$_____, except as may be otherwise provided in Section 2.08.

(b) The Series 2016 Bonds shall be issued in fully registered form without coupons in Authorized Denominations, so long as no Series 2016 Bond shall have more than one maturity date. The Series 2016 Bonds shall be dated as of the Closing Date, shall be issued in the aggregate principal amount of \$_____, shall mature on September 1 of each year and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum as follows:

Maturity Date (September 1)	Principal Amount	Interest Rate
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2017

2044

(c) Interest on the Series 2016 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2016 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a Series 2016 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or (iii) interest on any Series 2016 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest shall be paid in lawful money of the United States of America on each Interest Payment Date. Interest shall be paid by check of the

Trustee mailed by first class mail, postage prepaid, or by wire transfer made on such Interest Payment Date upon the written instructions of any Owner of \$1,000,000 or more Series 2016 Bonds to an account within the United States of America, on each Interest Payment Date to the Series 2016 Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any Series 2016 Bond which is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Series 2016 Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date.

(d) The principal of the Series 2016 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee. Payment of principal of any Series 2016 Bond shall be made only upon presentation and surrender of such Bond at the Office of the Trustee.

(e) The Series 2016 Bonds shall be subject to redemption as provided in Article IV.

(f) The Series 2016 Bonds shall be in substantially the form set forth in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Section 2.03. Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Community Facilities District shall execute, and the Trustee shall authenticate and shall deliver, a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity of other Authorized Denominations. The Trustee shall require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be obligated to make any transfer or exchange of Bonds of a Series pursuant to this Section during the period established by the Trustee for the selection of Bonds of such Series for redemption, or with respect to any Bonds of such Series selected for redemption.

Section 2.04. Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be open to inspection during regular business hours and upon reasonable notice by the Community Facilities District; and, upon presentation for such purpose, the Trustee

shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

Section 2.05. Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Community Facilities District with the manual or facsimile signature of the President of the Board of Trustees of the School District attested by the manual or facsimile signature of the Clerk of the Board of Trustees. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of such officers of the School District who shall have signed or attested any of the Bonds shall cease to be such officers before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Community Facilities District, such Bonds may nevertheless be authenticated, delivered, and issued and, upon such authentication, delivery and issue, shall be as binding upon the Community Facilities District as though those who signed and attested the same had continued to be such officers, and also any Bonds may be signed and attested on behalf of the Community Facilities District by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the School District although at the nominal date of such Bonds any such Person shall not have been such officer of the School District.

Section 2.06. Authentication of Bonds. Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form as that set forth in Exhibit A hereto for the Series 2016 Bonds, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated, and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.07. Temporary Bonds. The Bonds of a Series may be issued in temporary form exchangeable for definitive Bonds of such Series when ready for delivery. Any temporary Bonds may be printed, lithographed, or typewritten, shall be of such Authorized Denominations as may be determined by the Community Facilities District, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Community Facilities District and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Community Facilities District issues temporary Bonds of a Series it shall execute and deliver definitive Bonds of such Series as promptly thereafter as practicable, and thereupon the temporary Bonds of such Series may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of such Series and maturities in Authorized Denominations. Until so exchanged, the temporary Bonds of such Series shall be entitled to the same benefits under this Indenture as definitive Bonds of such Series authenticated and delivered hereunder.

Section 2.08. Bonds Mutilated, Lost, Destroyed, or Stolen. If any Bond shall become mutilated, the Community Facilities District, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and Series in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Community Facilities District. If any

Bond shall be lost, destroyed or stolen, evidence of such loss, destruction, or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the Community Facilities District, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and Series in lieu of and in replacement for the Bond so lost, destroyed, or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Community Facilities District may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the Community Facilities District and the Trustee. Any Bond of a Series issued under the provisions of this Section in lieu of any Bond of such Series alleged to be lost, destroyed, or stolen shall constitute an original additional contractual obligation on the part of the Community Facilities District whether or not the Bond so alleged to be lost, destroyed, or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds of such Series secured by this Indenture.

Section 2.09. Book-Entry Bonds. (a) Prior to the issuance of a Series of Bonds, the Community Facilities District may provide that such Series of Bonds shall initially be issued as Book-Entry Bonds and, in such event, the Bonds of such Series for each maturity shall be in the form of a separate single fully registered Bond (which may be typewritten). The Series 2016 Bonds shall initially be issued as Book-Entry Bonds.

Except as provided in subsection (c) of this Section, the registered Owner of all of the Book-Entry Bonds shall be DTC and the Book-Entry Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Notwithstanding anything to the contrary contained in this Indenture, payment of interest with respect to any Book-Entry Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the payment date for the Book-Entry Bonds at the address indicated on the Record Date for Cede & Co. in the Registration Books or as otherwise provided in the Representation Letter.

(b) The Trustee and the Community Facilities District may treat DTC (or its nominee) as the sole and exclusive Owner of the Book-Entry Bonds registered in its name for the purposes of payment of the principal, premium, if any, or interest with respect to the Book-Entry Bonds, selecting the Book-Entry Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Book-Entry Bonds under this Indenture, registering the transfer of Book-Entry Bonds, obtaining any consent or other action to be taken by Owners of Book-Entry Bonds and for all other purposes whatsoever, and neither the Trustee nor the Community Facilities District shall be affected by any notice to the contrary. Neither the Trustee nor the Community Facilities District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Book-Entry Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant, the payment by DTC or any Participant of any amount in respect of the principal, premium, if any, or interest with respect to the Book-Entry Bonds, any notice which is permitted or required to be given to Owners of Book-Entry Bonds under this Indenture, the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of

the Book-Entry Bonds, or any consent given or other action taken by DTC as Owner of Book-Entry Bonds. The Trustee shall pay all principal, premium, if any and interest with respect to the Book-Entry Bonds, only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Community Facilities Districts obligations with respect to the principal, premium, if any, and interest with respect to the Book-Entry Bonds to the extent of the sum or sums so paid. Except under the conditions of subsection (c) of this Section, no person other than DTC shall receive an executed Book-Entry Bond for each separate stated maturity. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term “Cede & Co.” in this Indenture shall refer to such new nominee of DTC.

(c) In the event (i) DTC, including any successor as securities depository for a Series of Bonds, determines not to continue to act as securities depository for such Series of Bonds, or (ii) the Community Facilities District determines that the incumbent securities depository shall no longer so act as securities depository for such Series of Bonds, and delivers a written certificate to the Trustee to that effect, then the Community Facilities District will discontinue the book-entry system with the incumbent securities depository for such Series of Bonds. If the Community Facilities District determines to replace the incumbent securities depository for such Series of Bonds with another qualified securities depository, the Community Facilities District shall prepare or direct the preparation of a new single, separate, fully registered Bond of such Series for the aggregate outstanding principal amount of Bonds of such Series of each maturity, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the Community Facilities District, the Trustee and the successor securities depository for the Bonds of such Series as are not inconsistent with the terms of this Indenture. If the Community Facilities District fails to identify another qualified successor securities depository for such Series of Bonds to replace the incumbent securities depository, then the Bonds of such Series shall no longer be restricted to being registered in the Registration Books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for such Series of Bonds, or its nominee, shall designate. In such event the Community Facilities District shall execute, and deliver to the Trustee, a sufficient quantity of Bonds of such Series to carry out the transfers and exchanges provided in Sections 2.03, 2.07 and 2.08. All such Bonds of such Series shall be in fully registered form in denominations authorized by this Indenture.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Book-Entry Bond is registered in the name of DTC, or its nominee, all payments with respect to the principal, premium, if any, and interest with respect to such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Owners of Book-Entry Bonds pursuant to this Indenture by the Community Facilities District or the Trustee with respect to any consent or other action to be taken by Owners, the Community Facilities District or the Trustee, as the case may be, shall establish a record date for such

consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS; ADDITIONAL BONDS

Section 3.01. Issuance of Series 2016 Bonds. The Community Facilities District may, at any time, execute the Series 2016 Bonds and deliver the same to the Trustee. The Trustee shall authenticate the Series 2016 Bonds and deliver the Series 2016 Bonds to the Original Purchaser upon receipt of a Written Request of the Community Facilities District and upon receipt of the purchase price therefor.

Section 3.02. Application of Proceeds of the Series 2016 Bonds. On the Closing Date, the proceeds of the sale of the Series 2016 Bonds received by the Trustee in the amount of \$_____ (representing the principal amount of the Series 2016 Bonds less original issue discount of \$_____, and less underwriter's discount of \$_____), shall be deposited by the Trustee as follows:

(a) the Trustee shall deposit the amount of \$_____ in the [Capitalized Interest Account];

(b) the Trustee shall deposit the amount of \$_____ in the Reserve Fund, which is equal to the Reserve Requirement;

(c) the Trustee shall deposit the amount of \$_____ in the School Facilities Account of the Construction Fund;

(d) the Trustee shall deposit the amount of \$_____ in the City Facilities Account of the Construction Fund;

(e) the Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund; and

(f) the Trustee shall deposit the amount of \$_____ in the Administrative Expense Fund.

Section 3.03. Costs of Issuance Fund. The Trustee shall establish and maintain a separate fund designated the "Costs of Issuance Fund." On the Closing Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to Section 3.02.

The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Community Facilities District stating: (a) the Person to whom payment is to be made; (b) the amount to be paid; (c) the purpose for which the obligation was incurred; (d) that such payment is a proper charge against the Costs of Issuance Fund; and (e) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund, in each case together with a statement or invoice for each amount requested thereunder. On the last Business Day that is no later than six months after the Closing Date, the Trustee shall transfer any amount remaining in the Costs of Issuance Fund to the Bond Fund and, upon making such transfer, the Costs of Issuance Fund shall be closed.

If the Costs of Issuance Fund has been closed in accordance with the provisions hereof, the Costs of Issuance Fund shall be reopened and reestablished by the Trustee in connection with the issuance of any Additional Bonds, if so provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued.

Section 3.04. Construction Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Construction Fund." Within the Construction Fund, the Trustee shall establish and maintain a separate account designated the "School Facilities Account" and a separate account designated the "City Facilities Account." On the Closing Date, the Trustee shall deposit in the School Facilities Account the amount required to be deposited therein pursuant to Section 3.02. Upon the issuance of Additional Bonds, the Trustee shall deposit in the School Facilities Account and the City Facilities Account the portion, if any, of the proceeds of the sale of such Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued. On the Closing Date, the Trustee shall deposit in the School Facilities Account and the City Facilities Account the amounts, respectively, required to be deposited therein pursuant to Section 3.02.

(b) The moneys in the School Facilities Account shall be used and withdrawn by the Trustee from time to time to pay the costs of the School Facilities upon submission of a Written Request of the Community Facilities District stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment constitutes a cost of the School Facilities and is a proper charge against the School Facilities Account, and (v) that such amounts have not been the subject of a prior disbursement from the School Facilities Account.

Upon the filing of a Written Certificate of the Community Facilities District stating (i) that the portion of the School Facilities to be financed from the School Facilities Account has been completed and that all costs of such School Facilities have been paid, or (ii) that such portion of the School Facilities has been substantially completed and that all remaining costs of such portion of the School Facilities have been determined and specifying the amount to be retained therefor, the Trustee shall (A) if the amount remaining in the School Facilities Account (less any such retention) is equal to or greater than \$25,000, transfer the portion of such amount equal to the largest integral multiple of \$5,000 that is not greater than such amount to the Redemption Fund, to be applied to the redemption of Bonds, and (B) after making the transfer, if any, required to be made pursuant to the preceding clause (A), transfer all of the amount remaining in the School Facilities Account (less any such retention) to the Bond Fund, to be applied to the payment of interest on the Bonds.

(c) The moneys in the City Facilities Account shall be used and withdrawn by the Trustee from time to time to pay the costs of the City Facilities upon submission of a Written Request of the Community Facilities District stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment constitutes a cost of the City Facilities and is a proper charge against the City Facilities Account, and (v) that such amounts have not been the subject of a prior disbursement from the City Facilities Account.

Upon the filing of a Written Certificate of the Community Facilities District stating (i) that the portion of the City Facilities to be financed from the City Facilities Account has been completed

and that all costs of such City Facilities have been paid, or (ii) that such portion of the City Facilities has been substantially completed and that all remaining costs of such portion of the City Facilities have been determined and specifying the amount to be retained therefor, the Trustee shall (A) if the amount remaining in the City Facilities Account (less any such retention) is equal to or greater than \$25,000, transfer the portion of such amount equal to the largest integral multiple of \$5,000 that is not greater than such amount to the Redemption Fund, to be applied to the redemption of Bonds, and (B) after making the transfer, if any, required to be made pursuant to the preceding clause (A), transfer all of the amount remaining in the City Facilities Account (less any such retention) to the Bond Fund, to be applied to the payment of interest on the Bonds.

Section 3.05. Conditions for the Issuance of Additional Bonds. The Community Facilities District may at any time issue one or more Series of Additional Bonds (in addition to the Series 2016 Bonds) payable from Net Special Tax Revenues as provided herein on a parity with all other Bonds theretofore issued hereunder, but only subject to the following conditions, which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) upon the issuance of such Additional Bonds, no Event of Default shall have occurred and be continuing hereunder;

(b) the issuance of such Additional Bonds shall have been authorized under and pursuant to this Indenture and the Act and shall have been provided for by a Supplemental Indenture which shall specify the following:

(i) the purposes for which the proceeds of such Additional Bonds are to be applied, which purposes may only include one or more of (A) providing funds to pay costs of the School Facilities, (B) providing funds to pay costs of the City Facilities, (C) providing funds to refund any Bonds previously issued hereunder, (D) providing funds to pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds, (E) providing funds to capitalize interest on such Additional Bonds, and (F) providing funds to make any deposit to the Reserve Fund required pursuant to paragraph (vii) below;

(ii) the principal amount and designation of such Series of Additional Bonds and the interest rate to be borne by each maturity of such Additional Bonds;

(iii) that such Additional Bonds shall be payable as to interest on the Interest Payment Dates, except that the first installment of interest may be payable on either March 1 or September 1 and shall be for a period of not longer than twelve months;

(iv) the date, the maturity date or dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, however, that each such maturity date and date on which a mandatory sinking fund redemption is to be made shall be a September 1 and, provided, further, that serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(v) the redemption premiums and terms, if any, for such Additional Bonds;

(vi) the form of such Additional Bonds;

(vii) the amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Reserve Fund; provided, however, that the amount on deposit in the Reserve Fund at the time that such Additional Bonds become Outstanding shall be at least equal to the Reserve Requirement; and

(viii) such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof;

(c) [The Community Facilities District shall have received a certificate from an Independent Consultant certifying that:

(i) the sum of (A) the Assessed Value of parcels of Taxable Property for which a Qualified Appraisal Report has not been provided, plus (B) the Appraised Value of parcels of Taxable Property for which a Qualified Appraisal Report has been provided, as such Appraised Value is shown in such Qualified Appraisal Report, is at least five times the sum of (I) the aggregate principal amount of Bonds that will be Outstanding immediately following the issuance of such Additional Bonds, plus (II) the aggregate principal amount of all fixed lien special assessments levied on parcels of Taxable Property, based upon information from the most recent Fiscal Year for which such information is available, plus (III) the sum of a portion of the aggregate principal amount of Other CFD Bonds, which portion shall be equal to the aggregate principal amount of such Other CFD Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for such Other CFD Bonds on parcels of Taxable Property, and the denominator of which is the total amount of special taxes levied for such Other CFD Bonds on all parcels of land, based upon levy information from the most recent Fiscal Year for which such information is available; and

(ii) the maximum Special Taxes that may be levied in each Fiscal Year, less the Priority Administrative Expense applicable in such Fiscal Year, shall not be less than one hundred ten percent (110%) of the scheduled Annual Debt Service payments on the Bonds for the Bond Year that begins in such Fiscal Year.]

Notwithstanding the foregoing, if (i) such Additional Bonds are being issued to refund previously issued Bonds, and (ii) Annual Debt Service in each Bond Year, calculated for all Bonds that will be Outstanding after the issuance of such Additional Bonds, will be less than or equal to Annual Debt Service in such Bond Year, calculated for all Bonds which are Outstanding immediately prior to the issuance of such Additional Bonds, the receipt of the certificate described in paragraph (c), above, shall not be a condition precedent to the issuance of such Additional Bonds.

Nothing contained herein shall limit the issuance of any special tax bonds payable from Special Taxes if, after the issuance and delivery of such special tax bonds, none of the Bonds theretofore issued hereunder will be Outstanding.

Section 3.06. Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, such Additional Bonds shall be executed by the Community Facilities District for issuance hereunder and shall be delivered to

the Trustee and thereupon shall be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following:

(a) a certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) a Written Request of the Community Facilities District as to the delivery of such Additional Bonds;

(c) a Written Certificate of the Community Facilities District stating that the conditions precedent to the issuance of such Additional Bonds specified in Section 3.05 have been satisfied;

(d) an opinion of Bond Counsel substantially to the effect that (i) this Indenture and all Supplemental Indentures have been duly authorized, executed and delivered by, and constitute the valid and binding obligations of, the Community Facilities District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State), (ii) such Additional Bonds constitute valid and binding special obligations of the Community Facilities District and are enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State), and (iii) the issuance of such Additional Bonds, in and of itself, will not adversely affect the exclusion of interest on the Bonds Outstanding prior to the issuance of such Additional Bonds from gross income for federal income tax purposes;

(e) the proceeds of the sale of such Additional Bonds; and

(f) such further documents or money as are required by the provisions hereof or by the provisions of the Supplemental Indenture authorizing the issuance of such Additional Bonds.

Section 3.07. Additional Bonds. So long as any of the Bonds remain Outstanding, the Community Facilities District shall not issue any Additional Bonds or obligations payable from Net Special Tax Revenues on a parity with the Bonds, except pursuant to Sections 3.05 and 3.06. So long as any of the Bonds remain Outstanding, the Community Facilities District shall not issue any obligations payable from Net Special Tax Revenues on a basis senior or subordinate to the Bonds.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Redemption of Series 2016 Bonds. (a) *Optional Redemption.* The Series 2016 Bonds shall be subject to optional redemption, in whole or in part in Authorized Denominations, on any date, from any source of available funds, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Series 2016 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2016 through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

The Community Facilities District shall give the Trustee written notice of its intention to redeem Series 2016 Bonds pursuant to this subsection not less than 45 days prior to the applicable redemption date, unless such notice shall be waived by the Trustee.

(b) *Mandatory Redemption from Special Tax Prepayments.* The Series 2016 Bonds shall be subject to mandatory redemption, in whole or in part in Authorized Denominations, on any Interest Payment Date, from and to the extent of any prepayment of Special Taxes, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Series 2016 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2016 through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

(c) *Mandatory Sinking Fund Redemption.* The Series 2016 Bonds maturing September 1, 2026 shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20__, at a Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund
Redemption Date
(September 1)

Principal Amount
to be
Redeemed

20__ (Maturity)

If some but not all of the Series 2016 Bonds maturing on September 1, 20__ are redeemed pursuant to Section 4.01(a), the principal amount of Series 2016 Bonds maturing on September 1, 20__ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of Series 2016 Bonds maturing on September 1, 20__ redeemed pursuant to Section 4.01(a). If some but not all of the Series 2016 Bonds maturing on September 1, 20__ are redeemed pursuant to Section 4.01(b), the principal amount of Series 2016 Bonds maturing on September 1, 20__ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Series 2016 Bonds maturing on September 1, 20__ so redeemed pursuant to Section 4.01(b), such reduction to be allocated among redemption dates as nearly as practicable on a *pro rata* basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Community Facilities District.

The Series 2016 Bonds maturing September 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20__, at a Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund
Redemption Date
(September 1)

Principal Amount
to be
Redeemed

20__ (Maturity)

If some but not all of the Series 2016 Bonds maturing on September 1, 20__ are redeemed pursuant to Section 4.01(a), the principal amount of Series 2016 Bonds maturing on September 1, 20__ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced,

by \$5,000 or an integral multiple thereof, as designated by the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of Series 2016 Bonds maturing on September 1, 20__ redeemed pursuant to Section 4.01(a). If some but not all of the Series 2016 Bonds maturing on September 1, 20__ are redeemed pursuant to Section 4.01(b), the principal amount of Series 2016 Bonds maturing on September 1, 20__ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Series 2016 Bonds maturing on September 1, 20__ so redeemed pursuant to Section 4.01(b), such reduction to be allocated among redemption dates as nearly as practicable on a *pro rata* basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Community Facilities District.

Section 4.02. Notice of Redemption. The Trustee on behalf and at the expense of the Community Facilities District shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books and to the Original Purchaser, at least 30 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, if any, the Bond numbers and the maturity or maturities of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole), and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption. With respect to any notice of any optional redemption of Bonds of a Series, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid within the meaning of Section 10.01, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the Redemption Price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Community Facilities District shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

Section 4.03. Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption: (a) with respect to any optional redemption of Bonds of a Series, among maturities of Bonds of such Series as directed in a Written Request of the Community Facilities District; (b) with respect to any redemption pursuant to Section 4.01(b) and the corresponding provision of any Supplemental Indenture pursuant to which Additional Bonds are issued, among maturities of all Series of Bonds on a *pro rata* basis as nearly as practicable; and (c) with respect to any other redemption of Additional

Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Section 4.04. Purchase In Lieu of Redemption. In lieu of an optional, extraordinary mandatory or mandatory sinking fund redemption, the Community Facilities District may elect to purchase such Bonds at public or private sale at such prices as the Community Facilities District in its discretion may determine; provided, that, unless otherwise authorized by law, the purchase price (including brokerage and other charges) thereof will not exceed the principal amount thereof, plus accrued interest accrued to the purchase date and any premium which would otherwise be due if such Bonds were to be redeemed in accordance with the Indenture.

Section 4.05. Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Community Facilities District shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Community Facilities District, a new Bond or Bonds of the same Series in Authorized Denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Section 4.06. Effect of Notice of Redemption. Notice having been mailed as aforesaid, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside in the Redemption Fund, the Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and destroyed.

ARTICLE V

SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS

Section 5.01. Pledge. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Net Special Tax Revenues and any other amounts (including proceeds of the sale of the Bonds) held in the Special Tax Fund, the Bond Fund and the Reserve Fund are hereby pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of this Indenture and the Act. Said pledge shall constitute a first lien on such assets.

Section 5.02. Special Tax Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Special Tax Fund." As soon as practicable after the receipt by the Community Facilities District of any Special Tax Revenues, but in any event no later than the date ten Business Days prior to the Interest Payment Date after such receipt, the Community Facilities District shall transfer such Special Tax Revenues to the Trustee for deposit in the Special Tax Fund; provided, however, that any portion of any such Special Tax Revenues that represents prepaid Special Taxes that are to be applied to the payment of the Redemption Price of Bonds in accordance with the provisions hereof shall be identified to the Trustee as such by the Community Facilities District and shall be deposited in the Redemption Fund.

(b) Upon receipt of a Written Request of the Community Facilities District, the Trustee shall withdraw from the Special Tax Fund and transfer to the Administrative Expense Fund the Priority Administrative Expenses specified in such Written Request of the Community Facilities District.

(c) On the Business Day immediately preceding each Interest Payment Date, after having made any requested transfer of the Priority Administrative Expenses to the Administrative Expense Fund, the Trustee shall withdraw from the Special Tax Fund Net Special Tax Revenues in an amount sufficient to enable the Trustee to make the following transfers in the following order of priority:

(i) *Interest Account of the Bond Fund.* To the Interest Account, the amount, if any, necessary to cause the amount on deposit in the Interest Account to be equal to the interest due on the Bonds on such Interest Payment Date;

(ii) *Principal Account of the Bond Fund.* To the Principal Account, the amount, if any, necessary to cause the amount on deposit in the Principal Account to be equal to the principal, if any, due on the Bonds on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds; and

(iii) *Reserve Fund.* To the Reserve Fund, the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement;

(iv) *Administrative Expense Fund.* To the Administrative Expense Fund, if upon receipt of a Written Request of the Community Facilities District for an amount greater than the Priority Amount Priority Administrative Expenses, the amount necessary to be

transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses; and

(v) *Construction Fund.* To the Construction Fund, the be divided equally between, and deposited to, the School Facilities Account and the City Facilities Account, until such time as the School District will receive at least \$13,801,000 for School Facilities and the City shall receive no more than \$13,800,000, to be applied for City Facilities.

(d) During the period from and including September 2 in each year to and including December 20 in such year, upon receipt of a Written Request of the Community Facilities District, after having made any requested transfer to the Administrative Expense Fund, the Bond Fund and the Reserve Fund, and satisfied the aggregate deposits to the School Facilities Account and the City Facilities Account, the Trustee shall withdraw from the Special Tax Fund and transfer to the Surplus Fund the amount specified in such Written Request of the Community Facilities District.

Section 5.03. Bond Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Bond Fund." Within the Bond Fund, the Trustee shall establish and maintain a separate account designated the "Principal Account" and a separate account designated the "Interest Account" and a separate account designated the "Capitalized Interest Account." On the Closing Date, the Trustee shall deposit in the Capitalized Interest Account the amount required to be deposited therein pursuant to Section 3.02. The Trustee shall deposit in the Bond Fund from time to time the amounts required to be deposited therein pursuant to Section 5.02. The Trustee shall deposit in the Interest Account and the Principal Account from time to time the amounts required to be deposited therein pursuant to Section 5.02. There shall additionally be deposited in the Interest Account the portion, if any, of the proceeds of the sale of Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(b) In the event that, on the Business Day prior to an Interest Payment Date, amounts in the Interest Account are insufficient to pay the interest on the Bonds due and payable on such Interest Payment Date, the Trustee shall withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Interest Account.

(c) On each Interest Payment Date, the Trustee shall withdraw from the Interest Account for payment to the Owners of the Bonds the interest on the Bonds then due and payable.

(d) In the event that, on the Business Day prior to a September 1 on which principal of the Bonds is due and payable, including principal due and payable by reason of mandatory sinking fund redemption of the Bonds, amounts in the Principal Account are insufficient to pay such principal, after having withdrawn any amounts from the Reserve Fund required to be withdrawn therefrom on such date pursuant to subsection (b) of this Section, the Trustee shall withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Principal Account.

(e) On each September 1 on which principal of the Bonds is due and payable, including principal due and payable by reason of mandatory sinking fund redemption of the Bonds, the

Trustee shall withdraw from the Principal Account for payment to the Owners of the Bonds such principal then due and payable.

(f) On September 1, 2016, \$_____ shall be transferred from the Capitalized Interest Account to the Bond Fund. Any amount remaining in the Capitalized Interest Account on September 2, 2016, shall, unless otherwise provided in a Supplemental Indenture, be transferred to the Bond Fund. There shall additionally be transferred from the Capitalized Interest Account to the Bond Fund the amounts required to be so transferred under any Supplemental Indenture.

Section 5.04. Redemption Fund. The Trustee shall establish and maintain a special fund designated the “Redemption Fund.” As soon as practicable after the receipt by the Community Facilities District of prepaid Special Taxes, but in any event not later than ten Business Days after such receipt, the Community Facilities District shall transfer such prepaid Special Taxes to the Trustee for deposit in the Redemption Fund. Additionally, the Trustee shall deposit in the Redemption Fund amounts received from the Community Facilities District in connection with the Community Facilities District’s exercise of its rights to optionally redeem Series 2016 Bonds pursuant to Section 4.01(a) and any other amounts required to be deposited therein pursuant to Section 5.05 or pursuant to any Supplemental Indenture.

Amounts in the Redemption Fund shall be disbursed therefrom for the payment of the Redemption Price of Series 2016 Bonds redeemed pursuant to Section 4.01(a) or Section 4.01(b) and to pay the Redemption Price of Additional Bonds redeemed under the Supplemental Indenture pursuant to which such Additional Bonds are issued (other than mandatory sinking fund redemptions thereof)..

Section 5.05. Reserve Fund. The Trustee shall establish and maintain a special fund designated the “Reserve Fund.” On the Closing Date, the Trustee shall deposit in the Reserve Fund the amount required to be deposited therein pursuant to Section 3.02. The Trustee shall deposit in the Reserve Fund from time to time the amounts required to be deposited therein pursuant to Section 5.02(c). There shall additionally be deposited in the Reserve Fund, in connection with the issuance of Additional Bonds, the amount required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of and interest on the Bonds or, in accordance with the provisions of this Section, for the purpose of redeeming Bonds. Transfers shall be made from the Reserve Fund to the Bond Fund in the event of a deficiency in the Bond Fund, in accordance with Section 5.03.

So long as no Event of Default shall have occurred and be continuing, any amount in the Reserve Fund in excess of the Reserve Requirement on September 2 of each year shall be withdrawn from the Reserve Fund by the Trustee and shall be deposited in the Bond Fund. Notwithstanding the foregoing, before any such deposit shall be made, such amount shall be available for the payment of any rebate that may be owed under the Code, as specified in a Written Request of the Community Facilities District delivered to the Trustee on or before September 2 of each year.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee shall, upon receipt of a Written Request of the Community Facilities District, transfer the amount in the Reserve Fund to the Bond Fund or Redemption Fund, as applicable, to be applied, on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding Bonds.

Whenever Bonds are to be redeemed pursuant to Section 4.01(a) or Section 4.01(b) or the corresponding provisions of a Supplemental Indenture, a proportionate share, determined as provided below, of the amount on deposit in the Reserve Fund shall, on the Business Day prior to the date on which such Bonds are to be redeemed, be transferred by the Trustee from the Reserve Fund to the Redemption Fund and shall be applied to the redemption of said Bonds; provided, however, that such amount shall be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least equal to the Reserve Requirement (excluding from the calculation thereof said Bonds to be redeemed). Such proportionate share shall be equal to the largest integral multiple of the minimum Authorized Denomination for said Bonds that is not larger than the amount equal to the product of (i) the amount on deposit in the Reserve Fund on the date of such transfer, times (ii) a fraction, the numerator of which is the principal amount of Bonds to be so redeemed and the denominator of which is the principal amount of Bonds to be Outstanding on the day prior to the date on which such Bonds are to be so redeemed.

Section 5.06. Rebate Fund. (a) The Trustee shall establish and maintain a special fund designated the “Rebate Fund” when and if needed. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate, as specified in a Written Request of the Community Facilities District. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Bonds pursuant to Article X hereof or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Community Facilities District, and shall have no liability or responsibility to enforce compliance by the Community Facilities District with the terms of the Tax Certificate. The Trustee may conclusively rely upon the Community Facilities District’s determinations, calculations and certifications required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Community Facilities District’s calculations.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and after payment of any amounts described in this Section, shall, upon receipt by the Trustee of a Written Request of the Community Facilities District, be withdrawn by the Trustee and remitted to the Community Facilities District.

Section 5.07. Administrative Expense Fund. The Trustee shall establish and maintain a special fund designated the “Administrative Expense Fund.” On the Closing Date, the Trustee shall deposit in the Administrative Expense Fund the amount required to be deposited therein pursuant to Section 3.02. The Trustee shall additionally deposit in the Administrative Expense

Fund the amounts transferred from the Special Tax Fund and required to be deposited therein pursuant to Section 5.02.

The moneys in the Administrative Expense Fund shall be used and withdrawn by the Trustee from time to time to pay the Administrative Expenses upon submission of a Written Request of the Community Facilities District stating: (a) the Person to whom payment is to be made; (b) the amount to be paid; (c) the purpose for which the obligation was incurred and that such purpose constitutes an Administrative Expense; (d) that such payment is a proper charge against the Administrative Expense Fund; and (e) that such amounts have not been the subject of a prior disbursement from the Administrative Expense Fund; in each case together with a statement or invoice for each amount requested thereunder.

Section 5.08. Surplus Fund. [The Trustee shall establish and maintain a special fund designated the “Surplus Fund.” The Trustee shall deposit in the Surplus Fund the amounts transferred from the Special Tax Fund and required to be deposited therein pursuant to Section 5.02. The moneys in the Surplus Fund shall be used and withdrawn by the Trustee from time to time, upon receipt of a Written Request of the Community Facilities District, directing the Trustee to transfer the amount so specified in such Written Request to: (i) the Redemption Fund to redeem Bonds; or (ii) transfer such amount to the Community Facilities District to be applied to the payment of costs of facilities authorized to be financed by the Community Facilities District pursuant to the Resolution of Formation.]

Section 5.09. Investment of Moneys. Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Indenture and held by the Trustee shall be invested by the Trustee solely in Permitted Investments, as directed in writing by the Community Facilities District two Business Days prior to the making of such investment. Moneys in all funds and accounts held by the Trustee shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture; provided, however, that Permitted Investments in which moneys in the Reserve Fund are so invested shall mature no later than the earlier of five years from the date of investment or the final maturity date of the Bonds; provided, further, that if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. Absent timely written direction from the Community Facilities District, the Trustee shall invest any funds held by it in Permitted Investments described in clause (h) of the definition thereof.

Subject to the provisions of Section 5.06, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture (other than the Capitalized Interest Account and the Reserve Fund) shall be retained therein. Subject to the provisions of Section 5.06, all interest, profits or other income received from the investment of moneys in the Reserve Fund shall be transferred to the Bond Fund; provided, however, that, notwithstanding the foregoing, any such transfer shall be made only if and to the extent that, after such transfer, the amount on deposit in the Reserve Fund is at least equal to the Reserve Requirement.

Permitted Investments acquired as an investment of moneys in any fund or account established under this Indenture shall be credited to such fund or account. For the purpose of determining the amount in any fund or account, all Permitted Investments credited to such fund shall be valued by the Trustee at the market value thereof, such valuation to be performed not less frequently than semiannually on or before each February 15 and August 15. The Trustee may utilize and rely upon securities pricing services available to it for such valuations, including those available through the Trustee's accounting system.

The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the Community Facilities District, the Trustee shall sell or present for redemption any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investments is credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section. For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established hereunder. The Community Facilities District acknowledges that the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Community Facilities District the right to receive brokerage confirmations of security transactions as they occur, the Community Facilities District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Community Facilities District periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 5.10. State Reporting. If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal or interest on the Bonds, the Trustee shall notify the Community Facilities District in writing of such failure or withdrawal, and the Community Facilities District shall notify the California Debt and Investment Advisory Commission of such failure or withdrawal within 10 days of the failure to make such payment or the date of such withdrawal.

ARTICLE VI

COVENANTS

Section 6.01. Collection of Special Tax Revenues. The Community Facilities District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

Prior to August 1 of each year, the Community Facilities District shall ascertain from the County Assessor the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year. The Community Facilities District shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 10 that the Bonds are Outstanding, or otherwise such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the Community Facilities District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Community Facilities District shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

The Community Facilities District shall fix and levy the amount of Special Taxes within the Community Facilities District in accordance with the Rate and Method and, subject to the limitations in the Rate and Method as to the maximum Special Tax that may be levied, in an amount sufficient to yield the amount required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the Bond Year commencing in such Fiscal Year, the amount required for any necessary replenishment of the Reserve Fund and the amount estimated to be sufficient to pay the Administrative Expenses during such year, taking into account the balances in the funds and accounts established hereunder.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Section 6.02. Foreclosure. (a) Pursuant to Section 53356.1 of the Act, the Community Facilities District hereby covenants with and for the benefit of the Owners of the Bonds that it will determine or cause to be determined, on or about June 15 of each year, whether or not any owners of property within the Community Facilities District are delinquent in the payment of Special Taxes and, if such delinquencies exist, the Community Facilities District will send or cause to be sent a notice of delinquency and demand for payment thereof to the property owner within 45 days of such determination and if such delinquency remains uncured, order and cause to be commenced within 90 days of such determination of delinquency, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of any Special Taxes or installment thereof not paid when due.

(b) Notwithstanding the foregoing, however, the Community Facilities District shall not be required to order the commencement of foreclosure proceedings under subsection (a) above, if (i) the total Special Tax delinquency in the Community Facilities District for such Fiscal Year is less than 5% of the total Special Tax levied in such Fiscal Year, and (ii) no draw has been made on the Reserve Fund that has not been replenished. However, if the Community Facilities District determines that any single property owner in the Community Facilities District is delinquent in excess of \$10,000 in the payment of the Special Tax, then the Community Facilities District will diligently institute, prosecute and pursue foreclosure proceedings against such property owner, notwithstanding the first sentence of this subsection (b).

Section 6.03. Punctual Payment. The Community Facilities District shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Net Special Tax Revenues and other assets pledged for such payment as provided in this Indenture and received by the Community Facilities District or the Trustee.

Section 6.04. Extension of Payment of Bonds. The Community Facilities District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Community Facilities District to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.05. Against Encumbrances. The Community Facilities District shall not create, or permit the creation of, any pledge, lien, charge, or other encumbrance upon the Special Tax Revenues and other assets pledged under this Indenture while any of the Bonds are Outstanding, except as permitted by this Indenture.

Section 6.06. Power to Issue Bonds and Make Pledge. The Community Facilities District is duly authorized pursuant to the Act to issue the Bonds and to enter into this Indenture and to pledge the Net Special Tax Revenues and other assets pledged under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid, and binding special obligations of the Community Facilities District in accordance with their terms, and the Community Facilities District and the Trustee (subject to the provisions of Article VIII) shall at all times, to the extent permitted by law, defend, preserve and protect said pledge of Net Special Tax Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all Persons whomsoever.

Section 6.07. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with prudent corporate trust industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds, the Special Tax Revenues and all funds and accounts established by it pursuant to this Indenture. Such books of record and account shall be available for inspection by the Community Facilities District, during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall deliver to the Community Facilities District a monthly accounting of the funds and accounts it holds under this Indenture; provided, however, that the Trustee shall not be obligated to deliver an accounting for any fund or account that (a) has a balance of zero, and (b) has not had any activity since the last reporting date.

Section 6.08. Tax Covenants. (a) The Community Facilities District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2016 Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Community Facilities District shall comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Bonds.

(b) In the event that at any time the Community Facilities District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established hereunder, the Community Facilities District shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Community Facilities District shall provide to the Trustee an opinion of Bond Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2016 Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 6.09. Continuing Disclosure. The Community Facilities District shall comply with and carry out all of the provisions of the District Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Community Facilities District to comply with the District Continuing Disclosure Certificate shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Series 2016 Bonds, and upon indemnification of the Trustee to its reasonable satisfaction, shall) or any holder or beneficial owner of the Series 2016 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 6.10. Annual Reports to the California Debt and Investment Advisory Commission. Not later than October 30 of each year, commencing October 30, 2016 and until the October 30 following the final maturity of the Bonds, the Community Facilities District shall supply to the California Debt and Investment Advisory Commission the information required to

be provided thereto pursuant to Section 53359.5(b) of the Act. Such information shall be made available to any Owner upon written request to the Community Facilities District accompanied by a fee determined by the Community Facilities District to pay the costs of the Community Facilities District in connection therewith. The Community Facilities District shall in no event be liable to any Owner or any other person or entity in connection with any error in any such information.

Section 6.11. Non-Cash Payments of Special Taxes. The Community Facilities District shall not authorize owners of taxable parcels within the Community Facilities District to satisfy Special Tax obligations by the tender of Bonds unless the Community Facilities District shall have first obtained a report of an Independent Consultant certifying that doing so would not result in the Community Facilities District having insufficient Special Tax Revenues to pay the principal of and interest on all Outstanding Bonds when due.

Section 6.12. Reduction in Special Taxes. The Community Facilities District shall not initiate proceedings under the Act to modify the Rate and Method if such modification would adversely affect the security for the Bonds. If an initiative or referendum measure is proposed that purports to modify the Rate and Method in a manner that would adversely affect the security for the Bonds, the Community Facilities District shall, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of the Rate and Method in a manner that would adversely affect the security for the Bonds.

Section 6.13. Further Assurances. The Community Facilities District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. The following events shall be Events of Default:

(a) Failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

(b) Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Failure by the Community Facilities District to observe and perform any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Community Facilities District by the Trustee or the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the Community Facilities District the failure stated in the notice can be corrected, but not within such 60 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Community Facilities District within such 60 day period and the Community Facilities District shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The Community Facilities District or the School District shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 7.02. Foreclosure. If any Event of Default shall occur under Section 7.01(a) or Section 7.01(b) then, and in each and every such case during the continuance of such Event of Default, the Trustee may, or at the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, and upon being indemnified to its satisfaction therefor, shall, commence foreclosure against any parcels of land in the Community Facilities District with delinquent Special Taxes, as provided in Section 53356.1 of the Act; provided, however, that the Trustee need not commence any such foreclosure if such foreclosure has been commenced by the Community Facilities District.

Section 7.03. Other Remedies. If an Event of Default shall have occurred under Section 7.01, the Trustee shall have the right:

(a) by mandamus, suit, action or proceeding, to compel the Community Facilities District and its officers, agents or employees to perform each and every term, provision and covenant contained in this Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the Community Facilities District and the fulfillment of all duties imposed upon it by this Indenture and the Act;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Trustee's or Bond Owner's rights; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the Community Facilities District and its officers and employees to account as if it and they were the trustees of an express trust.

Section 7.04. Application of Net Special Tax Revenues After Default. If an Event of Default shall occur and be continuing, all Net Special Tax Revenues and any other funds thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture, as follows:

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference.

(c) Any remaining funds shall be transferred by the Trustee to the Special Tax Fund.

Section 7.05. Power of Trustee to Enforce. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of this Indenture.

Section 7.06. Bond Owners Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the

Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond Owners not parties to such direction.

Section 7.07. Limitation on Bond Owners' Right to Sue. No Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Act or any other applicable law with respect to such Bonds, unless: (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or said Owners shall have tendered to the Trustee indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Act or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 7.08. Absolute Obligation. Nothing in Section 7.07 or in any other provision of this Indenture or in the Bonds contained shall affect or impair the obligation of the Community Facilities District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Net Special Tax Revenues and other assets herein pledged therefor and received by the Community Facilities District or the Trustee, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.09. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Bond Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bond Owners, then in every such case the Community Facilities District, the Trustee and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies,

powers, and duties of the Community Facilities District, the Trustee and the Bond Owners shall continue as though no such proceedings had been taken.

Section 7.10. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.11. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by this Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

TRUSTEE

Section 8.01. Duties and Liabilities of Trustee. (a) *Duties of Trustee Generally.* The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default which has not been cured or waived, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such persons own affairs.

(b) *Removal of Trustee.* The Community Facilities District may upon 30 days prior written notice remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon shall appoint a successor Trustee by an instrument in writing.

(c) *Resignation of Trustee.* The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the Community Facilities District, and to the Bond Owners at the respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Community Facilities District shall promptly appoint a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(d) *Appointment of Successor Trustee.* Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that under any circumstances the successor Trustee shall be qualified as provided in subsection (e) of this Section. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bond Owner (on behalf of himself and all other Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Community Facilities District and to its predecessor Trustee a written acceptance thereof, and after payment by the Community Facilities District of all unpaid fees and expenses of the predecessor Trustee, then such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties, and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Community Facilities District or the request of the successor Trustee, such predecessor Trustee shall

execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign, and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Community Facilities District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties, and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Community Facilities District shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then maintains a rating on the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Community Facilities District fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Community Facilities District.

(e) *Qualifications of Trustee.* The Trustee shall be a trust company or bank having trust powers in good standing in or incorporated under the laws of the United States or any state thereof, having (or if such bank or trust company is a member of a bank holding company system, its parent bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state agency. 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 agency above referred to, then for the purpose of this subsection 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.

In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02. Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (e) of Section 8.01 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Trustee. (a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Community Facilities District, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture or of the Bonds or shall incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any Bonds, or in respect of the security afforded by this Indenture and the Trustee shall incur no

responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds for value, the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee, or the application of any moneys paid to the Community Facilities District or others in accordance with this Indenture. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) No provision of this Indenture shall require the Trustee to risk or advance its own funds. The Trustee may execute any of its powers or duties hereunder through attorneys, agents or receivers and shall not be answerable for the actions of such attorneys, agents, or receivers if selected by it with reasonable care.

(e) The Trustee shall not be deemed to have knowledge of an Event of Default hereunder unless it has actual knowledge thereof.

(f) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement or any other disclosure material prepared or distributed with respect to the Bonds.

Section 8.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Community Facilities District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the duties imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein

specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Community Facilities District, and such Written Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during business hours and upon reasonable notice to the inspection of the Community Facilities District, the Owners and their agents and representatives duly authorized in writing.

Section 8.06. Compensation and Indemnification. Subject to the provisions of Section 11.01, the Community Facilities District shall pay to the Trustee from time to time all reasonable compensation pursuant to a pre-approved fee letter for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees pursuant to a pre-approved fee letter, and other disbursements pursuant to a pre-approved fee letter and those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Indenture. Subject to the provisions of Section 11.01, the Community Facilities District further agrees, to the extent permitted by law, to indemnify and save the Trustee, its officers, employees, directors and agents harmless against any liabilities, costs, claims, or expenses, including those of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder and under any related documents, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its willful misconduct. The duty of the Community Facilities District to indemnify the Trustee shall survive the termination and discharge of this Indenture.

ARTICLE IX

MODIFICATION OR AMENDMENT

Section 9.01. Amendments Permitted. (a) This Indenture and the rights and obligations of the Community Facilities District, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into with the written consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, which shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, reduce the amount of principal thereof or the rate of interest thereon, alter the redemption provisions thereof or extend the time of payment thereof, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, without the consent of the Owners of all of the Bonds then Outstanding, or (iii) permit the creation of any lien on the Net Special Tax Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture or deprive the Owners of the Bonds of the lien created by this Indenture on such Net Special Tax Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(b) This Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into without the consent of any Bond Owners for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Community Facilities District in this Indenture contained other covenants and agreements thereafter to be observed, to pledge, or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Community Facilities District;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency, or omission, or of curing or correcting any defective provision contained in this Indenture;

(iii) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of Article III;

(iv) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other

terms, conditions and provisions as may be permitted by said act or similar federal statute;

(v) to modify, amend or supplement this Indenture in such manner as to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and

(vi) in any other respect whatsoever as the Community Facilities District may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners hereunder.

(c) Promptly after the execution by the Community Facilities District and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Community Facilities District), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the Community Facilities District, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Community Facilities District so determines shall, bear a notation by endorsement or otherwise in form approved by the Community Facilities District and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Community Facilities District and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Community Facilities District and authenticated by the Trustee, and upon demand of the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same interest rate and maturity.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Owner.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. If the Community Facilities District shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, then the Owners of such Bonds shall cease to be entitled to the pledge of the Net Special Tax Revenues and the other assets as provided herein, and all agreements, covenants and other obligations of the Community Facilities District to the Owners of such Bonds hereunder shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Community Facilities District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Community Facilities District all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on such Bonds.

Subject to the provisions of the above paragraph, when any of the Bonds shall have been paid and if, at the time of such payment, the Community Facilities District shall have kept, performed and observed all of the covenants and promises in such Bonds and in this Indenture required or contemplated to be kept, performed and observed by the Community Facilities District or on its part on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Bonds and such Bonds shall cease to be entitled to the lien of this Indenture and such lien and all covenants, agreements and other obligations of the Community Facilities District hereunder shall cease, terminate become void and be completely discharged as to such Bonds.

Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners of the Bonds and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners of Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds, those provisions of this Indenture contained in Section 8.06 relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Trustee and the Community Facilities District.

Section 10.02. Bonds Deemed To Have Been Paid. If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bonds and the interest thereon at the maturity or redemption date thereof, such Bonds shall be deemed to have been paid within the meaning and with the effect provided in Section 10.01. Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 10.01 if (a) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Community Facilities District shall have

given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.02, notice of redemption of such Bonds on said redemption date, said notice to be given in accordance with Section 4.02, (b) there shall have been deposited with the Trustee either (i) money in an amount which shall be sufficient, or (ii) Federal Securities that are not subject to redemption other than at the option of the holder thereof, the interest on and principal of which when paid will provide money which, together with the money, if any deposited with the Trustee at the same time, shall, as verified by an independent certified public accountant, be sufficient to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bonds, which sufficiency shall be verified in a report of an independent firm of nationally recognized certified public accountants, and (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Community Facilities District shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owners of such Bonds that the deposit required by clause (b) above has been made with the Trustee and that such Bonds, are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bonds.

Section 10.03. Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, to the extent permitted by law, any moneys held by the Trustee in trust for the payment of the principal of, or premium or interest on, any Bonds and remaining unclaimed for two years after the date of deposit of such moneys, shall be repaid to the Community Facilities District free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Community Facilities District as aforesaid, the Trustee may (at the cost of the Community Facilities District) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Community Facilities District of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Special Obligations. All obligations of the Community Facilities District under this Indenture shall be special obligations of the Community Facilities District, payable solely from Special Tax Revenues and the other assets pledged therefor hereunder; provided, however, that all obligations of the Community Facilities District under the Bonds shall be special obligations of the Community Facilities District, payable solely from Net Special Tax Revenues and the other assets pledged therefor hereunder. Neither the faith and credit nor the taxing power of the Community Facilities District (except to the limited extent set forth herein), the School District, or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

Section 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Community Facilities District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Community Facilities District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03. Limitation of Rights. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Trustee, the Community Facilities District and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained, and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the Trustee, the Community Facilities District and the Owners of the Bonds.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Community Facilities District of any Bonds, the Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality, or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained

herein. The Community Facilities District hereby declares that it would have entered into this Indenture and each and every other Section, subsection, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, subsections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.07. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Community Facilities District:

Capistrano Unified School District
33122 Valle Road
San Juan Capistrano, California 92675
Attention: Deputy Superintendent of Business and Support Services
Re: CFD No. 98-1A

If to the Trustee:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust Services
Attention:
Re: CFD No. 98-1A

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request, or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

Section 11.08. Evidence of Rights of Bond Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in Person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent, or other instrument or of a writing appointing any such agent, or of the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Community Facilities District if made in the manner provided in this Section.

The fact and date of the execution by any Person of any such request, consent, or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Community Facilities District in accordance therewith or reliance thereon.

Section 11.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Community Facilities District, or by any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 11.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.03 but without any liability for interest thereon.

Section 11.11. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with prudent corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.07 and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish any such additional funds or accounts as it deems necessary to perform its obligations hereunder.

Section 11.12. Payment on Non-Business Days. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

Section 11.13. Waiver of Personal Liability. No member, trustee, officer, agent, or employee of the Community Facilities District or the School District shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, trustee, officer, agent, or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.14. Interpretation. (a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 11.15. Conflict with Act. In the event of any conflict between any provision of this Indenture and any provision of the Act, the provision of the Act shall prevail over the provision of this Indenture.

Section 11.16. Conclusive Evidence of Regularity. Bonds issued pursuant to this Indenture shall constitute evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 11.17. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 11.18. Governing Laws. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Community Facilities District has caused this Indenture to be signed in its name by its representative thereunto duly authorized, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**COMMUNITY FACILITIES DISTRICT
NO. 98-1A OF THE CAPISTRANO
UNIFIED SCHOOL DISTRICT
(PACIFICA SAN JUAN)**

By: _____
Clark Hampton,
Deputy Superintendent of Business and
Support Services of the Capistrano
Unified School District

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

By: _____
Authorized Officer

EXHIBIT A**FORM OF SERIES 2016 BOND**

No. _____

\$ _____

COUNTY OF ORANGE

STATE OF CALIFORNIA

**COMMUNITY FACILITIES DISTRICT NO. 98-1A
OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN)
SPECIAL TAX BOND, SERIES 2016**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
	September 1, ____	_____, 2016	

REGISTERED OWNER:**PRINCIPAL AMOUNT:**

The Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the "Community Facilities District"), for value received, hereby promises to pay, solely from the sources hereinafter described, to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above or on any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof, payable semiannually on March 1 and September 1 in each year, commencing March 1, 2017 (the "Interest Payment Dates"), until payment of such Principal Amount in full. This Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date, whether or not such day is a business day, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to February 15, 2017, in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or duly provided for). The Principal Amount hereof is payable upon surrender hereof upon maturity or earlier redemption at the Office of the Trustee (as hereinafter defined). Interest hereon is payable by check of U.S. Bank National Association, as Trustee (the "Trustee"), mailed by first class mail, postage prepaid, or by wire transfer made on such Interest Payment Date upon the written instructions of any Owner of \$1,000,000 or more Series 2016 Bonds to an account within the United States, on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the Registration Books of the Trustee as of the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date. "Office of the Trustee" means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Community Facilities District by the Trustee in writing.

This Bond is one of a series of a duly authorized issue of bonds approved by the qualified electors of the Community Facilities District, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Sections 53311 *et seq.* of the California Government Code (the “Act”), and issued for the purpose of financing certain public facilities, and is one of the series of bonds designated “Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016” (the “Series 2016 Bonds”) in the aggregate principal amount of \$_____. The Series 2016 Bonds are issued pursuant to the terms and conditions of the Indenture, dated as of [DATED AS OF DATE] (the “Indenture”), by and between the Community Facilities District and the Trustee, and this reference incorporates the Indenture herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. Pursuant to and as more particularly provided in the Indenture, additional bonds (“Additional Bonds”) may be issued by the Community Facilities District secured by a lien on a parity with the lien securing the Series 2016 Bonds. The Series 2016 Bonds and any Additional Bonds are collectively referred to as the “Bonds.” The Indenture is entered into, and this Bond is issued under, the Act and the laws of the State of California. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

Pursuant to the Act and the Indenture, the principal of and interest on the Bonds are payable solely from Net Special Tax Revenues and the other assets pledged therefor under the Indenture. Net Special Tax Revenues generally consist of the annual special tax authorized under the Act to be collected within the Community Facilities District, after the payment therefrom of certain administrative expenses. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Net Special Tax Revenues and any other amounts (including proceeds of the sale of the Bonds) held in the Bond Fund and the Reserve Fund established under the Indenture are pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act. Said pledge constitutes a first lien on such assets.

The Series 2016 Bonds shall be subject to optional and mandatory redemption, in accordance with the redemption provisions contained in the Indenture.

The Trustee on behalf and at the expense of the Community Facilities District shall mail (by first class mail) notice of any redemption to the respective owners of any Series 2016 Bonds designated for redemption, at their respective addresses appearing on the Registration Books maintained by the Trustee, at least 30 but not more than 60 days prior to the redemption date; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Series 2016 Bonds or the cessation of the accrual of interest thereon. The redemption price of the Series 2016 Bonds to be redeemed shall be paid only upon presentation and surrender thereof at the Office of the Trustee. From and after the date fixed for redemption of any Series 2016 Bonds, interest on such Series 2016 Bonds will cease to accrue.

The Series 2016 Bonds are issuable as fully registered Bonds without coupons in Authorized Denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, fully registered Series 2016 Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount and maturity of fully registered Series 2016 Bonds of other Authorized Denominations.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Series 2016 Bond or Series 2016 Bonds, of Authorized Denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Community Facilities District and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Community Facilities District and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Community Facilities District, the owners of the Bonds and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the fixed maturity of any Bonds, or reduce the principal thereof or the rate of interest borne thereby, or extend the time of payment, without the consent of the owner of such Bond, (b) reduce the percentage of Bonds the consent of the owners of which is required to effect any such amendment or modification, without the consent of the owners of all outstanding Bonds, or (c) permit the creation of any lien on the Net Special Tax Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture, or deprive the Bonds owners of the lien created under the Indenture on such Net Special Tax Revenues and such other assets (except as expressly provided in the Indenture), without the consent of the owners of all outstanding Bonds.

The Indenture contains provisions permitting the Community Facilities District to make provision for the payment of interest on, and the principal and premium, if any, of any of the Bonds so that such Bonds shall no longer be deemed to be outstanding under the terms of the Indenture.

All obligations of the Community Facilities District under the Indenture shall be special obligations of the Community Facilities District, payable solely from Special Tax Revenues and the other assets pledged therefor thereunder; provided, however, that all obligations of the Community Facilities District under the Bonds shall be special obligations of the Community Facilities District, payable solely from Net Special Tax Revenues and the other assets pledged therefor thereunder. Neither the faith and credit nor the taxing power of the Community Facilities District (except to the limited extent set forth herein and in the Indenture), the School District or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company 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.

IN WITNESS WHEREOF, the Community Facilities District has caused this Bond to be signed in its name and on its behalf by the facsimile signatures of the President of the Board of Trustees of the Capistrano Unified School District and attested to by the Clerk of said Board of Trustees, all as of the Dated Date identified above.

**COMMUNITY FACILITIES DISTRICT
NO. 98-1A OF THE CAPISTRANO
UNIFIED SCHOOL DISTRICT
(PACIFICA SAN JUAN)**

By: _____
President of the Board of Trustees of the
Capistrano Unified School District

Attest:

By: _____
Clerk of the Board of Trustees

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Series 2016 Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: _____, 2016

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

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

**COMMUNITY FACILITIES DISTRICT NO. 98-1A
OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN)
SPECIAL TAX BONDS, SERIES 2016**

BOND PURCHASE AGREEMENT

_____, 2016

Board of Trustees
Capistrano Unified School District,
acting as the Legislative Body of
Community Facilities District No. 98-1A
of the Capistrano Unified School District (Pacifica San Juan)
33122 Valle Road
San Juan Capistrano, California 92675

Honorable Members of the Board of Trustees:

The undersigned, Hilltop Securities Inc., as Underwriter (the “Underwriter”), offers to enter into this bond purchase agreement (the “Purchase Agreement”) with the Capistrano Unified School District (the “School District”), acting for itself and on behalf of Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the “Community Facilities District”), which will be binding upon the School District, the Community Facilities District and the Underwriter upon the acceptance hereof by the School District and the Community Facilities District. This offer is made subject to its acceptance by the School District and the Community Facilities District by execution of this Purchase Agreement and its delivery to the Underwriter on or before 11:59 p.m., California time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the Community Facilities District at any time prior to the acceptance hereof by the School District and the Community Facilities District. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture, dated as of June 1, 2016 (the “Indenture”), by and between the Community Facilities District and U.S. Bank National Association, as trustee (the “Trustee”).

The School District, for itself and acting on behalf of the Community Facilities District, acknowledges and agrees that (i) the purchase and sale of the 2016 Bonds (as hereinafter defined) pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the School District, acting for itself and on behalf of the Community Facilities District, and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and not as the agent or fiduciary of the School District or the Community Facilities District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the School District or the Community Facilities District with respect to (a) the offering of the 2016 Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the School District or the Community Facilities District on other matters) or (b) any other obligation to the School District or the Community Facilities District with respect to the offering contemplated hereby, except the obligations expressly set forth in this Purchase Agreement or otherwise imposed by law, (iv) the Underwriter has financial interests that differ from those of the School District and the Community Facilities District and (v) the School District and the Community Facilities District have consulted their own legal, financial and other advisors to the extent each has deemed appropriate in connection with this transaction. The School District, for itself and acting on behalf of the Community Facilities District, acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB. The Community Facilities District

acknowledges that it has engaged Government Financial Strategies Inc., as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1), and for financial advice purposes, will rely only on the advice of Government Financial Strategies Inc.

1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Community Facilities District for offering to the public, and the Community Facilities District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016 (the “2016 Bonds”), in the aggregate principal amount specified in Appendix A hereto. The 2016 Bonds shall be dated the Closing Date (as defined herein) and shall have the maturities and bear interest (payable semi-annually on March 1 and September 1 in each year, commencing September 1, 2016) at the rates per annum and maturing on the dates and in the amounts, and with mandatory sinking fund payments, set forth in Appendix A attached hereto. The purchase price for the 2016 Bonds shall be the amount specified as such in Appendix A hereto. Payment for and delivery of the 2016 Bonds, and the other actions contemplated hereby, shall take place on the “Closing Date,” which is _____, 2016 (or such other date as may be agreed to between the Community Facilities District and the Underwriter). The 2016 Bonds shall be issued in book-entry form pursuant to the book-entry system of The Depository Trust Company (“DTC”) and shall be delivered through the facilities of DTC on the Closing Date.

2. **Authorization Instruments and Law.** The 2016 Bonds shall be substantially in the form described in and shall be issued and secured under the provisions of the Indenture. The 2016 Bonds and interest thereon shall be secured by a pledge of certain proceeds of, and payable from, the special tax levied and collected in the Community Facilities District (the “Special Taxes”) by the Community Facilities District in accordance with the First Amended Rate and Method of Apportionment for Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the “First Amended Rate and Method”). The 2016 Bonds shall be subject to redemption as set forth in Appendix A attached hereto. The Community Facilities District was formed pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”). The 2016 Bonds shall be as described in the Indenture and in the Official Statement relating to the 2016 Bonds (which, together with the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter and the Community Facilities District, is hereinafter called the “Official Statement”).

The proceeds of the 2016 Bonds shall be used by the Community Facilities District as described in the Official Statement to (i) pay a portion of the cost of facilities owned and operated by the School District, (ii) to finance certain public improvements for the City of San Juan Capistrano, California, (iii) to pay the costs of issuing the 2016 Bonds, and (iv) to fund the deposit to the Reserve Fund in an amount equal to the Reserve Requirement.

3. **Public Offering.** The Underwriter agrees to make a *bona fide* public offering of all the 2016 Bonds initially at the public offering prices (or yields) set forth in Appendix A attached hereto and by this reference incorporated herein. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the 2016 Bonds. The 2016 Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Underwriter reserves the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the 2016 Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

4. **Delivery of Official Statement.** As soon as practicable and no later than seven (7) business days after its acceptance hereof and in sufficient time to accompany any confirmation that requests payment from a purchaser, the Community Facilities District shall deliver to the Underwriter such reasonable number of copies of the Official Statement as the undersigned may request in order to comply with Rule 15c2-12 of the Securities and Exchange Commission, applicable Municipal Securities Rulemaking Board (“MSRB”) rules and other regulatory requirements relating to the issuance and sale of the 2016 Bonds. The School District and the Community Facilities District authorize the Underwriter to file, and the Underwriter agrees to file or cause to be filed, the Official Statement with the MSRB or its designee (including the MSRB’s Electronic Municipal Market Access system) or other repositories approved from time to time by the Securities and Exchange Commission (either in addition to or in lieu of the filings referred to above).

The Community Facilities District hereby authorizes the use of the Official Statement in connection with the public offering and sale of the 2016 Bonds. The Community Facilities District also consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement, dated _____, 2016, relating to the 2016 Bonds (which, together with the cover page and all appendices, exhibits, maps, reports, and statements included therein and attached thereto, is herein called the “Preliminary Official Statement”) in connection with the public offering of the 2016 Bonds. The Community Facilities District hereby ratifies the use by the Underwriter of the Preliminary Official Statement, the Indenture, the Continuing Disclosure Agreement (as hereinafter defined) and other documents or contracts to which the School District or the Community Facilities District is a party, including this Purchase Agreement, and all information contained therein, and all other documents, certificates, and written statements furnished by the School District on behalf of the Community Facilities District, to the Underwriter in connection with the transactions contemplated by this Purchase Agreement, or in connection with the offer and sale of the 2016 Bonds by the Underwriter.

The Community Facilities District represents that the Preliminary Official Statement, at the time of its distribution by the Underwriter, was and is a “deemed-final” Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of no more than the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amounts, principal amount per maturity and delivery date of the 2016 Bonds. It is an express condition of the offer of the Underwriter made hereby that the Community Facilities District deliver the Official Statement, in a form deemed by it to be final, within seven business days of the date hereof; and the delivery of an Official Statement executed by representatives of the Community Facilities District shall conclusively establish that the Community Facilities District deems the document so delivered to be final. A failure of the Community Facilities District to comply with the requirements of the preceding sentence shall entitle the Underwriter to rescind its offer hereunder.

The Underwriter agrees that prior to the time the final Official Statement relating to the 2016 Bonds is available, the Underwriter will send to any potential purchaser of the 2016 Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed to by the School District, the Community Facilities District and the Underwriter. The School District and the Community Facilities District confirm that they do not object to distribution of the Preliminary Official Statement or the Official Statement in electronic form. A copy of the most recent Preliminary Official Statement sent to a potential purchaser shall be sent by first-class mail or electronically (or other equally prompt means) not later than the first business day following the day upon which each such request is received.

To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the Community Facilities District will undertake, pursuant to the Indenture and pursuant to

that certain Continuing Disclosure Agreement, in the form attached to the Official Statement as Appendix D (the "Continuing Disclosure Agreement"), by and between the Community Facilities District and David Taussig & Associates, Inc., as Dissemination Agent, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

5. School District and Community Facilities District Representations, Warranties and Covenants. The School District, for itself and for and on behalf of the Community Facilities District, represents, warrants and covenants to the Underwriter that:

(a) Due Organization, Existence and Authority of School District. The School District is a unified school district duly organized and existing under the Constitution (the "Constitution") and laws of the State of California (the "State"), and has, and at the Closing Date will have, full legal right, power and authority, for and on behalf of the Community Facilities District, (i) to enter into this Purchase Agreement, (ii) to enter into the Indenture, (iii) to execute the Official Statement, (iv) to execute the Continuing Disclosure Agreement, (v) to issue, sell and deliver the 2016 Bonds to the Underwriter as provided herein, and (vi) to carry out and consummate the transactions on its part contemplated by this Purchase Agreement, Ordinance No. 98-1-1 adopted by the School District as the legislative body of the Community Facilities District on June 28, 2004, authorizing the levying of Special Taxes within the Community Facilities District, the Indenture and the Official Statement. The Indenture, the Continuing Disclosure Agreement and this Purchase Agreement are collectively referred to herein as the "Community Facilities District Documents." The School District, as the legislative body of the Community Facilities District, has duly and validly called, held and conducted an election within the Community Facilities District to approve the levy of the Special Taxes and the issuance of bonds, including the 2016 Bonds.

(b) Due Authorization and Approval of School District. By all necessary official action of the School District, acting for itself and as the legislative body of the Community Facilities District, the School District has duly authorized and approved the adoption or execution and delivery by the Community Facilities District of, and the performance by the Community Facilities District of the obligations on its part contained in, the Community Facilities District Documents, and has approved the use by the Underwriter of the Preliminary Official Statement and the execution and delivery of the Official Statement and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties thereto, the 2016 Bonds and the Community Facilities District Documents will constitute the legally valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. The Community Facilities District has complied, and will at the Closing (as hereinafter defined) be in compliance in all respects, with the obligations on its part to be performed on or prior to the Closing Date under the Community Facilities District Documents.

(c) Due Organization, Existence and Authority of the Community Facilities District. The Board of Trustees, as the legislative body of the Community Facilities District, has duly authorized the formation of the Community Facilities District pursuant to resolutions adopted on April 25, 2005 and the Act. The Community Facilities District is a community facilities district duly organized and validly existing under the Constitution and laws of the State. The Board of Trustees, for and on behalf of the Community Facilities District, has duly authorized the issuance and sale of the 2016 Bonds pursuant to Resolution No. _____, adopted by the Board of Trustees on _____, 2016 (the "Bond Resolution"), and the Indenture. The Community Facilities District, has, and at the Closing Date will have, full legal right, power and authority (i) to enter into, execute, deliver and perform its obligations under this Purchase Agreement and, where necessary, the Community Facilities District Documents, (ii) to issue,

sell and deliver the 2016 Bonds to the Underwriter pursuant to the Indenture, the Bond Resolution and as provided herein, and (iii) to carry out, give effect to and consummate the transactions on the part of the School District and the Community Facilities District contemplated by the Community Facilities District Documents.

(d) Preliminary Official Statement and Official Statement Accurate. The information with respect to the School District, the Community Facilities District, governmental approvals of the School District and the Community Facilities District, the 2016 Bonds and the Community Facilities District Documents in the sections of the Preliminary Official Statement and the Official Statement, respectively, captioned “INTRODUCTION,” “CONTINUING DISCLOSURE,” “THE FINANCING PLAN,” “THE 2016 BONDS,” “SECURITY FOR THE 2016 BONDS,” “THE COMMUNITY FACILITIES DISTRICT,” “BONDOWNERS’ RISKS,” “LEGAL MATTERS – Absence of Litigation” and APPENDIX A thereto was as of the date of the Preliminary Official Statement and is, and at all times subsequent to the date of the Official Statement up to and including the Closing Date will be, true and correct in all material respects, and such information does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) Proceedings Affecting Use of Official Statement. The School District and the Community Facilities District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the 2016 Bonds.

(f) Agreement to Amend or Supplement Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (as defined below), the School District and the Community Facilities District (i) will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter objects in writing or which is disapproved by the Underwriter (the Underwriter’s approval of such amendment or supplement may not be unreasonably withheld) and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the School District or the Community Facilities District that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the School District and the Community Facilities District shall immediately prepare and furnish the Underwriter (at the expense of the School District and the Community Facilities District) a reasonable number of copies of an amendment or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time such supplemental Official Statement is delivered to a purchaser, not misleading. If any such amendment or supplement of the Official Statement shall occur after the Closing Date, the Community Facilities District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such amendment or supplement to the Official Statement. For purposes hereof, the phrase “End of the Underwriting Period” shall occur on the later of (a) the Closing Date or (b) when the Underwriter no longer retains an unsold balance of the 2016 Bonds; unless otherwise advised in writing by the Underwriter on or prior to the Closing Date, or otherwise agreed to by the School District and the Underwriter, the School District may assume that the End of the Underwriting Period is the Closing Date.

(g) No Breach or Default. As of the time of acceptance hereof and as of the Closing Date, except as otherwise disclosed in the Official Statement, the School District and the Community Facilities District are not or will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment or decree, or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the School District or the Community Facilities District is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument which breach, default or event could have a material adverse effect on the Community Facilities District's ability to perform its obligations under the 2016 Bonds or the Community Facilities District Documents; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the 2016 Bonds and the Community Facilities District Documents and compliance by the Community Facilities District with the obligations on its part to be performed under the 2016 Bonds and the Community Facilities District Documents does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the School District (or any of its officers in their respective capacities as such) or the Community Facilities District is subject, or by which it or any of its properties is bound, the result of which would be to materially adversely affect the Community Facilities District's ability to perform its obligations under the 2016 Bonds or the Community Facilities District documents, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Community Facilities District Documents, the result of which would be to materially adversely affect the Community Facilities District's ability to perform its obligation under the 2016 Bonds or the Community Facilities District Documents.

(h) No Litigation. At the time of acceptance hereof and as of the Closing Date there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending with respect to which the Community Facilities District has been served with process or to the best knowledge of the School District or the Community Facilities District threatened, which (i) in any way questions the existence of the School District or the titles of the officers of the School District to their respective offices, (ii) in any way questions the formation or existence of the Community Facilities District or the titles of the Board of Trustees of the School District as the legislative body of the Community Facilities District, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the 2016 Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the 2016 Bonds, or in any way contests or affects the validity of the Community Facilities District Documents or the consummation of the transactions on the part of the School District and the Community Facilities District contemplated thereby, or contests the exclusion of the interest on the 2016 Bonds from federal or State income taxation or contests the powers of the Community Facilities District to levy and collect the Special Taxes in the Community Facilities District; (iv) may result in any material adverse change relating to the financial condition of the School District or the Community Facilities District, or (v) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances upon which they were made, not misleading; and as of the time of acceptance hereof and as of the Closing Date, to the knowledge of the officer of the School District, for itself and on behalf of the Community Facilities District, executing this Purchase Agreement and without investigation of any kind, there is no basis for

any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (v) of this sentence.

(i) Further Cooperation; “Blue Sky”. The School District and the Community Facilities District will furnish such information, execute such instruments and take such other action at the expense of and in cooperation with the Underwriter as the Underwriter may reasonably request at the sole cost and expense of the Underwriter in order (i) to qualify the 2016 Bonds for offer and sale under the “Blue Sky” or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate and (ii) to determine the eligibility of the 2016 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as is required for the distribution of the 2016 Bonds; *provided, however*, that the School District and the Community Facilities District will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(j) 2016 Bonds Issued Pursuant to the Indenture. The 2016 Bonds and the Community Facilities District Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement. The Community Facilities District represents that the 2016 Bonds, when issued, executed and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Community Facilities District, entitled to the benefits of the Indenture, and the security of the pledge of the proceeds of the levy of the Special Taxes received by the Community Facilities District. The Indenture creates a valid pledge of the moneys in certain funds and accounts established pursuant to such Indenture, including the investments thereof, subject in all cases to the provisions of such Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(k) Special Taxes. The Special Taxes of the Community Facilities District, constituting the security for the 2016 Bonds, have been duly and lawfully authorized and may be levied under the Act and the Constitution and the applicable laws of the State, and pursuant to the Act such Special Taxes, when levied, will constitute a valid and legally binding lien on the properties upon which they have been levied.

(l) Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required to have been obtained or made by the Closing Date for the due authorization of, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Community Facilities District of, its obligations in connection with the Community Facilities District Documents have been duly obtained or made and are in full force and effect, except the filing of Form 8038-G with the Internal Revenue Service; however, such form shall be filed by the Community Facilities District in a timely manner so as to ensure the tax-exempt status of the 2016 Bonds.

(m) No Other Bonds. Between the date of this Purchase Agreement and the Closing Date, the Community Facilities District will not, without written consent of the Underwriter, offer or issue any bonds, notes or other obligations of the Community Facilities District for borrowed money.

(n) No Transfer Taxes. The issuance and sale of the 2016 Bonds is not subject to any transfer or other documentary stamp taxes of the State or any political subdivision thereof.

(o) Compliance with Internal Revenue Code. The School District and the Community Facilities District have covenanted to comply with the Internal Revenue Code of 1986, as

amended, with respect to the 2016 Bonds; and the School District and the Community Facilities District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax, of the interest on the 2016 Bonds.

(p) Bond Proceeds. The School District, for and on behalf of the Community Facilities District, will apply the proceeds of the 2016 Bonds in accordance with the Indenture and as described in the Official Statement.

(q) Public Debt. Except as disclosed in the Official Statement, to the knowledge of the officer of the School District executing this Purchase Agreement and without investigation of any kind, no other public debt secured by an *ad valorem* tax, a special tax or a benefit assessment levied by the School District or the Community Facilities District on the land in the Community Facilities District is in the process of being authorized by the School District or the Community Facilities District and no assessment districts or community facilities districts have been or are in the process of being formed by the School District which include any portion of the land within the Community Facilities District. All outstanding debt secured by special taxes, benefit assessment or *ad valorem* levies for general obligation bonds of the School District and all authorized but unissued debt secured by special taxes, benefit assessment or *ad valorem* levies for general obligation bonds of the School District, or the School District on behalf of the Community Facilities District, which is applicable to the property within the Community Facilities District is accurately described in the Official Statement.

(r) Disclosure Compliance. Based on a review of its previous undertakings, and except as disclosed in the Preliminary Official Statement and Official Statement, the School District, the Community Facilities District and other community facilities districts formed by the School District have not failed to comply in any material respect with any continuing disclosure undertaking previously entered into pursuant to the provisions of Rule 15c2-12(b)(5) of the Securities and Exchange Commission in the previous five years.

(s) Certification. Any certificate signed by an authorized officer of the School District or the Community Facilities District and delivered to the Underwriter in connection with the issuance and sale of the 2016 Bonds shall be deemed a representation and warranty by the School District or the Community Facilities District to the Underwriter as to the statements made therein.

6. **Representations and Warranties of the Underwriter.** The Underwriter hereby agrees with, and makes the following representations and warranties to, the School District and the Community Facilities District, as of the date hereof and as of the Closing Date, which agreements, representations and warranties shall survive the Closing:

(a) The Underwriter is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization;

(b) This Purchase Agreement has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the School District, on behalf of the Community Facilities District, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws affecting enforcement of creditors' rights, or by the application of equitable principles if equitable remedies are sought;

(c) The Underwriter represents that it is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer;

(d) The Underwriter is in compliance with the provisions of, and the execution and delivery hereof and the consummation of the transactions contemplated herein does not and will not violate any of the prohibitions set forth in, Rule G-37 promulgated by the MSRB; and

(e) The Underwriter has reasonably determined that the City's obligations under the Continuing Disclosure Agreement are sufficient to effect compliance with Rule 15c2-12 of the Securities and Exchange Commission.

7. **The Closing.** At 9:00 a.m., Pacific time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Community Facilities District and the Underwriter, (i) the Community Facilities District will deliver the 2016 Bonds to the Underwriter through the facilities of DTC utilizing DTC's FAST delivery system, in definitive form, bearing CUSIP® numbers, and duly executed by the Community Facilities District and authenticated by the Trustee as provided in the Indenture, and (ii) the School District and the Community Facilities District will deliver the closing documents hereinafter mentioned at the offices of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California ("Bond Counsel") or another place to be mutually agreed upon by the Community Facilities District and the Underwriter. The Underwriter will accept delivery and pay the purchase price of the 2016 Bonds as set forth in Section 1 hereof in federal funds payable to the order of the Community Facilities District or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the "Closing." The form of the Bonds (as defined in the Indenture) shall be made available to the Underwriter for purposes of inspection at least three business days prior to the Closing (as defined below).

8. **Closing Conditions.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and covenants herein and the performance by the School District and the Community Facilities District of their obligations hereunder, both as of the date hereof and as of the Closing Date and in reliance upon the representations and covenants set forth in the various documents and certificates referenced in Section 9 hereof. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following additional conditions:

(a) School District/Community Facilities District Bring-Down Representations. The representations and covenants of the School District and the Community Facilities District contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the Community Facilities District Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter, (ii) there shall be in full force and effect such resolutions (the "Authorizing Resolutions") as, in the opinion of Bond Counsel, shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the School District or the Community Facilities District contemplated by this Purchase Agreement, the Official Statement and the Community Facilities District Documents, (iii) the Community Facilities District shall perform or have performed its obligations required or specified in the Community Facilities District Documents to be performed at or prior to Closing and (iv) the Official Statement shall not have been supplemented or amended except as otherwise may have been agreed to in writing by the Underwriter.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing under this Purchase Agreement, the Bond Resolution or the Community Facilities District Documents and the School District and the Community Facilities District shall not be in default in the

payment of principal or interest on any of its bonded indebtedness which default will adversely impact the ability of the School District or the Community Facilities District to make payment on the 2016 Bonds.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents (which may be in an electronic form) required under Section 9 below.

(e) Termination Events. The Underwriter shall have the right to terminate this Purchase Agreement, without liability therefor, by written notification to the School District or the Community Facilities District if at any time prior to the Closing:

(i) any event or circumstance shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading and, in either such event, the School District or the Community Facilities District refuse to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the 2016 Bonds or the ability of the Underwriter to enforce contracts for the sale of the 2016 Bonds; or

(ii) the marketability of the 2016 Bonds or the market price thereof, or the ability of the Underwriter to enforce contracts for the sale of the 2016 Bonds in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, any member of the President's Cabinet, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the School District or the Community Facilities District, the interest on bonds or notes or obligations of the general character of the 2016 Bonds or the market price of the 2016 Bonds; or

(iii) legislation shall be enacted by the Congress of the United States of America, or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States of America or a member of the President's Cabinet, or a decision by a court of the United States of America shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange

Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the 2016 Bonds, or the issuance, offering or sale of the 2016 Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the 2016 Bonds, or the 2016 Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended, and as then in effect, or that a Indenture must be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(iv) additional material restrictions not in force as of the date hereof, including minimum or maximum prices for trading, having been fixed and in force, or maximum ranges for prices for securities having been required and in force shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter's ability to market the 2016 Bonds; or

(v) a material disruption in securities settlement, payment or clearance services affecting the 2016 Bonds shall have occurred; or

(vi) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation or interest rates) or the extension of credit by, or a charge to the net capital requirements of credit by, or a charge to net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or state agency or the Congress of the United States of America, or by Executive Order; or

(vii) a general suspension of trading in securities on the New York Stock Exchange or other major exchange of a general banking moratorium shall have been established by federal, State of New York or State authorities; or

(viii) the United States of America has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis on the financial markets of the United States of America, being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the 2016 Bonds or the ability of the Underwriter to enforce contracts for the sale of the 2016 Bonds (it being agreed by the Underwriter that there is no outbreak, calamity or crisis of such character as of the date hereof); or

(ix) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the School District or the Community Facilities District shall have occurred;

(x) a decision by a court of the United States of America shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the 2016 Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the

2016 Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act; or

(xi) the commencement of any action, suit, proceedings inquiry or investigation, at law or in equity, as described in Section 5(h).

9. **Closing Documents.** At or prior to the Closing, the Underwriter shall receive two copies (which may be in an electronic form) of each of the following documents:

(a) **Bond Opinion.** An approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix E to the Official Statement, together with a letter from such counsel, dated the Closing Date and addressed to the Underwriter, to the effect that the foregoing opinion addressed to the School District, as the legislative body of the Community Facilities District, may be relied upon by the Underwriter to the same extent as if such opinion was addressed to them.

(b) **Supplemental Opinion.** A supplemental opinion of Bond Counsel addressed to the Underwriter, in form and substance acceptable to counsel for the Underwriter, and dated the Closing Date to the following effect:

(i) This Purchase Agreement has been duly authorized, executed and delivered by the School District, acting for itself and as the legislative body of the Community Facilities District, and constitutes the legal, valid and binding obligation of the School District and the Community Facilities District, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws affecting enforcement of creditors' rights, or by the application of equitable principles if equitable remedies are sought;

(ii) The Community Facilities District is duly organized and validly existing as a community facilities district under the laws of the State of California;

(iii) The 2016 Bonds conform as to form and tenor to the description thereof contained under the captions "INTRODUCTION" and "THE 2016 BONDS" in the Official Statement, and the statements contained in the Official Statement under the captions "THE 2016 BONDS," "SECURITY FOR THE 2016 BONDS," "LEGAL MATTERS – Legal Opinion," "LEGAL MATTERS – Tax Exemption," "LEGAL MATTERS – Absence of Litigation," "LEGAL MATTERS - No General Obligation of School District or Community Facilities District," APPENDIX C – "Summary of Certain Provisions of the Indenture" and APPENDIX E – "Form of Opinion of Bond Counsel" of the Official Statement are accurate insofar as such statements purport to summarize certain provisions of the Act, the 2016 Bonds, the Indenture or applicable provisions of the United States Internal Revenue Code; and

(iv) The 2016 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(c) **General Counsel Opinion.** An opinion, dated the Closing Date and addressed to the Underwriter, of Burke, Williams & Sorensen, LLP, Santa Ana, California, as general counsel to the School District, in form and substance acceptable to the Underwriter and its counsel, to the effect set forth in Appendix B hereto.

(d) Closing Certificate of the School District. A certificate of the School District, on behalf of the Community Facilities District, dated the Closing Date, addressed to the Underwriter and signed by the Deputy Superintendent, Business & Support Services, or a written designee of the Superintendent, ratifying the use of and distribution by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offer and sale of the 2016 Bonds, in form and substance acceptable to the Underwriter and its counsel, to the effect set forth in Appendix C hereto.

(e) Trustee's Certificate. A certificate of the Trustee, dated the Closing Date, in form and substance acceptable to the Underwriter and its counsel to the effect set forth in Appendix D hereto.

(f) Trustee Incumbency Certificate. A certified copy of a certificate of an officer of the Trustee certifying as to the incumbency, signature and signing authority of the officers who have executed and delivered the Indenture and agreed to accept the duties of Trustee under the Indenture.

(g) Trustee's Counsel Opinion. An opinion, dated the date of the Closing addressed to the School District, the Community Facilities District and the Underwriter, of Trustee's Counsel, substantially in the form of Appendix E hereto.

(h) Disclosure Counsel's Letter. A letter, dated the Closing Date addressed to the School District, as the legislative body of the Community Facilities District, of James F. Anderson Law Firm, A Professional Corporation, disclosure counsel ("Disclosure Counsel"), substantially in the form attached as Appendix F hereto.

(i) Special Tax Consultant Certificate. A certificate of David Taussig & Associates, Inc. ("Special Tax Consultant"), dated the Closing Date and addressed to the Underwriter, the School District and the Community Facilities District, in form and substance acceptable to the Underwriter and its counsel, to the effect set forth in Appendix G hereto.

(j) Certificate Regarding Boundaries of the Community Facilities District. A certificate of David Taussig & Associates, Inc., dated the Closing Date and addressed to the Underwriter, the School District and the Community Facilities District, in form and substance acceptable to the Underwriter and its counsel, to the effect set forth in Appendix H hereto.

(k) Community Facilities District Continuing Disclosure Agreement. The Continuing Disclosure Agreement of the Community Facilities District properly executed by the Community Facilities District in the form attached as Appendix D to the Preliminary Official Statement/Official Statement.

(l) Official Statement. The Official Statement and each supplement or amendment, if any thereto, executed on behalf of the Community Facilities District by a duly authorized officer of the Community Facilities District.

(m) Resolutions and Ordinance. A copy certified by the Clerk of the School District, of each resolution and ordinance of the School District relating to the Community Facilities District Documents, the transactions contemplated thereby, formation of the Community Facilities District and issuance of the 2016 Bonds.

(n) Local Goals and Policies. A copy of the local goals and policies adopted pursuant to Section 53312.7 of the Act.

- (o) Boundary Map. A copy of the recorded Boundary Map of the Community Facilities District.
- (p) Indenture. An executed copy of the Indenture.
- (q) Notices of Special Tax Lien. A copy of the Notices of Special Tax Lien as recorded with the Orange County Recorder.
- (r) Purchase Agreement. An executed copy of this Purchase Agreement.
- (s) Form 8038-G. Evidence that the federal tax information Form 8038-G has been prepared by Bond Counsel for filing.
- (t) Nonarbitrage Certificate. A nonarbitrage certificate prepared by Bond Counsel and satisfactory to the Underwriter.
- (u) Underwriter's Certificate. The receipt of the Underwriter, in form satisfactory to the School District and signed by an authorized officer of the Underwriter, confirming delivery of the 2016 Bonds to the Underwriter, and the satisfaction of all conditions and terms of this Purchase Agreement by the School District and confirming to the School District that as of the Closing Date, all of the representations of the Underwriter contained in this Purchase Agreement are true, complete and correct in all material respects.
- (v) Underwriter's Counsel Opinion. An opinion of Nossaman LLP, counsel for the Underwriter, dated the date of the Closing, addressed to the Underwriter in form and substance acceptable to the Underwriter.
- (w) CDIAC Statements. A copy of the filings with the California Debt and Investment Advisory Commission pursuant to the Government Code.
- (x) Letter of Representations. A copy of the Blanket Issuer Letter of Representations to DTC relating to the 2016 Bonds signed by the School District.
- (y) Certificate Regarding Review of Disclosure Compliance. A certificate of David Taussig & Associates, Inc., dated the date of the Preliminary Official Statement and addressed to the Underwriter, the School District and the Community Facilities District in form and substance acceptable to the Underwriter and its counsel, to the effect set forth in Appendix I hereto.
- (z) Developer Letter of Representation and Closing Certificate. A Letter of Representations of Pacific Point Development Partners LLC, dated the date of printing the Preliminary Official Statement, and a Closing Certificate, dated the Closing Date, of Pacific Point Development Partners LLC, each substantially in the respective form and content satisfactory to the Underwriter and its counsel.
- (aa) Developer Counsel Opinion. An opinion of counsel to Pacific Point Development Partners LLC, addressed to the Community Facilities District and the Underwriter, with appropriate assumptions and qualifications as are acceptable to the Community Facilities District and the Underwriter, in such final form of opinion as is acceptable to the Community Facilities District and the Underwriter.

(bb) Additional Documents. Such additional legal opinions, certificates, instruments and other documents as the Underwriter or their counsel and Bond Counsel may reasonably deem necessary.

If the Community Facilities District shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and none of the Underwriter, or the Community Facilities District shall be under further obligation hereunder, except as further set forth in Section 10 hereof.

10. Costs and Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Community Facilities District shall cause to be paid from any funds available to the Community Facilities District the following expenses incident to the issuance of the 2016 Bonds and performance of the Community Facilities District's obligations hereunder: (i) the costs of the preparation and printing of the 2016 Bonds, (ii) the fees and disbursements of Bond Counsel, (iii) the cost of preparation, printing and mailing of the Preliminary Official Statement and the Official Statement and any supplements and amendments thereto, including a reasonable number of copies thereof for distribution by the Underwriter, (iv) the fees and disbursements of the Trustee, accountants, advisers and any other experts or consultants retained by the School District or the Community Facilities District, including the fees and expenses of the special tax administrator, (v) the fees and expenses of Disclosure Counsel and (vi) the fees and disbursements of the School District's General Counsel.

(b) The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the public offering of the 2016 Bonds, and (ii) all other expenses, CDIA fee, CUSIP[®] Service Bureau fees (including out-of-pocket expenses and related regulatory expenses) incurred by it in connection with the public offering and distribution of the 2016 Bonds, except as noted in Section 10(a) above, including the fees and disbursements of its counsel and any advertising expenses. Meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter's discount.

11. Notice. Any notice or other communication to be given to the School District or the Community Facilities District under this Purchase Agreement may be given by delivering the same in writing to such entities at 33122 Valle Road, San Juan Capistrano, California 92675, Attention: Deputy Superintendent, Business & Support Services.

Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Hilltop Securities Inc., 1201 Elm Street, Suite 3500, Dallas, Texas 75270 Attention: _____.

Notices may be given by personal or courier delivery, registered or certified mail, facsimile transmission or electronic communication, provided that delivery by facsimile transmission or electronic communication must be confirmed by the sender.

12. Entire Agreement. This Purchase Agreement is made solely for the benefit of the School District, the Community Facilities District and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. The term "successor" shall not include any owner of any 2016 Bonds merely by virtue of such holding. All of the School District's representations, warranties and agreements for itself and as the legislative

body of the Community Facilities District contained in this Purchase Agreement shall remain operative and in full force and effect regardless of (i) any investigations made by or on behalf of the Underwriter, or (ii) delivery of any payment for the 2016 Bonds pursuant to this Purchase Agreement. The agreements contained in this Section and in Section 13 shall survive any termination of this Purchase Agreement.

13. **Survival of Representations and Warranties.** All representations and warranties of the parties made in, pursuant to or in connection with this Purchase Agreement shall survive the execution and delivery of this Purchase Agreement notwithstanding any investigation by the parties. All statements contained in any certificate, instrument or other writing delivered by a party to this Purchase Agreement or in connection with the transactions contemplated by this Purchase Agreement constitute representations and warranties by such party under this Purchase Agreement.

14. **Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

15. **Severability.** In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

16. **State of California Law Governs.** The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State of California.

17. **No Assignment.** The rights and obligations created by this Purchase Agreement shall not be subject to assignment by the Underwriter, the School District or the Community Facilities District without the prior written consent of the other party hereto.

HILLTOP SECURITIES INC.

By: _____
Title: Managing Director

Accepted as of the date first stated above:

CAPISTRANO UNIFIED SCHOOL DISTRICT,
FOR ITSELF AND AS THE LEGISLATIVE BODY OF
COMMUNITY FACILITIES DISTRICT NO. 98-1A OF
THE CAPISTRANO UNIFIED SCHOOL DISTRICT
(PACIFICA SAN JUAN)

By: _____
Clark Hampton,
Deputy Superintendent, Business & Support Services

Time of Execution: _____, 2016 at ____:____ p.m. PDT

[EXECUTION PAGE OF BOND PURCHASE AGREEMENT
FOR COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE CAPISTRANO UNIFIED
SCHOOL DISTRICT (PACIFICA SAN JUAN) SPECIAL TAX BONDS, SERIES 2016]

APPENDIX A

COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN) SPECIAL TAX BONDS, SERIES 2016

MATURITY SCHEDULE

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price
2017	\$	%	%	
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
20__*				
20__*				

*Term Bond.

^C Priced to the September 1, 20__ par call date.

The purchase price of the 2016 Bonds shall be \$_____ (which is the principal amount thereof \$_____, plus an original issue premium of \$_____ and less the Underwriter's discount of \$_____). In addition, no accrued interest will be paid with respect to the 2016 Bonds because the 2016 Bonds are dated the closing date.

REDEMPTION TERMS

Optional Redemption. The 2016 Bonds maturing on or prior to September 1, 20__, are not subject to optional redemption before maturity. The 2016 Bonds are subject to optional redemption, in whole or in part, on any Interest Payment Date, from any source of available funds, at the following respective Redemption Prices (expressed as percentages of the principal amount of the 2016 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2016 through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

Whenever provision is made for the optional redemption of less than all of the 2016 Bonds, the Trustee will select the 2016 Bonds to be redeemed from all 2016 Bonds not previously called for redemption with respect to any optional redemption of 2016 Bonds, among maturities of 2016 Bonds as directed in a written request of the Community Facilities District.

Mandatory Redemption from Special Tax Prepayment. The 2016 Bonds are subject to mandatory redemption, in whole or in part, on any Interest Payment Date, from and to the extent of any prepayment of Special Taxes, at the following respective Redemption Prices (expressed as percentages of the principal amount of the 2016 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2016 through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

Whenever provision is made for the mandatory redemption from Special Tax prepayments of less than all of the 2016 Bonds, the Trustee will select the 2016 Bonds to be redeemed from all maturities of all series of 2016 Bonds and Parity Bonds on a pro rata basis as nearly as practicable.

Mandatory Sinking Fund Redemption of 2016 Bonds. The 2016 Bonds, maturing on September 1, 20__, and September 1, 20__, are subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20__ and September 1, 20__, respectively, at a redemption price equal to the principal amount of the 2016 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Bonds Maturing on September 1, 20__

<u>Sinking Fund Redemption Date</u> <u>(September 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
20__	\$
20__	
20__	
20__	
20__ (maturity)	

Bonds Maturing on September 1, 20__

<u>Sinking Fund Redemption Date</u> <u>(September 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
20__	\$
20__	
20__	
20__	
20__	
20__ (final maturity)	

The amounts in the foregoing tables will be reduced as a result of any prior partial redemption of the 2016 Bonds pursuant to an optional redemption or redemption from proceeds of Special Tax prepayments as specified in writing by the Community Facilities District to the Trustee.

APPENDIX B

OPINION OF DISTRICT COUNSEL

Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270

Capistrano Unified School District
33122 Valle Road
San Juan Capistrano, California 92675

Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)
33122 Valle Road
San Juan Capistrano, California 92675

Re: Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016

Ladies and Gentlemen:

We have acted as Counsel to the Capistrano Unified School District (“District Counsel”) and are providing this opinion in connection with the issuance of the Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016 in the aggregate principal amount of \$_____ (the “2016 Bonds”). This opinion is provided pursuant to Section 9(c) of that certain Bond Purchase Agreement, dated _____, 2016 (the “Purchase Agreement”), between Hilltop Securities Inc. , as Underwriter (the “Underwriter”), and the Capistrano Unified School District (the “School District”) on behalf of Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the “Community Facilities District”). Capitalized terms used herein shall have the meanings ascribed to them in the Purchase Agreement.

As District Counsel in connection with the issuance, sale and delivery of the 2016 Bonds, we have examined the record of proceedings submitted to us relative to the issuance, sale and delivery of the 2016 Bonds including, but not limited to, the form of the 2016 Bonds, the Resolution, the Indenture, the Purchase Agreement, the Official Statement delivered with respect to the 2016 Bonds, dated _____, 2016 (the “Official Statement”), the District Documents, the Procedural Resolutions (as defined below), the Continuing Disclosure Agreement, various certifications provided by the School District, the Community Facilities District and the Trustee and documents and certifications relating to the 2016 Bonds and such other documents as are in our opinion necessary to enable us to express an informed opinion as to the matters discussed below.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. The opinions may be affected by actions or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether (or not) any such actions or events have occurred. As to questions of fact material to our opinions, we have relied upon the documents and matters referred to above, and we have not undertaken any independent investigation to verify the authenticity of signatures or the accuracy of the factual matters represented, warranted or certified therein. In making our examination of the documents referenced herein, we have assumed that each party to the documents referenced herein, other than the School District and the Community

Facilities District, has the power to enter into and perform its obligations thereunder, has duly authorized, executed and delivered such documents, and that such documents constitute legal, valid and binding obligations of such party.

Based on and subject to the foregoing and our consideration of such questions or law as we have deemed relevant to the circumstances and in reliance thereon, we are of the following opinions:

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

(2) The Community Facilities District is duly organized and validly existing as a community facilities district under the laws of the State, with full legal right, power and authority to issue the 2016 Bonds and to perform all of its obligations under the 2016 Bonds and the Community Facilities District Documents.

(3) Resolution No. ____, Resolution No. ____, Resolution No. ____, Resolution No. ____ and Resolution No. ____ (the "Procedural Resolutions"), Ordinance No. ____ (the "Ordinance") and Resolution No. __-2016 (the "Bond Resolution") have been duly adopted at meetings of the Board of Trustees of the School District, acting as the legislative body of the Community Facilities District, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.

(4) The Procedural Resolutions and Ordinance are in full force and effect and have not been modified, amended or rescinded, except as indicated above.

(5) The execution and delivery of the Indenture, the Purchase Agreement, the Continuing Disclosure Agreement of the Community Facilities District and the Joint Community Facilities Agreements, and compliance with the provisions of those agreements and certificates under the circumstances contemplated thereby (i) do not and will not in any material respect conflict with or constitute on the part of the School District on behalf of itself or the Community Facilities District a breach of or default under any agreement to which the Community Facilities District is a party or by which it is bound, and (ii) do not and will not in any material respect conflict with or constitute on the part of the Community Facilities District a violation, breach of or default under any existing law, regulation, court order or consent decree to which the School District or the Community Facilities District is subject.

(6) The Official Statement has been duly executed on behalf of the Community Facilities District by an authorized officer of the School District.

(7) The Preliminary Official Statement and the Official Statement have been duly authorized by the Community Facilities District.

(8) Each of the Indenture, the Continuing Disclosure Agreement of the Community Facilities District, the Purchase Agreement and the Joint Community Facilities Agreements has been duly authorized, executed and delivered by the School District on behalf of itself or the Community Facilities District, as applicable, and, assuming due authorization, execution and delivery by the other parties thereto, each constitutes a legally valid and binding agreement of the School District or the Community Facilities District enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights and except that the enforceability thereof is subject to the effect of general principles of equity, reasonableness, good faith and fair dealing,

and the possible unavailability of specific enforcement or injunctive relief, regardless of whether considered in a proceeding in equity or at law.

(9) Except as stated in the Official Statement or this opinion, there is no action, suit, proceeding or investigation before or by any court, regulatory agency, public board or body pending with respect to which the School District or the Community Facilities District has been served with process or, to my knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the School District or the Community Facilities District, or the titles of the School District's Board members and officers of the School District to their respective offices, (b) enjoin or restrain the issuance, sale and delivery of the 2016 Bonds, or the levy and collection of the Special Taxes or the pledge thereof, (c) in any way question or affect any authority for the issuance of the 2016 Bonds, or the validity or enforceability of the 2016 Bonds, (d) seeking to restrain or enjoin the development of the property within the Community Facilities District, (e) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (f) except as disclosed in the Official Statement, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the School District or the Community Facilities District or would result in any material adverse change in the ability of the School District or the Community Facilities District to pledge the Special Taxes or to pay debt service on the 2016 Bonds, or (g) contesting the status of the interest on the 2016 Bonds as excludable from gross income for federal income tax purposes or as exempt from any applicable state tax, in each case as described in the Official Statement.

(10) The School District and the Community Facilities District are not in breach of or in default under any applicable law or administrative rule or regulation of the State or the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, Indenture, contract, agreement or other instrument to which the School District or the Community Facilities District is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the School District or the Community Facilities District to perform their obligations under the Procedural Resolutions, the Ordinance, the 2016 Bonds or any Community Facilities District Documents or which, with the passage of time or the giving of notice or both, would constitute an event of default thereunder.

(11) The adoption of the Procedural Resolutions and the Ordinance, and the execution and delivery of the 2016 Bonds and the Community Facilities District Documents, and compliance with the provisions of each, did not and will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State or the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which the School District or the Community Facilities District is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Community Facilities District to perform its obligations under the 2016 Bonds or any Community Facilities District Documents.

(12) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the Community Facilities District to execute, deliver and perform its obligations under the 2016 Bonds or any Community Facilities District Document have been obtained or made and are in full force and effect.

(13) Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement under the captions “INTRODUCTION – The School District,” “LEGAL MATTERS – Absence of Litigation” and APPENDIX A – “GENERAL INFORMATION ABOUT THE CAPISTRANO UNIFIED SCHOOL DISTRICT” (specifically excluding any statements or data concerning the Orange County, the City of San Juan Capistrano, their assessment districts, their community facilities districts or proceedings or related assessment district or community facilities district bonds), nothing has led such counsel to believe that such statements (except for any financial, statistical and economic data, forecasts, numbers, charts, graphs, estimates, projections, assumptions and expression of opinion, any information about valuation or appraisals, Appendices B, C, E or F as to which we express no opinion or view whatsoever) contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

We do not purport to express any opinion herein concerning any law other than the laws of the United States of America and the laws of the State of California.

We have not undertaken any duty and expressly disclaim any responsibility to advise you as to events occurring after the date hereof with respect to the 2016 Bonds or other matters discussed in the Official Statement.

This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters expressly so stated. This opinion is issued with all the exclusions and limitations set forth herein. This opinion is furnished by us as School District Counsel. This opinion is solely for your benefit and may not be used, quoted or relied upon by, nor may copies be delivered to, any other person, without our prior written consent though a copy may be included in the transcript relating to the issuance of the 2016 Bonds.

Very truly yours,

Burke, Williams & Sorensen, LLP

APPENDIX C

CLOSING CERTIFICATE OF CAPISTRANO UNIFIED SCHOOL DISTRICT

I, the undersigned, hereby certify that I am the Deputy Superintendent, Business & Support Services, of the Capistrano Unified School District (the "School District"), the Governing Board of which (the "Board") is the legislative body for Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the "Community Facilities District"), a community facilities district duly organized and existing under the laws of the State of California (the "State") and that as such, I am authorized to execute this Certificate on behalf of the School District in connection with the issuance of its Series 2016 Special Tax Bonds (the "2016 Bonds"). All capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Bond Purchase Agreement (the "Bond Purchase Agreement"), dated _____, 2016, by and between the School District, for itself and on behalf of the Community Facilities District and Hilltop Securities Inc.

I further certify on behalf of the School District that:

(i) The representations and warranties of the School District and the Community Facilities District contained in the Purchase Agreement are true and correct in all material respects on and as of the date hereof as if made on the date hereof;

(ii) The representations, warranties and covenants of the Community Facilities District contained in the Community Facilities District Documents are true and correct in all material respects on and as of the date hereof as if made on the date hereof, and the Community Facilities District has complied with all agreements and covenants, and satisfied all conditions, on its part to be complied with or satisfied under the Purchase Contract and under the Community Facilities District Documents at or prior to the date hereof;

(iii) Resolution No. _____, Resolution No. _____, Resolution No. _____, Resolution No. _____ and Resolution No. _____ (the "Procedural Resolutions"), Ordinance No. _____ (the "Ordinance") and the Community Facilities District Documents are in full force and effect and have not been amended, modified or supplemented;

(iv) Except as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity, or by any court or regulatory agency, public board or body pending, with respect to which the School District or the Community Facilities District has been served with process, or, to my knowledge and without investigation of any kind, threatened, wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the School District or the Community Facilities District, or the titles of their officers to their respective offices, (b) enjoin or restrain the issuance, sale and delivery of the 2016 Bonds, the levy or collection of the Special Taxes of the Community Facilities District or any other moneys or property pledged or to be pledged under the Indenture, or the pledge thereof, (c) in any way question or affect any of the rights, powers, duties or obligations of the Community Facilities District with respect to the Special Taxes or moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the 2016 Bonds, (d) in any way question or affect any authority for the issuance of the 2016 Bonds, or the validity or enforceability of the 2016 Bonds or the proceedings relating to the issuance of the 2016 Bonds, or (e) in any way question or affect the Purchase Agreement or the transactions contemplated thereby, the Official Statement or the Community Facilities District Documents;

(v) The information regarding the School District and the Community Facilities District in the Official Statement is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading;

(vi) The School District and the Community Facilities District have complied with all agreements and covenants, and satisfied all conditions, on their part to be complied with or satisfied under the Purchase Agreement and under the Community Facilities District Documents at or prior to the date hereof;

(vii) No event affecting the School District or the Community Facilities District has occurred since the date of the Official Statement which should be disclosed in the Official Statement in order to make the statements therein with respect to the School District and the Community Facilities District not misleading in any material respect;

(viii) The use of and distribution by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offer and sale of the 2016 Bonds is hereby ratified; and

(ix) The Community Facilities District is in compliance with all covenants set forth in the Indenture.

IN WITNESS WHEREOF, the undersigned has executed this certificate on behalf of the Capistrano Unified School District as of the date set forth below.

Dated: _____, 2016

CAPISTRANO UNIFIED
SCHOOL DISTRICT, for itself and on behalf of
Community Facilities District No. 98-1A

By: _____
Clark Hampton, Deputy Superintendent, Business
& Support Services, of the Capistrano Unified
School District on behalf of Community Facilities
District No. 98-1A of the Capistrano Unified
School District (Pacifica San Juan)

APPENDIX D

TRUSTEE'S CERTIFICATE

The undersigned, an authorized officer of U.S. Bank National Association, a national banking association (the "Trustee"), and as such, is familiar with the facts herein certified and is authorized and qualified to state and certify the following:

(i) The Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States of America, having the full power and authority to accept and perform its duties under the Indenture, dated as of June 1, 2016 (the "Indenture"), by and between the Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the "Community Facilities District") and the Trustee. Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Bond Purchase Agreement, dated _____, 2016, by and between the Capistrano Unified School District, acting on behalf of the Community Facilities District, and Hilltop Securities Inc.

(ii) Pursuant to the Indenture, the Trustee will apply the proceeds from the 2016 Bonds to the purposes specified in such Indenture;

(iii) The Trustee is duly authorized to accept the obligations of the trustee under the Indenture and in its capacity as trustee to authenticate the Bonds pursuant to the terms of the Indenture;

(iv) The Indenture has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding agreements of the Trustee enforceable against the Trustee in accordance with its terms.

(v) The 2016 Bonds have been validly authenticated and delivered by the Trustee pursuant to the Indenture;

(vi) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the 2016 Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the 2016 Bonds and the acceptance and performance of the obligations created by the Indenture;

(vii) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of its knowledge, threatened in any way affecting the existence of the Trustee, or seeking to restrain or to enjoin the execution and delivery of the Indenture, or the authentication of the 2016 Bonds, by the Trustee, or in any way contesting or affecting the validity or enforceability, as against the Trustee, of the Indenture or any action of the Trustee contemplated by any of said documents, or in which an adverse outcome would materially and adversely affect the ability of the Trustee to perform its obligations under the Indenture;

(viii) The Trustee is not in breach of or in default under any applicable law or administrative rule or regulation of the State or the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, Indenture, contract, agreement or other instrument to which the Trustee is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Trustee to perform its obligations under the Indenture; and

(ix) The authentication of the 2016 Bonds, and the execution and delivery of the Indenture by the Trustee, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State or the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, ordinance, resolution, Indenture, contract, agreement or other instrument to which the Trustee is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Trustee to perform its obligations under the Indenture.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of the Trustee as of the date set forth below.

Dated: _____, 2016

U.S. BANK NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

APPENDIX E

TRUSTEE'S COUNSEL OPINION

Capistrano Unified School District
33122 Valle Road
San Juan Capistrano, California 92675

Community Facilities District No. 98-1A of
Capistrano Unified School District (Pacifica San Juan)
33122 Valle Road
San Juan Capistrano, California 92675

Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270

**Re: Capistrano Unified School District Community Facilities District No. 98-1A
(Pacifica San Juan) Special Tax Bonds, Series 2016**

Ladies and Gentlemen:

We have acted as counsel for U.S. Bank National Association (the "Trustee"), in connection with the transactions contemplated by the Indenture, dated as of June 1, 2016 (the "Indenture"), by and between the Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the "Community Facilities District") and the Trustee, relating to the above-captioned bonds (the "2016 Bonds"). Except as set forth herein, capitalized terms used in this opinion letter are defined as set forth in the Bond Purchase Agreement, dated _____, 2016, by and between the Capistrano Unified School District, acting on behalf of the Community Facilities District, and Hilltop Securities Inc.

We have examined an original or a copy of (i) Articles of Incorporation and By-Law of the Trustee, (ii) the Indenture, and (iii) such other records, certificates and documents as we have considered necessary or appropriate for the purpose of the opinion hereinafter rendered (the "Documents"). Unless otherwise defined herein or unless the context otherwise requires, terms defined in the Indenture shall have the same meanings set forth herein.

In addition, we have examined such records, documents, instruments, certificates of public officials and of the Trustee and considered such questions of law as we have deemed necessary for the purpose of rendering the opinions set forth herein. We have assumed the genuineness of all signatures other than those of the Trustee's, the authenticity of all items submitted to us as originals and the conformity with originals of all items submitted to us as copies. In making our examination of the Documents, we have assumed that each party to one or more of the Indenture, other than the Trustee, has the power to enter into and perform its obligations thereunder and has duly authorized, executed and delivered the Indenture, and that the Indenture constitutes the legal, valid and binding obligations of such party.

We express no opinion as to the perfection or priority of any security interest or lien created by the Indenture.

Our opinion in paragraph 1 below is based solely upon certificates of public officials of the United States of America and officers of the Trustee. We have made no independent investigation as to whether those certificates are accurate or complete.

The opinions hereinafter expressed are subject to the following further qualifications:

(a) The effect of bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws relating to or affecting the rights of creditors (including creditors of national banks) generally, including, without limitation, laws relating to fraudulent transfers or conveyance, preferences and equitable subordination;

(b) Limitations imposed by general principles of equity upon the availability of equitable remedies or the enforcement of provisions of the Documents; and the effect of judicial decisions which have held that certain provisions are unenforceable where their enforcement would violate the implied covenant of good faith and fair dealing, or would be commercially unreasonable;

(c) The effect of judicial decisions permitting the introduction of extrinsic evidence to modify the terms or the interpretation of the Documents; and

Based upon and subject to the foregoing, we are of the opinion that:

1. The Trustee is a national banking association with trust powers, duly created and lawfully existing under the laws of the United States of America.

2. The Trustee has duly authorized by all necessary corporate action the execution, delivery and performance of the Indenture.

3. The Trustee has all necessary trust powers required to carry out the trusts intended under the Indenture;

4. The Indenture has been duly executed and delivered by the Trustee and constitutes the valid and binding agreement of the Trustee, enforceable against the Trustee in accordance with its terms; and

5. The 2016 Bonds have been validly authenticated and delivered by the Trustee pursuant to the Indenture.

We express no opinion as to matters governed by any laws other than the substantive laws of the State of California (without reference to its conflicts of laws rules) and federal laws of the United States of America which are in effect on the date hereof.

This opinion is solely for your benefit and may not be relied on by, nor may copies be delivered to, any other person, except bond counsel for inclusion in the transcript for this transaction, without our prior written consent.

Respectfully submitted,

APPENDIX F

FORM OF DISCLOSURE COUNSEL OPINION

_____, 2016

Capistrano Unified School District
As the Legislative Body of
Community Facilities District No. 98-1A
33122 Valle Road
San Juan Capistrano, California 92675

Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270

**Re: \$_____ Community Facilities District No. 98-1A of the Capistrano
 Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016**

Ladies and Gentlemen:

We have acted as disclosure counsel to the Capistrano Unified School District (the “School District”) acting on behalf of Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the “Community Facilities District”) in connection with the sale of the Community Facilities District’s (Pacifica San Juan) Special Tax Bonds, Series 2016 in the aggregate principal amount of \$_____ (the “2016 Bonds”) pursuant to the Bond Purchase Agreement, dated _____, 2016 (the “Bond Purchase Agreement”), by and between the Community Facilities District and Hilltop Securities Inc. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Purchase Agreement.

In that connection, we have been furnished with and have examined certain portions of the Official Statement of the Community Facilities District, dated _____, 2016, relating to the 2016 Bonds, the Bond Purchase Agreement, the Indenture, certificates of the Community Facilities District, the Trustee and others, the opinions referred to in Section 9 of the Bond Purchase Agreement and such other records, opinions and documents as we have deemed appropriate as a basis for the conclusions hereinafter expressed. As to questions of fact material to the statements made below, we have relied upon representations and information supplied to us by representatives of the Community Facilities District, property owners and their officials, employees and representatives, and upon representations and certificates of various other public officials and opinions referenced in the first sentence of this paragraph. In the course of our representation, nothing has come to our attention that caused us to believe that any of the factual representations upon which we have relied are untrue, but we have made no other factual investigations. We assume that any electronic version of the Official Statement is identical in all respects to the printed version.

In arriving at the conclusions hereinafter expressed, we are not expressing any opinion or view on, and with your permission are assuming and relying on, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above (including the accuracy of all factual matters represented and legal conclusions contained therein), including (without limitation) representations and legal conclusions regarding the due authorization, issuance, delivery, validity and enforceability of the 2016 Bonds and the exclusion of interest on the 2016 Bonds from gross income for

federal income tax purposes, that interest on the 2016 Bonds is exempt from State of California personal income taxes and the legality, validity and enforceability of the Special Taxes, the payments with respect to which are, pledged to the payment of the 2016 Bonds. We have assumed that all records, documents, certificates and opinions that we reviewed, and the signatures thereto, are genuine. Our services as disclosure counsel to the School District, acting on behalf of the Community Facilities District, did not involve the rendering of financial or other non-legal advice to you or any other party to the transaction.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as disclosure counsel to the School District acting on behalf of Community Facilities District, to assist you in part of your responsibility with respect to the Official Statement, we participated in telephone conferences with your representatives, representatives of the School District, the Community Facilities District, Orrick, Herrington & Sutcliffe LLP, as Bond Counsel and as District Counsel, Government Financial Strategies Inc. as Financial Advisor, David Taussig & Associates, Inc., as special tax consultant, Hilltop Securities Inc. , as Underwriter, and others, during which conferences the contents of the Official Statement and related matters were discussed. No inquiry was made of other attorneys in our firm not working directly on the issuance of the 2016 Bonds who may have information material to the issue. Based on our participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement) and in reliance thereon and on the records, documents, certificates and opinions herein mentioned (as set forth above), we advise you that, during the course of our representation of the School District on this matter, no facts came to the attention of the attorneys in our firm rendering legal services in connection with such representation which caused us to believe that the Official Statement as of its date or as of the date hereof (except for any financial, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, maps, estimates, projections, assumptions or expressions of opinion, any information about feasibility, valuation, appraisals, assessments, market absorption, assessed values, real estate, ownership, environmental or archaeological matters, the Appendices thereto or any information about debt service requirements, book-entry, The Depository Trust Company or tax exemption included or referred to therein, which we expressly exclude from the scope of this paragraph, and as to which we express no opinion or view), contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

By acceptance of this letter, you acknowledge that the preceding paragraph is neither a legal opinion nor a guarantee regarding the Official Statement, rather it is a statement of negative assurance regarding our view as to any material misstatements or omissions in the Official Statement based on the limited activities discussed above performed by the attorney in our firm working on this matter as disclosure counsel to the School District acting on behalf of the Community Facilities District. We advise you that, other than reviewing the various certificates and opinions required by Section 9 of the Bond Purchase Agreement regarding the Official Statement, we have not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Official Statement as of the date hereof.

We are furnishing this letter to the addressees pursuant to our engagement as disclosure counsel to the School District on behalf of the Community Facilities District for your benefit for the purpose of the issuance and sale of the 2016 Bonds. Our engagement with respect to this matter has terminated as of the date hereof and we disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person or to be filed with any governmental or other administrative agency or other person or entity for any purpose without our prior written consent, provided that a copy of this letter may be included in the transcript of the proceedings. We express no opinion herein with respect to compliance with, or applicability of, any

“blue sky” laws of any state as they relate to the offer or sale of the 2016 Bonds. This letter is not intended to, and may not, be relied upon by the owners of the 2016 Bonds or by any other party to whom it is not specifically addressed.

The foregoing represent our interpretation of applicable law to the facts as described herein. We bring to your attention that our legal opinion and conclusions are an expression of professional judgment and are not a guarantee of a result.

Very truly yours,

JAMES F. ANDERSON LAW FIRM,
A PROFESSIONAL CORPORATION

APPENDIX G

COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN) SPECIAL TAX BONDS, SERIES 2016

CERTIFICATE OF SPECIAL TAX CONSULTANT

Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270

Capistrano Unified School District
33122 Valle Road
San Juan Capistrano, California 92675

Community Facilities District No. 98-1A of
Capistrano Unified School District (Pacifica San Juan)
33122 Valle Road
San Juan Capistrano, California 92675

The undersigned hereby states and certifies:

1. That he is an authorized officer of David Taussig & Associates, Inc. (the “Special Tax Consultant”) and, as such, is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Special Tax Consultant has prepared the Amended Rate and Method of Apportionment for Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the “Amended Rate and Method”), as set forth in Appendix B to the Official Statement, dated _____, 2016, for Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the “Community Facilities District”) Series 2016 Special Tax Bonds (the “2016 Bonds”). Capitalized terms not otherwise defined herein shall be defined as provided in the Amended Rate and Method or the Indenture, dated as of June 1, 2016 (the “Indenture”), by and between the Community Facilities District and the U.S. Bank National Association, as Trustee (the “Trustee”).

3. That the Special Taxes, if levied in accordance with the Amended Rate and Method and collected will annually yield sufficient revenue to make timely payments of the annual debt service on the 2016 Bonds and the annual Administrative Expenses related to the levy and collection of such Special Taxes and the expenses of the Trustee for the 2016 Bonds (no representation is made as to the actual amounts that will be collected in future years).

4. That the Special Taxes, if collected in the maximum amounts permitted pursuant to the Amended Rate and Method, would generate estimated administrative expense of \$_____ (escalating each year in accordance with the Indenture), plus at least 110% of the maximum debt service payable with respect to the 2016 Bonds, payable from such Special Taxes, assuming that the net taxable acreage and projected development figures provided to David Taussig & Associates, Inc. and the debt service schedule shown in the Official Statement are true and correct.

5. That all information supplied by the Special Tax Consultant for use in the Official Statement and Appendix B thereto, is true and correct, as of the date of the Official Statement and as of the date hereof.

6. That, as of the dates of the Preliminary Official Statement and the Official Statement and as of the date hereof, the information contained in those portions of the Official Statement entitled "INTRODUCTION – Professionals Involved in the Offering," "CONTINUING DISCLOSURE," "SECURITY FOR THE 2016 BONDS – Amended Rate and Method," " – Special Tax Levy," "THE COMMUNITY FACILITIES DISTRICT – Special Tax Collections," " – Value to Lien Ratios," " – Direct and Overlapping Debt," " – Overlapping Direct Assessments," "PROFESSIONAL FEES" and Appendix B and the other data provided by the Special Tax Consultant and included in the Official Statement, do not, to my knowledge, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The Community Facilities District and Hilltop Securities Inc. are entitled to rely on this Certificate.

Dated: _____, 2016

DAVID TAUSSIG &
ASSOCIATES, INC.

By: _____

Title: _____

APPENDIX H

CERTIFICATE REGARDING BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT

Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270

Capistrano Unified School District
33122 Valle Road
San Juan Capistrano, California 92675

Community Facilities District No. 98-1A
of the Capistrano Unified School District (Pacifica San Juan)
33122 Valle Road
San Juan Capistrano, California 92675

The undersigned authorized representative of David Taussig & Associates, Inc. hereby certifies the following:

The parcels set forth on Exhibit A hereto have been included within the boundaries of Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the "Community Facilities District").

There have been no lot line adjustments affecting the boundaries of the Community Facilities District therein.

Dated: _____, 2016

DAVID
TAUSSIG & ASSOCIATES, INC.

By: _____
Authorized Representative

EXHIBIT A

**COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE CAPISTRANO UNIFIED SCHOOL
DISTRICT (PACIFICA SAN JUAN)
SPECIAL TAX BONDS, SERIES 2016**

List of Parcels Included Within
the Boundaries of the Community
Facilities District, Orange County

Note: Acreages are based on Assessor's Parcel Map information and are approximate.

APPENDIX I

CERTIFICATE REGARDING COMPLIANCE WITH CONTINUING DISCLOSURE OBLIGATIONS

Community Facilities District No. 98-1A
of the Capistrano Unified School District
(Pacifica San Juan)
33122 Valle Road
San Juan Capistrano, California 92675

Capistrano Unified School District
33122 Valle Road
San Juan Capistrano, California 92675

Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270

The undersigned authorized representative of David Taussig & Associates, Inc. hereby certifies the following:

1. David Taussig & Associates, Inc. (“DTA”) has served as dissemination agent with respect to various continuing disclosure undertakings of the School District and the community facilities districts or Capistrano Unified School District Public Financing Authority (the “Authority”) since _____.
2. Attached hereto as Exhibit A is a list of various financings of the School District, various community facilities districts and the Authority for which DTA has served as dissemination agent during the last five years. We have compared Exhibit A to the financings listed on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System and except for _____, there are no other financings of the School District, various community facilities districts or the Authority listed on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for which DTA did not serve as dissemination agent during the last five years.
3. In DTA’s role as dissemination agent or as a convenience to the School District in connection with _____, DTA assisted in the preparation of the annual reports required under the various undertakings, and it is DTA’s practice to review the content of the filings and the requirements of the applicable disclosure undertakings to assure that required information is included in each annual report.
4. Except as described in the Preliminary Official Statement, the annual reports made for each financing for each of the past 5 years have been made in a timely manner consistent with the requirements of the applicable undertaking.
5. Except as described in the Preliminary Official Statement, with respect to significant event notices, such as those relating to rating downgrades of rated and/or insurance financings or notices of the defeasance or redemption of bonds, notices of the applicable event have been made within a reasonable time period and commencing on and after _____, have been made within 10 business days of the occurrence of the applicable event.

Dated: _____, 2016

DAVID
TAUSSIG & ASSOCIATES, INC.

By: _____
Authorized Representative

EXHIBIT A

**COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE CAPISTRANO UNIFIED
SCHOOL DISTRICT (PACIFICA SAN JUAN)
SPECIAL TAX BONDS, SERIES 2016**

List of Financings

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**FORM OF COMMUNITY FACILITIES DISTRICT
CONTINUING DISCLOSURE CERTIFICATE**

THIS CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”), dated as of June 1, 2016, is by and between Government Financial Strategies inc., as dissemination agent (the “Dissemination Agent”), and the Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the “Community Facilities District”).

RECITALS:

WHEREAS, the Community Facilities District has issued its Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Series 2016 Special Tax Bonds (the “Bonds”) in the initial principal amount of \$[Principal Amount]; and

WHEREAS, the Bonds are being issued pursuant to the Indenture, dated as of June 1, 2016 (the “Indenture”), by and between the Community Facilities District and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, this Disclosure Certificate is being executed and delivered by the Community Facilities District and the Dissemination Agent for the benefit of the owners and beneficial owners of the Bonds and in order to assist the underwriter of the Bonds in complying with United States Securities and Exchange Commission Rule 15c2-12(b)(5).

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and mutual covenants herein contained, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. In addition to the definitions of capitalized terms set forth in Section 1.02 of the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section or in the Recitals above, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

“*Annual Report*” means any Annual Report provided by the Community Facilities District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

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

“*Disclosure Representative*” means the Deputy Superintendent, Business & Support Services of the School District, or such person’s designee, or such other officer or employee as the Community Facilities District shall designate as the Disclosure Representative hereunder in writing to the Dissemination Agent from time to time.

“*Dissemination Agent*” means Government Financial Strategies inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Community Facilities District and which has filed with the Community Facilities District and the School District a written acceptance of such designation.

“*EMMA*” or “*Electronic Municipal Market Access*” means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

“*Listed Events*” means any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the Official Statement, dated _____, 2016, relating to the Bonds.

“Participating Underwriter” means Hilltop Securities Inc., the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Community Facilities District and the Dissemination Agent for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The Community Facilities District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the School District’s fiscal year (which currently ends on June 30), commencing with the report for the 2015-16 Fiscal Year, which is due not later than December 31, 2016, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Community Facilities District, if any, may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year.* If the Community Facilities District’s fiscal year changes, the Community Facilities District shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the Community Facilities District shall provide the Annual Report to the Dissemination Agent (if other than the Community Facilities District). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the Community Facilities District.

(d) *Report of Non-Compliance.* If the Community Facilities District is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the Community Facilities District shall send in a timely manner a notice to EMMA substantially in the form attached hereto as Exhibit A. If the Community Facilities District is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send in a timely manner a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the Community Facilities District, file a report with the Community Facilities District certifying that the Annual Report has been filed with EMMA pursuant to this Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Financial Statements. If audited financial statements of the Community Facilities District are prepared, the Community Facilities District shall provide such audited financial statements, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standard Board. If audited financial statements are to be prepared but are not available at the time required for filing, unaudited financial statements shall be submitted with the Annual Report and audited financial statement shall be submitted in a timely manner once available. For purposes of this section, the financial statements of the School District shall not be deemed to be the financial statements of the Community Facilities District, unless such audited financial statements contain specific information as to such Community Facilities District, its revenues, expenses and account balances. If audited financial statements of the Community Facilities District are not prepared, no unaudited financial statements need be submitted.

(b) Other Annual Information. Each Annual Report shall also include the following information, to the extent not included in the audited final statements of the Community Facilities District:

- (i) The most recent annual information required to be provided to the California Debt and Investment Advisory Commission pursuant to Section 6.10 of the Indenture, which shall include, in any event, the principal amount of the Bonds and any Parity Bonds outstanding and the balance in each fund under the Indenture as of the immediately preceding June 30.
- (ii) Any amendments or changes to the Rate and Method since the last Annual Report.
- (iii) The principal amount of any Parity Bonds issued since the last Annual Report.
- (iv) The aggregate levy of the Special Taxes, for the most recent fiscal year.
- (v) The number of building permits issued for property in the Community Facilities District as of the January 1 occurring during the fiscal year to which the Annual Report pertains.
- (vi) An update of Table 2 of the Official Statement entitled “Debt Service Coverage from Net Special Tax Revenues” and Table 6B entitled “Estimated Assessed Value-to-Lien Ratios” in the Official Statement for the Bonds based on the assessed values of property within the Community Facilities District and the Special Tax levy, in each case for the most recent Fiscal Year for which such information is available.
- (vii) The Special Tax and property tax delinquency rate for parcels in the Community Facilities District for the most recent Fiscal Year.
- (viii) Concerning delinquent parcels:
 - the number of parcels delinquent in payment of Special Tax,
 - the amount of total delinquency and as a percentage of total Special Tax levy, and
 - the status of the Community Facilities District’s actions on covenants to pursue foreclosure proceedings upon delinquent properties.
- (ix) Any change in the application of Orange County’s Teeter Plan to the Special Taxes levied in the Community Facilities District since the last Annual Report.

(c) Cross References. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the School District or related public entities, which are available to the public on EMMA. The Community Facilities District shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) Further Information. In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the Community Facilities District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the

light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Events.

(a) *Listed Events.* The Community Facilities District shall, or shall cause the Dissemination Agent (if not the Community Facilities District) to, give notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.
- (5) Defeasances.
- (6) Rating changes.
- (7) Tender offers.
- (8) Bankruptcy, insolvency, receivership or similar event of the obligated person.

(9) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Events.* The Community Facilities District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) Non-payment related defaults.
- (2) Modifications to rights of security holders.
- (3) Bond calls.
- (4) The release, substitution, or sale of property securing repayment of the securities.

(5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

- (6) Appointment of a successor or additional Trustee or trustee, or the change of

name of a Trustee or trustee.

(c) Time to Disclose. The Community Facilities District shall, or shall cause the Dissemination Agent (if not the Community Facilities District) to, file a notice of any such occurrence described in subsection (a) or subsection (b) above with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Indenture.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Community Facilities District's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Community Facilities District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) Appointment of Dissemination Agent. The Community Facilities District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be David Taussig & Associates, Inc.

If the Dissemination Agent is not the Community Facilities District, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Community Facilities District pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the Community Facilities District. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the School District or the Community Facilities District shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the Community Facilities District.

(b) Compensation of Dissemination Agent. The Dissemination Agent shall be paid compensation by the Community Facilities District for its services provided hereunder as agreed to between the Dissemination Agent and the Community Facilities District from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Community Facilities District, the School District, the owners of the Bonds or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the Community Facilities District or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the Community Facilities District and the School District. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

(c) Responsibilities of Dissemination Agent. In addition to the filing obligations of the Dissemination Agent set forth in Sections 3(e) and 5, the Dissemination Agent shall be obligated, and hereby agrees, to provide a request to the Community Facilities District and the School District to compile the information required for its Annual Report at least 30 days prior to the date such information is to be provided to the Dissemination Agent pursuant to subsection (c) of Section 3. The failure to provide or receive any such request shall not affect the obligations of the Community Facilities District under Section 3.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure

Certificate, the Community Facilities District may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the Community Facilities District that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

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

(b) *Compliance as of Issue Date.* The Disclosure Certificate, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Bond owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Bond owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bond owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the Community Facilities District shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Community Facilities District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Community Facilities District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Community Facilities District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Community Facilities District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Community Facilities District to comply with any provision of this Disclosure Certificate, any Bond owner or Beneficial Owner, or the Trustee or the Participating Underwriter, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Community Facilities District to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the Community Facilities District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Community Facilities District, the Trustee, the Dissemination Agent, the Participating Underwriter and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Certificate as of the date first above written.

COMMUNITY FACILITIES DISTRICT
NO. 98-1A OF THE CAPISTRANO UNIFIED
SCHOOL DISTRICT (PACIFICA SAN JUAN)

By: _____

Its: _____

GOVERNMENT FINANCIAL STRATEGIES INC.,
as Dissemination Agent

By: _____

Its: _____

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligor: Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan)

Name of Bond Issue: Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Series 2016 Special Tax Bonds

Date of Issuance: _____, 2016

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated as of June 1, 2016, between the Obligor and Government Financial Strategies inc., as dissemination agent, and Section 6.09 of the Indenture, dated as of June 1, 2016, by and between the Obligor and U.S. Bank National Association, as Trustee. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

[DESSEMINATION AGENT]

By: _____

Its: _____

NEW ISSUE– BOOK-ENTRY ONLY

NOT RATED

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Community Facilities District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2016 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the 2016 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “LEGAL MATTERS – Tax Exemption” herein.

\$(PRINCIPAL AMOUNT)*
COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN)
SPECIAL TAX BONDS, SERIES 2016

Dated: Date of Delivery

Due: September 1, as shown below

Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016 (the “2016 Bonds”) are being issued under the Mello-Roos Community Facilities Act of 1982 (the “Act”) and the Indenture, dated as of June 1, 2016 (the “Indenture”), by and between Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the “Community Facilities District”) and U.S. Bank National Association, as trustee (the “Trustee”).

The 2016 Bonds are payable from proceeds of an annual Special Tax being levied on and collected from certain property within the Community Facilities District pursuant to the Amended and Restated Rate and Method (as defined herein) approved by the qualified electors of the Community Facilities District and by the Board of Trustees of the Capistrano Unified School District (the “School District”), acting as the legislative body of the Community Facilities District (the “Board”). The Bonds are secured by a first pledge of the Net Special Tax Revenues (as defined herein) and the moneys on deposit in certain funds held under the Indenture.

The 2016 Bonds are being issued (i) to pay a portion of the cost of facilities owned and operated by the School District, (ii) to finance certain public improvements for the City of San Juan Capistrano, California, (iii) to pay the costs of issuing the 2016 Bonds, and (iv) to fund the deposit to the Reserve Fund in an amount equal to the Reserve Requirement (as defined herein). See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Interest on the 2016 Bonds is payable on March 1, 2017, and semiannually thereafter on each March 1 and September 1. The 2016 Bonds will be issued in denominations of \$5,000 or integral multiples thereof. The 2016 Bonds, when delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the 2016 Bonds as described herein under “THE 2016 BONDS – Book-Entry and DTC.”

The 2016 Bonds are subject to optional redemption, mandatory redemption from prepayment of Special Taxes and mandatory redemption as described herein.

THE 2016 BONDS, THE INTEREST THEREON, AND ANY PREMIUMS PAYABLE ON THE REDEMPTION OF ANY OF THE 2016 BONDS, ARE NOT AN INDEBTEDNESS OF THE SCHOOL DISTRICT, THE STATE OF CALIFORNIA (THE “STATE”) OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN), THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE ON THE 2016 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN) OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2016 BONDS. OTHER THAN THE SPECIAL TAXES LEVIED PURSUANT TO THE AMENDED RATE AND METHOD, NO TAXES ARE PLEDGED TO THE PAYMENT OF THE 2016 BONDS. THE 2016 BONDS ARE NOT A GENERAL OBLIGATION OF THE COMMUNITY FACILITIES DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM THE SPECIAL TAXES LEVIED PURSUANT TO THE AMENDED AND RESTATED RATE AND METHOD, AS MORE FULLY DESCRIBED HEREIN.

This cover page contains certain information for general reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Investment in the 2016 Bonds involves risks which may not be appropriate for some investors. See “BONDOWNERS’ RISKS” herein for a discussion of risk factors that should be considered in evaluating the investment quality of the 2016 Bonds.

The 2016 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe, Los Angeles, California, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed on for the School District and the Community Facilities District by Burke, Williams & Sorensen, LLP, Santa Ana, California, and by James F. Anderson Law Firm, A Professional Corporation, Laguna Hills, California, Disclosure Counsel. Additionally, Nossaman LLP, Irvine, California, has reviewed certain matters for the Underwriter. It is anticipated that the 2016 Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about _____, 2016.

HilltopSecurities

Dated: _____, 2016

* Preliminary, subject to change.

MATURITY SCHEDULE

\$[PRINCIPAL AMOUNT]^{*}
COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN)
SPECIAL TAX BONDS, SERIES 2016

Base CUSIP[®] No. † 139705

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP[®] No. †</u>	<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP[®] No. †</u>
	\$	%	%			\$	%	%	

\$ _____ % Term 2016 Bonds due September 1, 20__ – Yield _____% CUSIP[®] No. † 139705 ____

\$ _____ % Term 2016 Bonds due September 1, 2044 – Yield _____% CUSIP[®] No. † 139705 ____

^{*} Preliminary, subject to change.

[†] CUSIP[®] is a registered trademark of the American Bankers Association. CUSIP[®] data is provided by CUSIP Global Services (CGS) which is managed on behalf of the American Bankers Association by S&P Capital IQ. CUSIP[®] data is not intended to create a database and does not serve in any way as a substitute for the CUSIP[®] Service Bureau. CUSIP[®] numbers are provided for convenience of reference only. The Community Facilities District, the School District and the Underwriter take no responsibility for the accuracy of such numbers.

CAPISTRANO UNIFIED SCHOOL DISTRICT

BOARD OF TRUSTEES

Amy Hanacek, *President*
Jim Reardon, *Vice President*
Martha McNicholas, *Clerk of the Board*
John M. Alpay, *Member*
Lynn Hatton-Hodson, *Member*
Gila Jones, *Member*
Dr. Gary Pritchard, *Member*

SUPERINTENDENT

Kirsten M. Vital, *Superintendent*
Clark Hampton, *Deputy Superintendent, Business & Support Services*

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

COMMUNITY FACILITIES DISTRICT & SCHOOL DISTRICT COUNSEL

Burke, Williams & Sorensen, LLP
Santa Ana, California

DISCLOSURE COUNSEL

James F. Anderson Law Firm, A Professional Corporation
Laguna Hills, California

FINANCIAL ADVISOR

Government Financial Strategies inc.
Sacramento, California

SPECIAL TAX CONSULTANT & CFD ADMINISTRATOR

David Taussig & Associates, Inc.
Newport Beach, California

TRUSTEE

U.S. Bank National Association
Los Angeles, California

GENERAL INFORMATION ABOUT THE OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the offer and sale of the 2016 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2016 Bonds. All information for investors regarding the Community Facilities District and the 2016 Bonds is contained in this Official Statement. While the School District maintains an internet website for various purposes, none of the information on this website is intended to assist investors in making any investment decision or to provide any continuing information with respect to the 2016 Bonds or any other bonds or obligations of the School District.

Rule 15c2-12 Certification. The Preliminary Official Statement is, except for the Permitted Omissions, deemed final as of its date within the meaning of Rule 15c2-12. The term “Permitted Omissions” includes the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, redemption terms, dates of mandatory sinking fund redemption, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the Community Facilities District in any press release and in any oral statement made with the approval of an authorized officer of the Community Facilities District or any other entity described or referenced herein, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend,” and similar expressions identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the Community Facilities District or any other entity described or referenced herein since the date hereof. The Community Facilities District does not plan to issue any updates or revision to the forward-looking statements set forth in this Official Statement.

Authorized Information. No dealer, broker, salesperson or other person has been authorized by the Community Facilities District to give any information or to make any representations in connection with the offer or sale of the 2016 Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the Community Facilities District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2016 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Involvement of Underwriter. The Underwriter has submitted the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Community Facilities District or any other entity described or referenced herein since the date hereof. All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

Stabilization of Prices. In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the 2016 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2016 Bonds to certain dealers and others at prices lower

than the public offering prices set forth on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

THE 2016 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE 2016 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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[LOCATION MAP]

[AERIAL MAP]

OFFICIAL STATEMENT

\$(PRINCIPAL AMOUNT)*

COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA SAN JUAN) SPECIAL TAX BONDS, SERIES 2016

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the 2016 Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, including the cover page and appendices hereto, is provided to furnish information regarding the Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) Special Tax Bonds, Series 2016 (the “2016 Bonds”).

The 2016 Bonds are issued pursuant to the Act (as defined below) and the Indenture, dated as of June 1, 2016 (the “Indenture”), by and between Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan) (the “Community Facilities District”) and U.S. Bank National Association, as trustee (the “Trustee”). See “THE 2016 BONDS – Authority for Issuance” herein.

Capitalized terms used herein but not defined shall have the meanings given them in the Fiscal Agent Agreement or Appendix C – “Summary of Certain Provisions of the Fiscal Agent Agreement.”

It is anticipated that additional bonds will be issued as additional development occurs. See “SECURITY FOR THE 2016 BONDS – Parity Bonds.”

The School District

The Capistrano Unified School District (the “School District”) is a political subdivision of the State of California (the “State”) and is governed by a seven member Board of Trustees (the “Board”). Founded in 1965, the School District encompasses 195 square miles in seven cities and a portion of the unincorporated area of Orange County (the “County”). The jurisdiction of the School District includes all or part of the cities of San Clemente, Dana Point, San Juan Capistrano, Laguna Niguel, Aliso Viejo, Mission Viejo and Rancho Santa Margarita, and the communities of Las Flores, Coto de Caza, Dove Canyon, Ladera Ranch, Sendero/Rancho Mission Viejo and Wagon Wheel.

The School District provides kindergarten through 12th grade public education to more than 49,000 students on 55 campuses. The School District’s second period report (P-2, the period from July 1 to April 15) of average daily attendance (“ADA”), computed in accordance with State law for the 2015-16 academic year, is estimated at 47,291. The estimated population within the School District’s

* Preliminary, subject to change.

boundaries was approximately [] as of January 1, 2015. The School District reported 49,117 students enrolled at the California Basic Educational Data System (“CBEDS”) for Fiscal Year 2015-16. See APPENDIX A – “General Information About the Capistrano Unified School District” herein.

The Community Facilities District

[REVIEW/UPDATE] The Community Facilities District is a community facilities district first established by the Board in 1999 pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the California Government Code, the “Act”). Pursuant to the Act, the seven members of the Board serve as the legislative body of the Community Facilities District (the “Legislative Body”) by virtue of their election to the Board.

The Community Facilities District consists of approximately [222/268] gross acres of land located in the City of San Juan Capistrano, California (the “City”), in the southeasterly portion of Orange County. 98 homes have been completed and sales closed to homeowners. An additional 318 lots are anticipated to be constructed.

Pursuant to the Act, the Legislative Body adopted resolutions on July 12, 1999, expressing its intention to form the Community Facilities District and to incur bonded indebtedness of the Community Facilities District. On September 13, 1999, the Legislative Body adopted resolutions establishing the Community Facilities District and authorizing the issuance of special tax bonds. On September 13, 1999, at a special election held pursuant to the Act, the then owner of the land in the Community Facilities District voted to authorize the Community Facilities District to incur up to \$20,000,000 principal amount of special tax bonds for the purpose of financing school facilities and public improvements for the City (the “1999 Authorization”), and approved the levy of special taxes on certain real property in the Community Facilities District pursuant to the original Rate and Method of Apportionment of Special Taxes for the Capistrano Unified School District Community Facilities District No. 98-1A (Pacifica San Juan) (the “Original Rate and Method”).

In 2004, proceedings were conducted by the Legislative Body to annex certain additional territory to the Community Facilities District.

On April 19, 2004, the Legislative Body adopted a resolution (the “Resolution of Consideration”) changing the name of the Community Facilities District to “Community “Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan)” and calling a public hearing on proposed amendments to (i) amend and restate the rate and method of apportionment of special tax (the “2004 Amended and Restated Rate and Method”); (ii) change the type of school facilities to be financed and to authorize the financing of City facilities; (iii) amend the Community Facilities District boundaries to exclude all commercial properties; and (iv) increase the authorized bonded indebtedness of the Community Facilities District to an amount not to exceed \$45,000,000. On June 14, 2004, at a special election held pursuant to the Act, the then qualified voters of the Community Facilities District authorized the changes proposed in the Resolution of Consideration.

In 2016, the Legislative Body conducted proceedings, with the written consent of the Developer in advance of issuing the 2016 Bonds, to irrevocably release and relinquish its authority to levy the Special Tax pursuant to the 2004 Amended and Restated Rate and Method in excess of 39.67% of (i) (the authorized Maximum Special Tax Rate for Developed Property, Undeveloped Property, Taxable Property Owner Association Property, Taxable Public Property and Taxable Religious Property and (ii) the authorized backup Special Tax in order to encourage the development of property within the Community Facilities District (the “Relinquishment” or the “Powers Relinquished”). As a result of the Relinquishment, the Board determined to exercise its discretion in Section H of the 2004 Amended and Restated Rate and Method to covenant that it will not issue bonds in the Community Facilities District supported by any of the Special Taxes that are the subject of the Relinquishment. Such Relinquishment is evidenced by the recordation of an Amendment No. 2 to Notice of Special Tax Lien And *Partial*

Cessation of Special Tax (the “Second Amended Notice of Special Tax Lien”). The 2004 Amended and Restated Rate and Method, with the special tax rates set forth in the 2004 Amended and Restated Rate and Method as permanently relinquished to the amounts set forth in a Resolution of the Board adopted on May 11, 2016 (the “Reduced Assigned Rates”) is collectively referred to herein as the “Amended and Restated Rate and Method.”

The 2016 Bonds are being authorized pursuant to a resolution adopted by the Legislative Body on May 11, 2016 (the “Resolution”) and the Indenture.

Once duly established, a community facilities district is a legally constituted governmental entity established for the purpose of financing specific facilities and services within defined boundaries. Subject to approval by a two-thirds vote of the qualified voters within a community facilities district and compliance with the provisions of the Act, a community facilities district may issue bonds and may levy and collect special taxes to repay such bonded indebtedness, including interest thereon.

The Community Facilities District levies an annual special tax (the “Special Tax,” as defined below) on Developed Property (and Undeveloped Property, if necessary) as set forth in the Amended and Restated Rate and Method. See “SECURITY FOR THE 2016 BONDS – Amended and Restated Rate and Method.” Annual Special Taxes will be levied on Taxable Property within the Community Facilities District. The 2016 Bonds are secured by and payable from the Special Tax levied pursuant to the Amended and Restated Rate and Method.

See “THE COMMUNITY FACILITIES DISTRICT” for a description of the Community Facilities District and the development in the Community Facilities District.

Sources of Payment for the 2016 Bonds

The 2016 Bonds are secured by and payable from a first pledge of “Net Special Tax Revenues,” which is defined in the Indenture as Special Tax Revenues, less amounts required to pay Administrative Expenses. “Special Tax Revenues” means the proceeds of the Special Taxes received by or on behalf of the Community Facilities District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, which shall be limited to the amount of said lien and interest and penalties thereon.

Priority Administrative Expenses (as defined in the Indenture) means an assumed \$50,000.00 as of Fiscal Year [2016-17] and escalating at 2% each subsequent Fiscal Year, in annual Administrative Expenses. See “SECURITY FOR THE 2016 BONDS –Special Tax Fund.” “Special Taxes” are defined in the Indenture as the special taxes described in the Amended Rate and Method as “Special Tax A” levied within the Community Facilities District pursuant to the Act, Amendment to Ordinance No. 98-1-1 adopted on June 28, 2004 (as described below) and the Indenture.

Pursuant to the Act, the Amended and Restated Rate and Method, the Resolution of Formation (as defined herein) and the Indenture, so long as the 2016 Bonds are outstanding, the Community Facilities District will annually ascertain the parcels on which the Special Taxes are to be levied in the following Fiscal Year, taking into account any subdivisions of parcels during the applicable Fiscal Year. The Community Facilities District shall effect the levy of the Special Taxes in accordance with the Amended and Restated Rate and Method and the Act each Fiscal Year so that the computation of such levy is complete and transmitted to the Auditor of the County before the final date on which the Auditor of the County will accept the transmission of the Special Taxes for the parcels within the Community Facilities District for inclusion on the next real property tax roll. See “SECURITY FOR THE 2016 BONDS – Special Taxes” herein.

The Amended and Restated Rate and Method exempts from the Special Tax all property owned by the State, the federal government and local governments, as well as certain other properties, subject to certain limitations. See “SECURITY FOR THE 2016 BONDS – Amended and Restated Rate and Method” and “BONDOWNERS’ RISKS – Exempt Properties.”

The 2016 Bonds and Parity Bonds (as defined herein) are also secured by a first pledge of all moneys deposited in the Reserve Fund. See “SECURITY FOR THE 2016 BONDS.”

The Indenture defines Reserve Requirement, with respect to the 2016 Bonds and any Parity Bonds, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the 2016 Bonds and any Parity Bonds (excluding 2016 Bonds and Parity Bonds refunded with the proceeds of subsequently issued Parity Bonds), (b) the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made (“Maximum Annual Debt Service,”) and (c) 125% of the average of the Average Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made. The ability of the Legislative Body to increase the annual Special Taxes levied to replenish the Reserve is subject to the limitation imposed by Section 53321 of the Act and the Amended and Restated Rate and Method which provide that the Special Tax levied against any Assessor’s Parcel of Residential Property for which an occupancy permit for private residential use has been issued may not be increased by more than 10% as a consequence of delinquency or default by the owner of any other parcel or parcels within the Community Facilities District. The moneys in the Reserve Fund will only be used for payment of principal of, interest and any redemption premium on the 2016 Bonds, and at the direction of the Community Facilities District, for payment of rebate obligations related to the 2016 Bonds. See “SECURITY FOR THE 2016 BONDS –Special Tax Levy” and “– Reserve Fund.”

The Community Facilities District has also covenanted in the Indenture to cause foreclosure proceedings to be commenced and prosecuted against certain parcels with delinquent installments of the Special Taxes. For a more detailed description of the foreclosure covenant see “SECURITY FOR THE 2016 BONDS – Proceeds of Foreclosure Sales.”

THE 2016 BONDS, THE INTEREST THEREON, AND ANY PREMIUMS PAYABLE ON THE REDEMPTION OF ANY OF THE 2016 BONDS, ARE NOT AN INDEBTEDNESS OF THE SCHOOL DISTRICT, THE STATE OF CALIFORNIA (THE “STATE”) OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN), THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE ON THE 2016 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN) OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2016 BONDS. OTHER THAN THE SPECIAL TAXES LEVIED PURSUANT TO THE AMENDED AND RESTATED RATE AND METHOD, NO TAXES ARE PLEDGED TO THE PAYMENT OF THE 2016 BONDS. THE 2016 BONDS ARE NOT A GENERAL OBLIGATION OF THE COMMUNITY FACILITIES DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM SPECIAL TAXES LEVIED PURSUANT TO THE AMENDED AND RESTATED RATE AND METHOD, AS MORE FULLY DESCRIBED HEREIN.

Tax Exemption

Assuming compliance with certain covenants and provisions of the Internal Revenue Code of 1986, in the opinion of Bond Counsel, interest on the 2016 Bonds will not be includable in gross income for federal income tax purposes, although it may be includable in the calculation for certain taxes. Also in the opinion of Bond Counsel, interest on the 2016 Bonds will be exempt from State personal income taxes. See “LEGAL MATTERS – Tax Exemption” herein.

Risk Factors Associated with Purchasing the 2016 Bonds

Investment in the 2016 Bonds involves risks that may not be appropriate for some investors. See the section of this Official Statement entitled “BONDOWNERS’ RISKS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth herein, in considering the investment quality of the 2016 Bonds.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a “plan,” “expect,” “estimate,” “project,” “budget,” “anticipate” or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the caption “THE COMMUNITY FACILITIES DISTRICT” and “PROPERTY OWNERSHIP AND DEVELOPMENT” herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COMMUNITY FACILITIES DISTRICT AND THE SCHOOL DISTRICT DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Professionals Involved in the Offering

U.S. Bank National Association, Los Angeles, California, will serve as the Trustee for the 2016 Bonds and will perform the functions required of it under the Indenture for the payment of the principal of and interest and any premium on the 2016 Bonds and all activities related to the redemption of the 2016 Bonds. Orrick, Herrington & Sutcliffe, Los Angeles, California, is serving as Bond Counsel to the Community Facilities District. Burke, Williams & Sorensen, LLP, Santa Ana, California, is serving as counsel to the School District. James F. Anderson Law Firm, A Professional Corporation, Laguna Hills, California, is acting as Disclosure Counsel. Hilltop Securities Inc., Cardiff by the Sea, California, is acting as Underwriter in connection with the issuance and delivery of the 2016 Bonds. Nossaman LLP, Irvine, California, is acting as Underwriter’s Counsel.

Government Financial Strategies inc., Sacramento, California, acted as Financial Advisor to the School District and the Community Facilities District, and David Taussig & Associates, Inc., Newport Beach, California, acted as Special Tax Consultant, CFD Administrator and Dissemination Agent to the Community Facilities District.

Except for some Special Tax Consultant fees to be paid from Special Taxes, payment of the fees and expenses of Bond Counsel, Disclosure Counsel, the Special Tax Consultant, the Underwriter, Underwriter's Counsel and the Trustee is contingent upon the sale and delivery of the 2016 Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the 2016 Bonds, certain sections of the Indenture, security for the 2016 Bonds, risk factors, the Community Facilities District, the School District and other information are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. The descriptions herein of the 2016 Bonds, the Indenture, and other resolutions and documents are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the 2016 Bonds, the Indenture, such resolutions and other documents. All such descriptions are further qualified in their entirety by reference to laws and to principles of equity relating to or affecting generally the enforcement of creditors' rights. Copies of such documents may be obtained from the Deputy Superintendent, Business & Support Services of the Capistrano Unified School District, 33122 Valle Road, San Juan Capistrano, California 92675. There may be a charge for copying, mailing and handling of any documents.

CONTINUING DISCLOSURE

The Community Facilities District. The Community Facilities District has covenanted for the benefit of the holders and Beneficial Owners of the 2016 Bonds to provide certain financial information and operating data relating to the School District and the Community Facilities District (the "Community Facilities District Annual Report"), by not later than nine months after the end of each Fiscal Year, commencing with the report for the 2015-16 Fiscal Year (which is due no later than March 30, 2017), and to provide notices of the occurrence of certain enumerated events. The Community Facilities District Annual Report will either be filed by the Community Facilities District or Government Financial Strategies inc., as Dissemination Agent on behalf of the Community Facilities District, with the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access System (the "EMMA System"), in an electronic format and accompanied by identifying information as prescribed by the MSRB, with a copy to the Trustee. Any notice of a listed event will be filed by the Community Facilities District, or the Dissemination Agent on behalf of the Community Facilities District, with the MSRB through the EMMA System. The specific nature of the information to be contained in the Community Facilities District Annual Report or any notice of a listed event is set forth in the Community Facilities District Continuing Disclosure Agreement. The covenants of the Community Facilities District in the Community Facilities District Continuing Disclosure Agreement have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"); *provided, however*, a default under the Community Facilities District Continuing Disclosure Agreement will not, in itself, constitute an event of default under the Indenture, and the sole remedy under the Community Facilities District Continuing Disclosure Agreement in the event of any failure of the Community Facilities District or the Dissemination Agent to comply with the Community Facilities District Continuing Disclosure Agreement will be an action to compel performance. The specific nature of the information to be contained in the Annual Report or the notices are set forth in "APPENDIX D – Form of Community Facilities District Continuing Disclosure Agreement." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule").

No Prior Disclosure Undertaking by the Community Facilities District. The 2016 Bonds are the first issuance of special tax bonds by the Community Facilities District and the Community Facilities District has not previously entered into a continuing disclosure undertaking.

Prior Disclosure Compliance by the School District and Other Community Facilities Districts. A review of compliance with disclosure undertakings for filings required by the School District or by other community facilities districts formed by the School District (other than the Community Facilities District), since [May 15], 2011, indicates that the School District or other community facilities districts formed by the School District may not have fully complied with their prior continuing disclosure undertakings under the Rule. Identification of the below described events does not constitute a representation by the Community Facilities District, the School District or any other community facilities district formed by the School District that the late filings were material or that the School District or any other community facilities district formed by the School District, other than the Community Facilities District, is an obligated person under the Rule for this transaction. The review indicates (i) that in connection with other community facilities districts formed by the School District, other than the Community Facilities District, the audited financial statements were filed late in 2012 and 2013, and one annual report was filed late in 2012, (ii) in connection with several series of School Facilities Improvement District No. 1 general obligation bonds, the audited financial statements were filed late in 2012, and the annual report was filed late in 2013 and 2016, and (iii) in connection with the 2002 certificates of participation financing, the audited financial statements were filed late in 2012 and the annual report was filed late in 2013 and 2016. In addition, notices of rating changes were not always filed in a timely manner with respect to financings by the School District or community facilities districts formed by the School District (other than the Community Facilities District).

In order to remain in compliance with their respective undertakings in the future, the School District and the community facilities districts, including the Community Facilities District, have implemented procedures to file their annual reports on a timely basis and coordinate the efforts of personnel and firms responsible for preparing and/or monitoring compliance with the respective disclosure undertakings.

THE FINANCING PLAN

In 1999, the School District formed Community Facilities District No. 98-1 of the Capistrano Unified School District (Pacifica San Juan), which was, in 2004, amended pursuant to the Mello-Roos Community Facilities Act of 1982 (the “**Act**”), and renamed “Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan).” In connection with the Community Facilities District, the School District recorded Amendment No. 1 to Notice of Special Tax for the Community Facilities District with respect to the “2004 Amended and Restated Rate and Method.

Development of the project was delayed in 2008, after Lehman Brothers declared bankruptcy. From 2008 through 2015, the property was subject to various proceedings related to the Lehman Brother’s bankruptcy. On May 21, 2015, the property was purchased by a joint venture, Pacific Point Development Partners LLC, a Delaware limited liability company (the “Developer”). See “PROPERTY OWNERSHIP AND DEVELOPMENT.”

In 2004, all of the taxable property in the Community Facilities District was owned by SJD Partners, LTD, a California limited partnership (“**SJD**”). The School District and SJD entered into the Impact Mitigation Agreement Related to Community Facilities District No. 98-1A, dated as of June 14, 2004 (the “**2004 Mitigation Agreement**”), which provided for the mitigation of the impacts of the development of the overall project on the school facilities of the School District.

The 2004 Mitigation Agreement contemplated that the Community Facilities District would finance (i) school facilities in the amount of \$13,818,000 and (ii) facilities to be owned by the City of San Juan Capistrano (the “**City**”) in the amount of \$13,800,000 (the “**City Facilities**”).

Under the Act, in order to finance the City Facilities, the School District, the City and SJD entered into the Amended and Restated Joint Community Facilities Agreement, dated as of June 14, 2004 (the “**2004 JCFA**”).

Subsequent to the foregoing, the Overall Project was partially developed by the construction and sale of 98 of the lots to homeowners (the “**98 Lots**”). The residual 318 lots (out of the original 416) remain undeveloped.

On May 19, 2015, Pacific Point Development Partners LLC, a Delaware limited liability company (the “Developer”), purchased the 318 vacant lots from LVPP, and became the successor to LVPP and SJD under the 2004 Mitigation Agreement and the 2004 JCFA.

As part of the implementation of the recent changes relating to the Community Facilities District since the acquisition of the 318 vacant residential lots by the Developer, (i) the School District, the Community Facilities District, and the Developer have entered into the “Amended and Restated Joint Community Facilities Agreement” dated March 1, 2016 (the “**Amended and Restated Mitigation Agreement**”), (ii) the School District, the City, the Community Facilities District, and the Developer have entered into the “Second Amended and Restated Joint Community Facilities Agreement” dated March 1, 2016 (the “**Amended and Restated JCFA**”) and (iii) the School District and the Developer have entered into the Purchase and Sale Agreement, dated March 1, 2016, with respect to the acquisition by the School District of a school site within the Community Facilities District (the “**Purchase and Sale Agreement**”).

As part of the recently agreed-upon changes, the School District has formed a new community facilities district over the 318 lots (herein, the “**98-1B Property**”) named Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan) (“**CFD No. 98-1B**”).

In conjunction with the formation of CFD No. 98-1B and exercising its powers under the Act to levy special taxes at amounts less than the maximum amount, the School District has recorded an amendment to the Community Facilities District’s Notice of Special Tax Lien that will permanently reduce the special tax rates under the Rate and Method in the Community Facilities District so as to achieve the permanent reduction of the maximum special tax rates under Section C of the Rate and Method by an amount equal to 60.33% of the rates shown in the Rate and Method, as evidenced by the recordation of the “Second Amended Notice of Special Tax Lien.

Both CFD No. 98-1B and the Community Facilities District are authorized to finance both School Facilities and City Facilities through: (i) the previous and future levy of Special Taxes on the property in the Community Facilities District and the issuance of bonds secured by the levy of the Special Taxes on the property in the Community Facilities District and (ii) the future levy of special taxes by CFD No. 98-1B on the property in CFD No. 98-1B (the “**CFD No. 98-1B Special Taxes**”) and the issuance of bonds secured by the levy by CFD No. 98-1B of CFD No. 98-1B Special Taxes on the property in CFD No. 98-1B.

See “SECURITY FOR THE 2016 BONDS – Parity Bonds” for the requirements of the Indenture applicable to the issuance of Parity Bonds. See also “THE COMMUNITY FACILITIES DISTRICT” for a description of the development of the property in the Community Facilities District.

Proceeds of bonds deposited to the City Facilities Account will be used by the City to pay costs of certain public improvements authorized to be funded by the Community Facilities District and in accordance with the provisions of the Joint Community Facilities Agreement.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the 2016 Bonds will be deposited into the following respective accounts and funds established under the Indenture, as follows:

SOURCES

Principal Amount of 2016 Bonds	\$	
Plus: Original Issue Premium		
Less: Underwriter's Discount		()
Total Sources	\$	

USES

Deposit into the Construction Fund ⁽¹⁾	\$	
Deposit into Reserve Fund		
Deposit into Costs of Issuance Fund ⁽²⁾		
Total Uses	\$	

⁽¹⁾ \$_____ will be deposited into the School Facilities Account and \$_____ will be deposited into the City Facilities Account.

⁽²⁾ Includes, among other things, the fees and expenses of Bond Counsel, Disclosure Counsel, the Financial Advisor, the cost of printing the preliminary and final Official Statements, the fees of the Special Tax Consultant and reimbursement to the School District.

THE 2016 BONDS

Authority for Issuance

The 2016 Bonds will be issued pursuant to the Act and the Indenture.

General Provisions

The 2016 Bonds will be dated their date of delivery and will bear interest at the rates per annum set forth on the inside cover page hereof, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each March 1 and September 1, commencing on March 1, 2017 (each, an “Interest Payment Date”), and will mature in the amounts and on the dates set forth on the inside cover page hereof. The 2016 Bonds will be issued in fully-registered form in denominations of \$5,000 each or any integral multiple thereof and when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the 2016 Bonds. Ownership interests in the 2016 Bonds may be purchased in book-entry form only, in denominations of \$5,000 or any integral multiple thereof within a single maturity. So long as the 2016 Bonds are held in book-entry form, principal of, premium, if any, and interest on the 2016 Bonds will be paid directly to DTC for distribution to the beneficial owners of the 2016 Bonds in accordance with the procedures adopted by DTC. See “THE 2016 BONDS – Book-Entry and DTC.”

Interest on the 2016 Bonds will be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a 2016 Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th calendar day of the month preceding each Interest Payment Date whether or not such day is a Business Day (the “Record Date”), in which event it will bear interest from such Interest Payment Date, (ii) a 2016 Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or (iii) interest on any 2016 Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has previously been paid or duly provided for. Interest will be paid in lawful money of the United States of America on each Interest Payment Date. Interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, or by wire transfer made on such Interest Payment Date upon the written instructions of any Owner of \$1,000,000 or more 2016 Bonds to an account within the United States of America, on each Interest Payment Date to the 2016 Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any 2016 Bond which is not punctually paid or duly provided for on any Interest Payment Date will, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such 2016 Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which will be given to such Owner not less than ten days prior to such special record date.

The principal of the 2016 Bonds is payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee. Payment of principal of any 2016 Bond will be made only upon presentation and surrender of such Bond at the Office of the Trustee (currently in Los Angeles, California).

Debt Service Schedule

The following table presents the annual debt service on the 2016 Bonds (including sinking fund redemptions), assuming that there are no early redemptions.

Table 1
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)
Scheduled Annual Debt Service on 2016 Bonds

Year Ending September 1	Principal	Interest	Total Debt Service
2017	\$	\$	\$
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
	\$	\$	\$

Estimated Debt Service Coverage

The following table presents the estimated Net Special Tax Revenues assuming no additional home development with respect to the 318 lots which remain to be developed, annual debt service on the 2016 Bonds (including sinking fund redemptions), assuming that there are no early redemptions, and resulting estimated debt service coverage. The Net Special Tax Revenues and aggregate debt service will change to the extent that home construction occurs and/or Parity Bonds are issued.

Table 2
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)
Debt Service Coverage from Net Special Tax Revenues *

Bond Year Ending September 1	Residential Developed Special Tax Revenues ⁽¹⁾⁽²⁾	Non- Residential Developed Special Tax Revenues	Annual Administrative Expenses ⁽³⁾	Net Special Tax Revenues	Series 2016 Debt Service ^{(4)*}	Coverage from Developed Property ^{(5)*}
2017	\$345,220	\$0	\$51,000	\$294,220	\$266,891	110.24%
2018	352,125	0	52,020	300,105	270,863	110.80
2019	359,167	0	53,060	306,107	274,163	111.65
2020	366,350	0	54,122	312,229	282,363	110.58
2021	373,677	0	55,204	318,473	285,363	111.60
2022	381,151	0	56,308	324,843	293,263	110.77
2023	388,774	0	57,434	331,340	300,963	110.09
2024	396,549	0	58,583	337,967	303,463	111.37
2025	404,480	0	59,755	344,726	310,863	110.89
2026	412,570	0	60,950	351,620	317,713	110.67
2027	420,821	0	62,169	358,653	324,150	110.64
2028	429,238	0	63,412	365,826	330,150	110.81
2029	437,823	0	64,680	373,142	335,475	111.23
2030	446,579	0	65,974	380,605	345,525	110.15
2031	455,511	0	67,293	388,217	349,919	110.94
2032	464,621	0	68,639	395,982	358,769	110.37
2033	473,913	0	70,012	403,901	367,169	110.00
2034	483,392	0	71,412	411,979	370,119	111.31
2035	493,059	0	72,841	420,219	377,463	111.33
2036	502,921	0	74,297	428,623	389,338	110.09
2037	512,979	0	75,783	437,196	395,238	110.62
2038	523,239	0	77,299	445,940	405,281	110.03
2039	533,703	0	78,845	454,858	409,650	111.04
2040	544,377	0	80,422	463,956	418,513	110.86
2041	555,265	0	82,030	473,235	426,700	110.91
2042	566,370	0	83,671	482,699	438,750	110.02
2043	577,698	0	85,344	492,353	444,925	110.66
2044	589,252	0	87,051	502,200	455,400	110.28

⁽¹⁾ Special Tax Revenues for Fiscal Year 2016-17 and each year thereafter are based on 100.00% of the Reduced Assigned Rates. The Reduced Assigned Rates escalate by 2.00% per year. Fiscal Year 2016-17 includes 98 completed individual homes with 98 building permits issued prior to the January 1, 2016 cutoff for Developed Property. Assumes no future development thereafter. It is anticipated that additional homes will be constructed and Parity Bonds issued.

⁽²⁾ Pursuant to Section 53321(d) of the Government Code, as in effect at the time of [formation of the Community Facilities District], the Special Tax levied against any Assessor's parcel for which an occupancy permit for private residential use has been issued will not be increased by more than ten percent as a consequence of delinquency or default by the owner of any other Assessor's parcel within the Community Facilities District. As a result, it is possible that the School District may not be able to increase the tax levy to the assigned special tax in all years.

⁽³⁾ Based on Priority Administrative Expenses equal to \$50,000 in Fiscal Year 2015-16, escalated by 2.00% per year thereafter.

⁽⁴⁾ Based on preliminary bond sizing dated April 27, 2016 provided by the Underwriter.

⁽⁵⁾ Calculated by dividing the Net Special Tax Revenues column by the Total Debt Service column.

*Preliminary, subject to change.

Source: David Taussig & Associates, Inc.

Redemption

Optional Redemption. The 2016 Bonds maturing on or prior to September 1, 2026, are not subject to optional redemption before maturity. The 2016 Bonds are subject to optional redemption, in whole or in part, on any date, from any source of available funds, at the following respective Redemption Prices (expressed as percentages of the principal amount of the 2016 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2026 through March 1, 2027	103%
September 1, 2027 and March 1, 2028	102
September 1, 2028 and March 1, 2029	101
September 1, 2029 and thereafter	100

Whenever provision is made for the optional redemption of less than all of the 2016 Bonds, the Trustee will select the 2016 Bonds to be redeemed from all 2016 Bonds not previously called for redemption with respect to any optional redemption of 2016 Bonds, among maturities of 2016 Bonds as directed in a written request of the Community Facilities District.

Mandatory Redemption from Special Tax Prepayment. The 2016 Bonds are subject to mandatory redemption, in whole or in part, on any Interest Payment Date, from and to the extent of any prepayment of Special Taxes, at the following respective Redemption Prices (expressed as percentages of the principal amount of the 2016 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, 2017 through March 1, 2027	103%
September 1, 2027 and March 1, 2028	102
September 1, 2028 and March 1, 2029	101
September 1, 2029 and thereafter	100

Whenever provision is made for the mandatory redemption from Special Tax prepayments of less than all of the 2016 Bonds, the Trustee will select the 2016 Bonds to be redeemed from all maturities of all series of 2016 Bonds and Parity Bonds on a pro rata basis as nearly as practicable.

Mandatory Sinking Fund Redemption. The 2016 Bonds, maturing on September 1, 20__, and September 1, 20__, are subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20__ and September 1, 20__, respectively, at a redemption price equal to the principal amount of the 2016 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Bonds Maturing on September 1, 20__

<u>Sinking Fund Redemption Date</u> <u>(September 1)</u>	<u>Principal Amount to</u> <u>be Redeemed</u>
20__	\$
20__	
20__	
20__ (maturity)	

Bonds Maturing on September 1, 2044

Sinking Fund Redemption Date (September 1)	Principal Amount to be Redeemed
20__	\$
20__	
20__	
20__	
2044 (final maturity)	

The amounts in the foregoing tables will be reduced as a result of any prior partial redemption of the 2016 Bonds pursuant to an optional redemption or redemption from proceeds of Special Tax prepayments as specified in writing by the Community Facilities District to the Trustee.

Purchase In Lieu of Redemption. In lieu of an optional, extraordinary mandatory or mandatory sinking fund redemption, the Community Facilities District may elect to purchase such 2016 Bonds at public or private sale at such prices as the Community Facilities District in its discretion may determine; *provided*, that, unless otherwise authorized by law, the purchase price (including brokerage and other charges) thereof will not exceed the principal amount thereof, plus accrued interest accrued to the purchase date and any premium which would otherwise be due if such 2016 Bonds were to be redeemed in accordance with the Indenture.

Notice of Redemption. The Trustee on behalf of the Community Facilities District will mail (by first class mail) notice of any redemption to the respective Owners of any 2016 Bonds designated for redemption at their respective addresses appearing on the Registration Books at least 30 but not more than 60 days prior to the date fixed for redemption. Such notice will state the date of the notice, the redemption date, the redemption place and the Redemption Price and will designate the CUSIP numbers, the Bond numbers and the maturity or maturities of the 2016 Bonds to be redeemed (except in the event of redemption of all of the 2016 Bonds of such maturity or maturities in whole), and will require that such 2016 Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such 2016 Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, will affect the validity of the proceedings for the redemption of the 2016 Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

Conditional Notice of Optional Redemption. With respect to any notice of any optional redemption of 2016 Bonds, unless at the time such notice is given the 2016 Bonds to be redeemed will be deemed to have been paid within the meaning of the Indenture, such notice will state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the 2016 Bonds to be redeemed, and that if such moneys have not been so received said notice will be of no force and effect and the Community Facilities District will not be required to redeem such 2016 Bonds. In the event a notice of redemption of 2016 Bonds contains such a condition and such moneys are not so received, the redemption of 2016 Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of 2016 Bonds pursuant to such notice of redemption.

Effect of Redemption. Notice of redemption having been mailed as described above, and moneys for the redemption price, and the interest to the applicable date fixed for redemption, having been set

aside in the Redemption Fund, the 2016 Bonds will become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said 2016 Bonds will be paid at the redemption price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the redemption price of all the 2016 Bonds to be redeemed, together with interest to said date, is held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof has been mailed as described above and not canceled, then, from and after said date, interest on said 2016 Bonds will cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of 2016 Bonds will be held in trust for the account of the Owners of the 2016 Bonds so to be redeemed without liability to such Owners for interest thereon.

Registration, Transfer and Exchange

Registration. Subject to the provision for book-entry registration of 2016 Bonds, the Trustee will keep sufficient books for the registration and transfer of the 2016 Bonds, and upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said register, the 2016 Bonds as hereinbefore provided. The Community Facilities District and the Trustee will treat the owner of any Bond whose name appears on the Bond Register as the holder and absolute Owner of such 2016 Bond for all purposes under the Indenture.

Transfer and Exchange of 2016 Bonds. Subject to the provision for book-entry registration of 2016 Bonds, any 2016 Bond may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2016 Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any 2016 Bond or 2016 Bonds are surrendered for transfer, the Community Facilities District will execute and the Trustee will authenticate and will deliver a new 2016 Bond or 2016 Bonds of the same maturity in a like aggregate principal amount, in any authorized denomination. The Trustee will require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Subject to the provision for book-entry registration of 2016 Bonds, the 2016 Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of 2016 Bonds of the same maturity of other authorized denominations. The Trustee will require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee will not be obligated to make any transfer or exchange of 2016 Bonds during the period established by the Trustee for the selection of 2016 Bonds for redemption, or with respect to any 2016 Bonds selected for redemption.

Book-Entry and DTC

DTC will act as securities depository for the 2016 Bonds. The 2016 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2016 Bond certificate will be issued for each maturity of the 2016 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See APPENDIX F – "Book-Entry System."

SECURITY FOR THE 2016 BONDS

General

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Net Special Tax Revenues and any other amounts (including proceeds of the sale of the 2016 Bonds) held in the Special Tax Fund, the Bond Fund and the Reserve Fund are pledged to secure the payment of the principal of, premium, if any, and interest on the 2016 Bonds and Parity Bonds in accordance with their terms, the provisions of the Indenture and the Act. Such pledge will constitute a first lien on such assets.

The Community Facilities District will fix and levy the amount of Special Taxes within the Community Facilities District in accordance with the Rate and Method and, subject to the limitations in the Rate and Method as to the maximum Special Tax that may be levied, in an amount sufficient to yield the amount required for the payment of principal of and interest on any Outstanding 2016 Bonds and Parity Bonds becoming due and payable during the Bond Year commencing in such Fiscal Year, the amount required for any necessary replenishment of the Reserve Fund and the amount estimated to be sufficient to pay the Administrative Expenses during such year, taking into account the balances in the funds and accounts established thereunder.

Amounts in the Administrative Expense Fund, the Costs of Issuance Fund, and the Rebate Fund are not pledged to the repayment of the 2016 Bonds. The School District Facilities and the City Facilities constructed and/or acquired with the proceeds of the 2016 Bonds or Parity Bonds are not in any way pledged to pay the debt service on the 2016 Bonds and Parity Bonds. Any proceeds of condemnation or destruction of any facilities financed with the proceeds of the 2016 Bonds or Parity Bonds are not pledged to pay the debt service on the 2016 Bonds or Parity Bonds.

Special Taxes

The Community Facilities District has covenanted in the Indenture to comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes. The Amended and Restated Rate and Method provides that the Special Taxes will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, *provided, however*, that the Community Facilities District may directly bill the Special Tax and may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

Because the Special Tax levy is limited to the maximum Special Tax rates set forth in the Amended and Restated Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies, the receipt of Special Taxes will, in fact, be collected in sufficient amounts in any given year to pay debt service on the 2016 Bonds.

Although the Special Taxes, when levied, will constitute a lien on parcels subject to taxation, it does not constitute a personal indebtedness of the owners of property. There is no assurance that the owners of real property will be financially able to pay the annual Special Tax or that they will pay such tax even if financially able to do so. See "BONDOWNERS' RISKS" herein.

THE 2016 BONDS, THE INTEREST THEREON, AND ANY PREMIUMS PAYABLE ON THE REDEMPTION OF ANY OF THE 2016 BONDS, ARE NOT AN INDEBTEDNESS OF THE SCHOOL DISTRICT, THE STATE OF CALIFORNIA (THE "STATE") OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE SCHOOL DISTRICT, THE COMMUNITY

FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN), THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE ON THE 2016 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN) OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2016 BONDS. OTHER THAN THE SPECIAL TAXES LEVIED PURSUANT TO THE AMENDED AND RESTATED RATE AND METHOD, NO TAXES ARE PLEDGED TO THE PAYMENT OF THE 2016 BONDS. THE 2016 BONDS ARE NOT A GENERAL OBLIGATION OF THE COMMUNITY FACILITIES DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM THE SPECIAL TAXES LEVIED PURSUANT TO THE AMENDED AND RESTATED RATE AND METHOD, AS MORE FULLY DESCRIBED HEREIN.

Amended and Restated Rate and Method

The Special Taxes will be levied and collected according to the Amended and Restated Rate and Method, which provides the means by which the Legislative Body may annually levy the Special Taxes within the Community Facilities District, up to the maximum Special Tax rates, and to determine the amount of the Special Taxes that will need to be collected each Fiscal Year from the “Taxable Property” within the Community Facilities District.

The following is a synopsis of the provisions of the Amended and Restated Rate and Method, which should be read in conjunction with the complete text of the Amended and Restated Rate and Method which is included in APPENDIX B. Capitalized terms used but not defined in this section have the meanings given them in the Amended and Restated Rate and Method. This section provides only a summary of the Amended and Restated Rate and Method, and is qualified by more complete and detailed information contained in the entire Amended and Restated Rate and Method included in APPENDIX B.

The Amended and Restated Rate and Method defines five categories of Taxable Property: “Developed Property,” “Taxable Public Property,” “Taxable Property Owner Association Property,” “Taxable Religious Property” and “Undeveloped Property.”

Developed Property is distinguished from Undeveloped Property by the issuance of a building permit. Specifically, property for which a building permit was issued prior to January 1 of the prior Fiscal Year will be classified as Developed Property.

The Community Facilities District conducted proceedings in 2016, to permanently reduce the Special Taxes to the Reduced Assigned Rates.

The Special Tax is levied each year as follows:

First: The Special Tax will be levied proportionately on each Assessor’s Parcel of Developed Property in the Community Facilities District at up to 100% of the applicable Assigned Special Tax;

Second: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax will be levied proportionally on each Assessor’s Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Third: If additional moneys are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor’s Parcel of

Developed Property in the Community Facilities District whose Maximum Special Tax is determined through the application of the Backup Special Tax will be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fourth: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax will be levied proportionately on each Assessor's Parcel of Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property at up to the Maximum Special Tax for Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property.

The Special Tax may be levied on parcels of Taxable Property in the Community Facilities District in each Fiscal Year in an amount sufficient to (i) pay debt service on all Outstanding Bonds, (ii) pay periodic costs on the 2016 Bonds and Parity Bonds, (iii) pay reasonable Administrative Expenses, (iv) any amount required to replenish or replenish any reserve funds for all Outstanding Bonds, (v) pay directly for construction of facilities eligible under the Act, and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes in the previous Fiscal Year. It is expected that the Special Tax will be levied at the maximum permissible amounts on Developed Property with any Special Taxes collected and not needed for purposes described in the preceding clauses (i), (ii), (iii) and (iv) to be used for purposes described in the preceding clause (v) in accordance with the Amended and Restated Mitigation Agreement. (See "SECURITY FOR THE 2016 BONDS – Special Taxes Are Within Teeter Plan.")

Special Tax Levy

Special Taxes in the amount of \$345,220 are estimated to be levied on 98 units of Developed Property within of the Community Facilities District for Fiscal Year 2016-17.

Table 3 below summarizes the projected Fiscal Year 2016-17 Special Tax levy to be made in accordance with the Amended and Restated Rate and Method:

Table 3
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)
Projected Fiscal Year 2016-17 Special Tax Levy

<u>Land Use</u>	<u>Number of Units/Acres</u>	<u>Fiscal Year 2016-17 Assigned/Maximum Special Tax ⁽¹⁾</u>	<u>Estimated Fiscal Year 2016-17 Actual Special Tax</u>	<u>Percent of Assigned/ Maximum Special Tax</u>
Residential Property				
SFR >= 4,300 SF	0	\$4,215.57 per unit	\$4,215.57 per unit	100.00%
SFR 3,750 - 4,299 SF	8	3,985.65 per unit	3,985.65 per unit	100.00
SFR 3,250 - 3,749 SF	36	3,789.44 per unit	3,789.44 per unit	100.00
SFR 2,750 - 3,249 SF	48	3,387.45 per unit	3,387.45 per unit	100.00
SFR 2,300 - 2,749 SF	6	2,386.26 per unit	2,386.26 per unit	100.00
SFR 1,850 - 2,299 SF	0	2,162.37 per unit	2,162.37 per unit	100.00
<u>SFR < 1,850 SF</u>	<u>0</u>	<u>1,967.67 per unit</u>	<u>1,967.67 per unit</u>	<u>100.00</u>
Total/Average	98	\$3,522.65 per unit	\$3,522.65 per unit	100.00%
Non-Residential Property	0.00	\$0.4805 per SF	\$0.00 per SF	0.00%
Undeveloped Property	65.36	\$19,089.00 per Acre	\$0.00 per Acre	0.00%
Backup Special Tax	NA	\$19,089.00 per Acre	\$0.00 per Acre	0.00%
Total Assigned/Maximum Special Taxes		\$1,612,146	\$345,220	

⁽¹⁾ Based on the Reduced Assigned Rates for Residential and Non-Residential Property and the Reduced Assigned Rates for Undeveloped Property. The new Reduced Assigned Rates increase by 2.00% per year.

Source: David Taussig & Associates, Inc.

As indicated above, under the Amended and Restated Rate and Method, the Community Facilities District levies on Developed Property in an amount equal to the Reduced Assigned Rates. A portion of the Special Tax Requirement may be utilized for acquisition and/or construction of facilities eligible under the Act. In the event the Community Facilities District were to levy Special Taxes on Developed Property at less than the Assigned Special Tax, pursuant to Section 53321 of the Act and a resolution adopted by the Community Facilities District, under no circumstances will the Special Tax levied against any parcel used for private residential purposes be increased by more than ten percent as a consequence of delinquency or default by the owner of any other parcel or parcels within the Community Facilities District. For such purposes, a parcel will be considered used for private residential purposes not later than the date on which an occupancy permit for private residential use is issued.

Proceeds of Foreclosure Sales

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of the Special Tax, the Community Facilities District may order the institution of a superior court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory.

[Conform to foreclosure covenant: Under the Indenture, on or about June 15 of each year, the Community Facilities District will determine or cause to be determined, on or about June 15 of each year, whether or not any owners of property within the Community Facilities District are delinquent in the payment of Special Taxes and, if such delinquencies exist, the Community Facilities District will send or cause to be sent a notice of delinquency and demand for payment thereof to the property owner within 45 days of such determination and if such delinquency remains uncured, order and cause to be commenced within 90 days of such determination of delinquency, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of any Special Taxes or installment thereof not paid when due.

Notwithstanding the foregoing, however, the Community Facilities District is not required to order the commencement of foreclosure proceedings under subsections (a) or (b) above, if (i) the total Special Tax delinquency in the Community Facilities District for such Fiscal Year is less than 5% of the total Special Tax levied in such Fiscal Year, and (ii) no draw has been made on the Reserve Fund that has not been replenished. However, if the Community Facilities District determines that any single property owner in the Community Facilities District is delinquent in excess of \$10,000 in the payment of the Special Tax, then the Community Facilities District will diligently institute, prosecute and pursue foreclosure proceedings against such property owner, notwithstanding the first sentence of this paragraph.

It should be noted that any foreclosure proceedings commenced as described above could be stayed by the commencement of bankruptcy proceedings by or against the owner of the delinquent property. See “BONDOWNERS’ RISKS – Bankruptcy and Foreclosure Delay.”

No assurances can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. See “BONDOWNERS’ RISKS – Potential Delay and Limitations in Foreclosure Proceedings.” If a judgment of foreclosure and order of sale is obtained, the judgment creditor (the Community Facilities District) must cause a Notice of Levy to be issued. Under current law, a judgment debtor (property owner) has 120 days from the date of service of the Notice of Levy and 20 days from the subsequent notice of sale in which to redeem the property to be sold. If a judgment debtor fails to so redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made. The constitutionality of the aforementioned legislation, which repeals the former one-year redemption period, has not been tested; and there can be no

assurance that, if tested, such legislation will be upheld. Any parcel subject to foreclosure sale must be sold at the minimum bid price unless a lesser minimum bid price is authorized by the Owners of 75% of the principal amount of the 2016 Bonds Outstanding.

No assurances can be given that the real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the School District or the Community Facilities District to purchase or otherwise acquire any lot or parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale. The Act does specify that the Special Tax will have the same lien priority in the case of delinquency as for *ad valorem* property taxes.

If the Reserve Fund is depleted and delinquencies in the payment of Special Taxes exist, there could be a default or delay in payments to the Bondowners pending prosecution of foreclosure proceedings and receipt by the Community Facilities District of foreclosure sale proceeds, if any. However, within the limits of the Amended and Restated Rate and Method and the Act, the Community Facilities District may adjust the Special Taxes levied on all property in future Fiscal Years to provide an amount, taking into account such delinquencies, required to pay debt service on the 2016 Bonds and Parity Bonds, if any, and to replenish the Reserve Fund. There is, however, no assurance that the maximum Special Tax rates will be at all times sufficient to pay the amounts required to be paid on the 2016 Bonds and Parity Bonds, if any, by the Indenture. The levy of Special Taxes is subject to the maximum annual amount of Special Taxes authorized by the qualified voters of and the limitation imposed by Section 53321 of the Act as applied to the Community Facilities District. See “SECURITY FOR THE 2016 BONDS – Special Tax Levy.”

Special Tax Fund

Pursuant to the Indenture, the Special Tax Revenues received by the Community Facilities District will be deposited in the Special Tax Fund, [[which will be held by the Trustee on behalf of the Community Facilities District]. Any portion of any such Special Tax Revenues that represents prepaid Special Taxes that are to be applied to the payment of the redemption price of 2016 Bonds or Parity Bonds in accordance with the provisions of the Indenture will be identified to the Trustee as such by the Community Facilities District and will be deposited in the Redemption Fund.

Pending disbursement, moneys in the Special Tax Fund will be subject to a lien in favor of the Bondowners of the 2016 Bonds as established under the Indenture.

Upon receipt of a Written Request of the Community Facilities District, the Trustee will withdraw from the Special Tax Fund and transfer to the Administrative Expense Fund the Priority Administrative Expenses specified in such Written Request of the Community Facilities District.

On the Business Day immediately preceding each Interest Payment Date, after having made any requested transfer of the Priority Administrative Expenses to the Administrative Expense Fund, the Trustee will withdraw from the Special Tax Fund Net Special Tax Revenues in an amount sufficient to enable the Trustee to make the following transfers in the following order of priority:

- (i) *Interest Account of the Bond Fund.* To the Interest Account, the amount, if any, necessary to cause the amount on deposit in the Interest Account to be equal to the interest due on the Bonds on such Interest Payment Date;
- (ii) *Principal Account of the Bond Fund.* To the Principal Account, the amount, if any necessary to cause the amount on deposit in the Principal Account to be equal to the

principal, if any, due on the Bonds on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds, and,

- (iii) *Reserve Fund.* To the Reserve Fund, the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement;
- (iv) *Administrative Expense Fund.* To the Administrative Expense Fund, upon receipt of a written request of the Community Facilities District for an amount greater than the Priority Administrative Expenses amount, the amount necessary to be transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses; and
- (v) *Construction Fund.* To the Construction Fund, an amount to be divided equally between and deposited to, the School Facilities Account and the City Facilities Account, until such time as the School District will receive at least \$13,801,000 for School Facilities and the City shall receive no more than \$13,800,000 to be applied to City Facilities.

During the period from and including September 2 in each year to and including December 20 in such year, upon receipt of a written request of the Community Facilities District, after having made any requested transfer to the Administrative Expense Fund, the Bond Fund and the Reserve Fund, and satisfied the aggregate deposits to the School Facilities Account and the City Facilities Account, the Trustee will withdraw from the Special Tax Fund and transfer to the Surplus Fund the amount specified in a written request of the Community Facilities District.

Investment. Moneys in the Special Tax Fund will be invested and deposited by the Community Facilities District as described in “Investment of Moneys in Funds” below. Interest earnings and profits resulting from such investment and deposit will be retained in the Special Tax Fund to be used for the purposes thereof.

Bond Fund

The Trustee will establish and maintain the Bond Fund in trust for the benefit of the Bondowners and establish and maintain a separate account designated the “Principal Account” and a separate account designated the “Interest Account.” The Trustee will deposit in the Bond Fund from time to time the amounts required to be deposited therein as described above.

On each Interest Payment Date, the Trustee will withdraw from the Bond Fund for payment to the Owners of the 2016 Bonds and Parity Bonds, if any, the principal, if any, of and interest on the 2016 Bonds and Parity Bonds, if any, then due and payable, including principal due and payable by reason of mandatory sinking fund redemption of such 2016 Bonds and Parity Bonds.

In the event that, on the Business Day prior to an Interest Payment Date, amounts in the Interest Account or the Principal Account are insufficient to pay the principal, if any, of and interest, as applicable, on the 2016 Bonds and Parity Bonds, if any, due and payable on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such 2016 Bonds and Parity Bonds, if any, the Trustee will withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and will transfer any amounts so withdrawn to the applicable account within Bond Fund.

Redemption Fund

Moneys in the Redemption Fund will be set aside and used solely for the purpose of redeeming Bonds in accordance with the Indenture.

Reserve Fund

In order to further secure the payment of principal of and interest on the 2016 Bonds, certain proceeds of the 2016 Bonds will be deposited into the Reserve Fund in an amount such that the total amount in the Reserve Fund will be equal to the Reserve Requirement (see “ESTIMATED SOURCES AND USES OF FUNDS” herein). The Indenture defines Reserve Requirement, with respect to the 2016 Bonds and any Parity Bonds, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the 2016 Bonds and any Parity Bonds (excluding 2016 Bonds and Parity Bonds refunded with the proceeds of subsequently issued Parity Bonds), (b) the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made (“Maximum Annual Debt Service,”) and (c) 125% of the average of the Average Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

On the date of issuance of the 2016 Bonds, the Trustee will deposit in the Reserve Fund the amount of \$_____, which is equal to the Reserve Requirement as of the date of issuance of the 2016 Bonds. The Trustee will deposit in the Reserve Fund from time to time the amounts required to be deposited therein as described above. There will additionally be deposited in the Reserve Fund, in connection with the issuance of Parity Bonds, the amount required to be deposited therein under the Supplemental Indenture pursuant to which such Parity Bonds are issued.

Except as otherwise provided below, all amounts deposited in the Reserve Fund will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of and interest on the 2016 Bonds and Parity Bonds, if any, or, in accordance with the provisions described below, for the purpose of redeeming 2016 Bonds and/or Parity Bonds.

So long as no Event of Default has occurred and is continuing, any amount in the Reserve Fund in excess of the Reserve Requirement on September 2 of each year will be withdrawn from the Reserve Fund by the Trustee and deposited in the Bond Fund. Notwithstanding the foregoing, before any such deposit is made, such amount will be available for the payment of any rebate that may be owed under the Code, as specified in a Written Request of the Community Facilities District delivered to the Trustee on or before September 2 of each year.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay all the Outstanding 2016 Bonds and Parity Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee will, upon receipt of a Written Request of the Community Facilities District, transfer the amount in the Reserve Fund to the Bond Fund or Redemption Fund, as applicable, to be applied, on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding 2016 Bonds and Parity Bonds.

Whenever 2016 Bonds and/or Parity Bonds are to be redeemed pursuant to optional redemption or mandatory redemption from Special Tax prepayments or the corresponding provisions of a Supplemental Indenture, a proportionate share, determined as described below, of the amount on deposit in the Reserve Fund will, on the Business Day prior to the date on which such 2016 Bonds and/or Parity Bonds are to be redeemed, be transferred by the Trustee from the Reserve Fund to the Redemption Fund and will be applied to the redemption of said 2016 Bonds and/or Parity Bonds; provided, however, that such amount will be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least equal to the Reserve Requirement (excluding from the calculation thereof said 2016 Bonds and/or Parity Bonds to be redeemed). Such proportionate share will be equal to the largest integral multiple of \$5,000 that is not larger than the amount equal to the product of (i) the amount

on deposit in the Reserve Fund on the date of such transfer, times (ii) a fraction, the numerator of which is the principal amount of 2016 Bonds and/or Parity Bonds to be so redeemed and the denominator of which is the principal amount of 2016 Bonds and/or Parity Bonds to be Outstanding on the day prior to the date on which such 2016 Bonds and/or Parity Bonds are to be so redeemed.

Moneys in the Reserve Fund will be invested and deposited as described in “Investment of Moneys in Funds” below.

See APPENDIX C – “Summary of Certain Provisions of the Indenture” for a description of the timing, purpose and manner of disbursements from the Reserve Fund.

Construction Fund

The Trustee will establish and maintain a separate fund designated the “Construction Fund” and establish separate accounts designated the “School Facilities Account” and the City Facilities Account” therein. Moneys in the accounts established in the Construction Fund will be used from time to time to pay the costs of the School Facilities and the City Facilities in accordance with the terms of the Indentures.

Pursuant to the Indenture, moneys in the Construction Fund will not be construed as a trust fund held for the benefit of the Owners of the 2016 Bonds and will not be available for the payment of debt service on the 2016 Bonds.

Administrative Expense Fund

The Trustee will receive the transfer of Special Taxes from the Community Facilities District from the Special Tax Fund and deposit in the Administrative Expense Fund an amount to pay Administrative Expenses.

Pursuant to the Indenture, moneys in the Administrative Expense Fund will not be construed as a trust fund held for the benefit of the Owners of the 2016 Bonds and will not be available for the payment of debt service on the 2016 Bonds.

Surplus Fund

[The Trustee will establish and maintain a special fund designated the “Surplus Fund.” The Trustee will deposit in the Surplus Fund the amounts transferred from the Special Tax Fund and required to be deposited therein as described above. The moneys in the Surplus Fund will be used and withdrawn by the Trustee from time to time, upon receipt of a written request of the Community Facilities District, directing the Trustee to transfer the amount so specified in such written request to: (i) the Redemption Fund to redeem Bonds; or (ii) transfer such amount to the Community Facilities District to be applied to the payment of costs of facilities authorized to be financed by the Community Facilities District pursuant to the Resolution of Formation.]

Investment of Moneys in Funds

Moneys in any fund or account created or established by the Indenture and held by the Trustee will be invested by the Trustee in Permitted Investments, as directed by the Community Facilities District, that mature not later than the date on which it is estimated that such moneys will be required for the purposes specified in the Indenture; *provided, however*, that Permitted Investments in which moneys in the Reserve Fund are so invested will mature no later than the earlier of five years from the date of investment or the final maturity date of the 2016 Bonds or Parity Bonds; *provided, further*, that if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the 2016 Bonds or Parity Bonds. Absent timely written direction from the Community Facilities District, the Trustee will invest any funds held by it in Permitted Investments consisting of money market funds which are rated Am or better by S&P, including money market funds so rated for which the Trustee and its affiliates provide investment advisory or other management services. See APPENDIX C – “Summary of Certain Provisions of the Indenture” for a definition of “Permitted Investments.”

Payment of Rebate Obligation

The Community Facilities District is required to calculate excess investment earnings in accordance with the requirements set forth in the Indenture. If necessary, the Community Facilities District may use amounts in the Special Tax Fund, amounts on deposit in the Administrative Expense Fund, and other funds available to the Community Facilities District (except amounts required to pay debt service on the 2016 Bonds) to satisfy rebate obligations.

Parity Bonds

The Community Facilities District may at any time issue one or more Series of Additional Bonds (“Parity Bonds”) (in addition to the 2016 Bonds) payable from Net Special Tax Revenues as provided in the Indenture on a parity with all other Bonds theretofore issued under the Indenture, but only subject to the certain specified conditions set forth in the Indenture. The proceeds of the sale of such Additional Bonds may be applied (i) to provide funds to acquire and/or construct School Facilities and or City Facilities, (ii) to provide funds to refund any bonds issued under the Indenture, (iii) to provide funds to pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds, and (iv) provide funds to make any deposit to the Reserve Fund required pursuant to the Indenture.

The Community Facilities District shall have received a certificate from an Independent Consultant certifying that:

- (i) the sum of (A) the Assessed Value of parcels of Taxable Property for which a Qualified Appraisal Report has not been provided, plus (B) the Appraised Value of parcels of Taxable Property for which a Qualified Appraisal Report has been provided, as such Appraised Value is shown in such Qualified Appraisal Report, is at least five times the sum of (I) the aggregate principal amount of Bonds that will be Outstanding immediately following the issuance of such Additional Bonds, plus (II) the aggregate principal amount of all fixed lien special assessments levied on parcels of Taxable Property, based upon information from the most recent Fiscal Year for which such information is available, plus (III) the sum of a portion of the aggregate principal amount of Other CFD Bonds, which

portion shall be equal to the aggregate principal amount of such Other CFD Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for such Other CFD Bonds on parcels of Taxable Property, and the denominator of which is the total amount of special taxes levied for such Other CFD Bonds on all parcels of land, based upon levy information from the most recent Fiscal Year for which such information is available; and

(ii) the maximum Special Taxes that may be levied in each Fiscal Year, less the Priority Administrative Expense applicable in such Fiscal Year, shall not be less than one hundred ten percent (110%) of the scheduled Annual Debt Service payments on the Bonds for the Bond Year that begins in such Fiscal Year.]

For purposes of the foregoing, the following terms shall have the following meaning:

“Assessed Value” means, with respect to all or any portion of the Developed Property, as of any date, the assessed value thereof, as such value is shown on the most recently equalized assessment roll.

“Other CFD Bonds” means, as of the date of determination, any and all bonds, notes or other evidences of indebtedness, other than the Bonds, then outstanding issued under the Act and payable at least partially from special taxes to be levied on parcels of Developed Property.

“Qualified Appraisal Report” means a real estate appraisal report which (a) has been prepared by a Qualified Appraiser, (b) uses a date of value that is no earlier than three months prior to the date on which the value reported in such appraisal report is used in accordance with the provisions of this Indenture, (c) is prepared in accordance with the applicable standards of the Appraisal Institute for such reports, and (d) is prepared in accordance with the applicable guidelines of the California Debt and Investment Advisory Commission for such reports, as such guidelines are in effect on the Closing Date.

“Qualified Appraiser” means a real estate appraiser selected by the Community Facilities District and having an “MAI” designation from the Appraisal Institute.

Notwithstanding the foregoing, if (i) such Additional Bonds are being issued to refund previously issued Bonds, and (ii) Annual Debt Service in each Bond Year, calculated for all Bonds that will be Outstanding after the issuance of such Additional Bonds, will be less than or equal to Annual Debt Service in such Bond Year, calculated for all Bonds which are Outstanding immediately prior to the issuance of such Additional Bonds, the receipt of the certificate described above, shall not be a condition precedent to the issuance of such Additional Bonds.

See APPENDIX C – “Summary of Certain Provisions of the Indenture.”

Special Taxes Are Within Teeter Plan

The County has adopted a Teeter Plan as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code, under which a tax distribution procedure is implemented and secured roll

taxes are distributed to taxing agencies within the County on the basis of the tax levy, rather than on the basis of actual tax collections. However, by policy, the County does include special taxes of the community facilities districts formed by the School District in its Teeter program.

[INSERT NEIGHBORHOOD MAP]

THE COMMUNITY FACILITIES DISTRICT

General Information

[Update: The Community Facilities District is located east of Interstate 5 freeway, in the southwest portion of the City, just north of Camino Las Ramblas. To the northeast of the Community Facilities District is the San Juan Hills Golf Club. In general, there is undeveloped land to the north east of the Community Facilities District and development to the east and south of the Community Facilities District on the other three sides. The Community Facilities District is located on a bluff overlooking the Cities of San Juan Capistrano and Dana Point, with views of the Pacific Ocean, approximately ___ miles away.

The Community Facilities District was first established in 1999, and change proceedings conducted in 2004. The Community Facilities District includes approximately [222/268] gross acres. The development was delayed in 2008 after the Lehman Brothers declared bankruptcy. The developer at that time had built 98 homes. A joint venture, Pacific Point Development, purchased the property on May [19/21], 2015. See “Authority for Issuance” below and “HISTORY OF PROPERTY OWNERSHIP AND DEVELOPMENT” for additional information regarding the historical proceedings with respect to the Community Facilities District.

Authority for Issuance

The 2016 Bonds are now being issued pursuant to a resolution adopted by the Legislative Body on [May 11], 2016 (the “Resolution”) and the Indenture”). In addition, as required by the Act, the Board has taken the following actions with respect to establishing the Community Facilities District and authorizing issuance of the 2016 Bonds.

Resolution of Intention: On July 12, 1999, the Board adopted Resolution No. 9900-03 stating its intention to establish the Community Facilities District and to authorize the levy of a special tax therein pursuant to a rate and method of apportionment of special tax.

Resolution of Formation: Immediately following a noticed public hearing on September 13, 1999, the Board of Trustees adopted Resolution No. 9900-33 (the “Resolution of Formation”), which approved the financing of School District facilities and City facilities and approved the original rate and method of apportionment and authorized the levy of the special taxes pursuant to the rate and method of appointment, subject to the approval of such levy by the qualified voters.

Landowner Election and Declaration of Results: On September 13, 1999, an election was held within the Community Facilities District, in which the landowners eligible to vote, being the qualified electors, approved the ballot proposition authorizing the issuance of up to \$20,000,000 in bonds to finance the acquisition and construction of School District facilities. The qualified electors within the Community Facilities District also approved the levy of a special tax in accordance with the rate and method and the establishment of an appropriations limit.

On September 13, 1999, the Board adopted Resolution No. 9900-35 pursuant to which the Board approved the canvass of the votes.

Special Tax Lien and Levy: A Notice of Special Tax Lien was recorded in the real property records of Orange County on September __, 1999, as Document No. 1999-_____ (the “Original Notice of Special Tax Lien”).

Ordinance Levying Special Taxes: On September 27, 1999, the Board adopted Ordinance No. 98-1-1 levying the Special Tax within the Community Facilities District.

Change Proceedings: In 2004, the owners of not less than 25% of the territory within the Community Facilities District filed a written petition dated February 20, 2004, requesting that (i) the rate and method of apportionment of the special tax described in Ordinance No. 98-1-1 be changed to provide for the levy of special taxes pursuant to a rate and method apportionment attached thereto, (ii) the types of authorized public facilities be change to include City governmental facilities as described in the proceedings and school facilities as described in the proceedings, (iii) the Community Facilities District boundaries be changed to remove all commercial parcels, and (iv) the authorized bonded indebtedness of the Community Facilities District be increased to an aggregate principal amount not to exceed \$45,000,000 for the purpose of financing the City Facilities and the School Facilities.

Resolution of Consideration. On April 19, 2004, the Board adopted Resolution No. 0304-77 (the Resolution of Consideration”) expressing its intention to considered the proposed amendments.

Change Proceedings Resolution: Immediately following a noticed public hearing on [June 14, 2004, the Board of Trustees adopted Resolution No. 0404-91 (the “Change Proceedings Resolution”), which approved submitting propositions to the eligible landowner voters to consider the items proposed in the petition.

Landowner Election and Declaration of Results: On June 14, 2004, an election was held within the Community Facilities District, in which the landowners eligible to vote, being the qualified electors, approved the ballot proposition authorizing the levy of special taxes, the facilities that may be financed, and the boundaries of the Community Facilities District to be changed as described in the Change Proceedings Resolution, approved the ballot proposition authorizing a maximum principal amount of indebtedness of \$45,000,000.

On June 14, 2004, the Board adopted a resolution pursuant to which the Board approved the canvass of the votes.

Special Tax Lien and Levy: A Notice of Special Tax Lien was recorded in the real property records of Orange County on June 25, 2004, as Document No. 2004000580583 (the “2004 Notice of Special Tax Lien”).

Amendment to Ordinance No. 98-1-1: On June 28, 2004, the Board adopted Amendment to Ordinance No. 98-1-1 levying the Special Tax within the Community Facilities District pursuant to Resolution No. 0304-91 and the election held on June 14, 2004.

Relinquishment of a Portion of the Authority to Levy Special Taxes: On [May 11], 2016, the Board of Trustees adopted Resolution No. _____ (the “[Relinquishment] Resolution”), which approved a permanent relinquishment of a portion of the authority to levy Special Taxes pursuant to the 2004 Amended and Restated Rate and Method to the Special Tax rates set forth therein.

Resolution Authorizing Issuance of the 2016 Bonds: On [May 11], 2016, the Board adopted Resolution No. ____-2016, approving issuance of the 2016 Bonds.

Special Tax Collections

The Special Tax on Developed Property authorized for the 2014-15 Fiscal Year was 477,566. For the 2014-15 Fiscal Year, no parcels were delinquent on the payment of Special Taxes. The Special Tax on Developed Property authorized for the 2015-16 Fiscal Year was \$8,438, which was levied against 97 parcels Taxes as a one-time reduction at the request of the residents of the Community Facilities District. The Community Facilities District in Fiscal Year 2015-16 levied Special Taxes at 1.00% of the original Assigned Special Tax as a one-time reduction directed by the School District.

Table 4 below sets forth the Special Tax collections for Fiscal Years 2008-09 through 2015-16 (first installment), all of which was levied on Developed Property.

Table 4
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)
Special Tax Delinquency History⁽¹⁾

Fiscal Year	Total Tax Levy	No. of Parcels Levied	No. of Delinquent Parcels at Fiscal Year End ⁽²⁾	Fiscal Year Amount Delinquent ⁽²⁾	Fiscal Year Delinquency Rate ⁽²⁾	Amount Collected as of 4/1/2016 ⁽³⁾	Remaining Delinquency as of 4/1/2016 ⁽³⁾	Remaining Delinquency Rate as of 4/1/2016 ⁽³⁾
2008-09	\$469,535	63	2	\$7,720	1.64%	\$469,535	\$0	0.00%
2009-10	276,478 ⁽⁴⁾	63	0	0	0.00	276,478	0	0.00
2010-11	314,207	70	2	4,764	1.52	314,207	0	0.00
2011-12	373,027	81	3	14,183	3.80	373,027	0	0.00
2012-13	424,716	90	2	7,101	1.67	424,716	0	0.00
2013-14	468,201	97	2	7,795	1.66	468,201	0	0.00
2014-15	477,566	97	0	0	0.00	477,566	0	0.00
2015-16	8,438 ⁽⁵⁾	97	NA	NA	NA	8,396 ⁽⁶⁾	42 ⁽⁶⁾	0.50 ⁽⁶⁾

⁽¹⁾ School District is a participant in the County's Teeter Plan.

⁽²⁾ As of approximately June 30 of the fiscal year in which special taxes were levied.

⁽³⁾ Delinquency data as of April 27, 2016, provided by the Orange County Tax Collector.

⁽⁴⁾ [Discuss: The Community Facilities District in Fiscal Year 2009-10 levied Special Taxes at less than the maximum Special Tax rate at the request of the residents of the Community Facilities District.

⁽⁵⁾ [Discuss: The Community Facilities District in Fiscal Year 2014-15 levied Special Taxes at less than the maximum Special Tax rate at the request of the residents of the Community Facilities District.

⁽⁶⁾ Based on delinquency data as of April 27, 2016, for the first and second installments.

Source: David Taussig & Associates, Inc.

Value-to-Lien Ratios

Table 5 below summarizes the assessed values as of January 1 of each year from 2008 through 2015. The assessed values as of January 1, 2016, will not be available until late July, 2016. The 98 lots had building permits issued from July 27, 2006 through July 16, 2015 and were constructed by different builders, and construction of the first of the remaining 318 homes commenced on ____, 2016.]

Table 5
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)

Summary of Assessed Values ⁽¹⁾

As of January 1	No. of Developed Units ⁽²⁾	Developed Property Assessed Value ⁽³⁾	Undeveloped Property Assessed Value ⁽⁴⁾	Total Developed and Undeveloped Property Assessed Value	Percent Change
2008	63	\$79,677,783	\$40,940,866	\$120,618,649	NA
2009	63	69,121,716	138,324,239	207,445,955	71.98%
2010	70	67,426,203	133,145,120	200,571,323	-3.31
2011	81	75,232,752	92,418,745	167,651,497	-16.41
2012	90	80,134,436	89,798,213	169,932,649	1.36
2013	97	90,998,475	87,382,269	178,380,744	4.97
2014	97	99,040,868	125,021,853	224,062,721	25.61
2015	97	107,217,166	127,519,688	234,736,854	4.76

⁽¹⁾ Reflects value for taxable property only.

⁽²⁾ Based on property for which a building permit has been issued as of January 1 of each year.

⁽³⁾ Based on land and improvement values as of January 1 provided by the Orange County Assessor for property for which a building permit has been issued as of January 1 of each year.

⁽⁴⁾ Based on land values as of January 1 provided by the Orange County Assessor for property for which a building permit has not been issued as of January 1 of each year.

Source: County of Orange; David Taussig & Associates, Inc.

Based on the County's Fiscal Year 2015-16 assessor's roll, the aggregate assessed value of taxable property within the Community Facilities District was \$107,744,840. The Fiscal Year 2016-17 Special Tax levy anticipated to be billed to the properties within the Community Facilities District on the Assessment Roll of the County is estimated to be \$345,220. Set forth in Table 3 above in "SECURITY FOR THE 2016 BONDS –Special Tax Levy" is a summary of the projected Fiscal Year 2016-17 Special Tax levy by tax classes.

Table 6A
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)
Value-to-Lien Analysis of Developed Property by Range
(Does not Include Undeveloped Property)

Value-to-Lien Range	Number of Parcels Taxed	Expected Fiscal Year 2016-17 CFD No. 98-1A Levy ⁽¹⁾	Percentage of Estimated Fiscal Year 2016-17 Levy	CFD No. 98-1A Bonds Outstanding ^{(2)*}	City of San Juan Capistrano GO Bonds, Series 1998 Outstanding ⁽³⁾	City of San Juan Capistrano GO Bonds, Series 2009 Outstanding ⁽³⁾	MWD Bonds Outstanding ⁽³⁾	Total Direct and Overlapping Debt*	Fiscal Year 2015-16 Assessed Value ⁽⁴⁾	Estimated Assessed Value-to-Lien Ratios*
0-0.99	0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	NA
1.00-2.99	0	0	0.00	0	0	0	0	0	0	NA
3.00-4.99	0	0	0.00	0	0	0	0	0	0	NA
5.00-9.99	3	9,965	2.89	177,670	228	6,435	49	184,382	1,599,777 ⁽⁵⁾	8.68 to 1
10.00-19.99	93	329,481	95.44	5,874,389	14,789	418,265	3,210	6,310,653	103,837,473	16.45 to 1
20.00 or Greater	2	5,774	1.67	102,941	329	9,295	71	112,635	2,307,509	20.49 to 1
Grand Total	98	\$345,220	100.00%	\$6,155,000	\$15,345	\$433,995	\$3,331	\$6,607,670	\$107,744,840	16.31 to 1

⁽¹⁾ Includes property for which a building permit was issued as of January 1, 2016. [The first building permits with respect to the 318 vacant residential lots were issued on _____, 2016.] Based on expected Fiscal Year 2016-17 levy for the School District.

⁽²⁾ Based on preliminary bond sizing dated April 27, 2016 provided by the Underwriter. Allocated based on share of estimated Fiscal Year 2016-17 levy.

⁽³⁾ As of March 2, 2016. Allocated based on Fiscal Year 2015-16 levy.

⁽⁴⁾ Fiscal Year 2015-16 land and improvement values as of January 1, 2015 provided by the Orange County Assessor.

* Preliminary, subject to change.

Source: David Taussig & Associates, Inc.

Table 6B
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)

Estimated Assessed Value-to-Lien Ratios

Property Classification / Owner ⁽¹⁾	Number of Units/ Acres	CFD No. 98- 1A Expected Fiscal Year 2016-17 Levy	CFD No. 98-1A Bonds Outstanding^{(2)*}	City of San Juan Capistrano GO Bonds, Series 1998 Outstanding⁽³⁾	City of San Juan Capistrano GO Bonds, Series 2009 Outstanding⁽³⁾	MWD GO Bonds Outstanding⁽³⁾	Total Direct and Overlapping Debt*	Assessed Value⁽⁴⁾	Estimated Assessed Value-to- Lien Ratio*
Developed Property⁽⁵⁾									
Residential Property									
Individual Owner	98 Units	\$345,220	\$6,155,000	\$15,345	\$433,995	\$3,331	\$6,607,670	\$107,744,840	16.31
Undeveloped Property⁽⁶⁾	66.37 Acres	\$0	\$0	\$18,140	\$513,056	\$3,938	\$535,133	\$126,992,014	237.31
GRAND TOTAL	NA	\$345,220	\$6,155,000	\$33,485	\$947,050	\$7,268	\$7,142,804	\$234,736,854	23.86

⁽¹⁾ Reflects ownership as of January 1, 2015 provided by the Orange County Assessor.

⁽²⁾ Based on preliminary bond sizing dated April 27, 2016 provided by the Underwriter. Allocated based on share of estimated Fiscal Year 2016-17 levy.

⁽³⁾ As of March 2, 2016. Allocated based on Fiscal Year 2015-16 levy.

⁽⁴⁾ Fiscal Year 2015-16 land and improvement values as of January 1, 2015 provided by the Orange County Assessor.

⁽⁵⁾ Property for which a building permit was issued prior to January 1, 2016.

⁽⁶⁾ Property for which a building permit had not yet been issued as of January 1, 2016.

* Preliminary, subject to change.

Source: David Taussig & Associates, Inc.

Table 6C
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)
Estimated Fiscal Year 2016-17 Top Taxpayers

Owner ⁽¹⁾	Parcels Taxed	Land Use	Estimated Fiscal Year 2016-17 Special Tax Levy ⁽²⁾	Percent of Total Levy
Individual Owners ⁽³⁾	98	Residential	\$345,220	100.00%
Total	98 ⁽³⁾	NA	\$345,220	100.00%

⁽¹⁾ Reflects ownership as of January 1, 2015 provided by the Orange County Assessor.

⁽²⁾ Based on building permits issued as of January 1, 2016.

⁽³⁾ No individual owner is responsible for more than 1.15% of the total levy.

Source: David Taussig & Associates, Inc.

Direct and Overlapping Debt

Table 6 below sets forth the existing authorized indebtedness payable from taxes and assessments that may be levied within the Community Facilities District, prepared by David Taussig & Associates, Inc., and prepared April 4, 2016 (the “Debt Report”). The Debt Report is included for general information purposes only. In certain cases, the percentages of debt calculations are based on assessed values, which will change significantly as sales occur and assessed values increase to reflect housing values. The Community Facilities District believes the information is current as of its date, but makes no representation as to its completeness or accuracy. Other public agencies, such as the County, may issue additional indebtedness at any time, without the consent or approval of the School District or the Community Facilities District. See “ – Overlapping Direct Assessments” below.

The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the Community Facilities District in whole or in part. Such long term obligations are those payable from property taxes or special taxes on land in the Community Facilities District. [Discuss: There may be other long term obligations which are not payable directly from property taxes, assessment or special taxes on land in the Community Facilities District but which may be issued by a public agency and payable only from the general fund or other revenues of such public agency.] Additional indebtedness could be authorized by the Community Facilities District, the School District, the County or other public agencies at any time.

The Community Facilities District has not undertaken to commission annual appraisals of the market value of property in the Community Facilities District for purposes of its Annual Reports pursuant to the Continuing Disclosure Agreement, and information regarding property values for purposes of a direct and overlapping debt analysis which may be contained in such reports will be based on assessed values as determined by the County Assessor. See APPENDIX D hereto for the form of the Community Facilities District Continuing Disclosure Agreement.

Table 7
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)

Detailed Direct and Overlapping Debt
as of April 4, 2016

Overlapping District	Actual Fiscal Year 2015-16 Total Levy	Amount of Levy on Parcels in District ⁽¹⁾	Percent of Levy on Parcels in District	Total Debt Outstanding ⁽²⁾	District Share of Total Debt Outstanding
City of San Juan Capistrano Election 1990, Series 1998 GO Bonds	\$239,342	\$8,392	3.5063%	\$955,000	\$33,485.09
City of San Juan Capistrano Election 2008, Series 2009 GO Bonds	2,138,038	74,966	3.5063	27,010,000	947,050.31
Metropolitan Water District G.O. Bonds	104,828,829	8,205	0.0078	92,865,000	7,268.28
Estimated Share of Overlapping Debt Allocable to the Community Facilities District					\$987,804
Plus the 2016 Bonds					\$6,155,000 ^{(3)*}
Estimated Share of Direct and Overlapping Debt Allocable to the Community Facilities District					\$7,142,804

⁽¹⁾ Based on School District's share of total levy for Fiscal Year 2015-16.

⁽²⁾ Based on outstanding principal as of March 2, 2016.

⁽³⁾ Based on preliminary bond sizing dated April 27, 2016 provided by the Underwriter.

* Preliminary, subject to change.

Source: David Taussig & Associates, Inc.

Tables 8A through 8D below set forth Fiscal Year 2015-16 overall tax rates estimated to be applicable to a Detached Unit.

Table 8A
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)

Fiscal Year 2015-16 Tax Rates
Residential Property
Tax Class 2 (3,750-4,299 Square Feet)

Assessed Value and Property Taxes	Percent of Net AV	Expected Amount	Maximum Amount
TOTAL ASSESSED VALUE ⁽¹⁾			
NET ASSESSED VALUE ⁽¹⁾			
Unit Size for Residential Property ⁽²⁾	4,237 Square Feet		
Lot Size for Residential Property ⁽³⁾	11,064 Square Feet		
AD VALOREM PROPERTY TAXES ⁽⁴⁾			
Basic Levy	1.00000%	\$10,624.49	
Metropolitan Water District G.O. Bonds	0.00350	37.19	
City of San Juan Capistrano Series 1990 Bonds	0.00358	38.04	
City of San Juan Capistrano Series 2008 Bonds	0.03198	339.77	
Total General Property Taxes and Overrides	1.03906%	\$11,039.49	
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES			
Mosquito & Fire Ant Assessment ⁽⁵⁾		\$6.02	
Vector Control Charge ⁽⁶⁾		1.92	
Metropolitan Water District West Standby Charge ⁽⁷⁾		10.08	
Capistrano Unified School District CFD No. 98-1A ⁽⁸⁾		3,985.65	\$4,848.39
Total Assessments and Parcel Charges		\$4,003.67	\$4,866.41
<u>PROJECTED TOTAL PROPERTY TAXES</u>		<u>\$15,043.16</u>	<u>\$15,905.90</u>
Projected Total Effective Tax Rate (as % of Total Assessed Value)		1.40663%	1.48730%

⁽¹⁾ Based on average assessed value for 8 Tax Class 2 residential units sold to individuals as of January 1, 2015, provided by the Orange County Assessor. Net Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on the average unit size for 8 Tax Class 2 residential units.

⁽³⁾ Based on the average lot size for 8 Tax Class 2 residential units.

⁽⁴⁾ Estimated based on actual Fiscal Year 2015-16 *ad valorem* rates.

⁽⁵⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$6.02 per benefit unit. Residential units are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$1.92 per benefit unit. Residential units are assessed at 1 benefit unit.

⁽⁷⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁸⁾ Expected amount based on the Community Facilities District's Reduced Assigned Rates for Fiscal Year 2016-17 of \$3,985.65 per unit for Tax Class 2 property. Maximum amount based on the greater of Fiscal Year 2016-17 Assigned Special Tax or the Fiscal Year 2016-17 Backup Special Tax, where the Fiscal Year 2016-17 Backup Special Tax rate is \$19,089.00 per lot acre. The Assigned and Backup Special Tax rates escalate at two percent per year.

Table 8B
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)

Fiscal Year 2015-16 Tax Rates
Residential Property
Tax Class 3 (3,250-3,749 Square Feet)

Assessed Value and Property Taxes	Percent of Net AV	Expected Amount	Maximum Amount
TOTAL ASSESSED VALUE ⁽¹⁾			
NET ASSESSED VALUE ⁽¹⁾			
Unit Size for Residential Property ⁽²⁾	3,606 Square Feet		
Lot Size for Residential Property ⁽³⁾	10,455 Square Feet		
AD VALOREM PROPERTY TAXES ⁽⁴⁾			
Basic Levy	1.00000%	\$11,378.82	
Metropolitan Water District G.O. Bonds	0.00350	39.83	
City of San Juan Capistrano Series 1990 Bonds	0.00358	40.74	
City of San Juan Capistrano Series 2008 Bonds	0.03198	363.89	
Total General Property Taxes and Overrides	1.03906%	\$11,823.28	
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES			
Mosquito & Fire Ant Assessment ⁽⁵⁾		\$6.02	
Vector Control Charge ⁽⁶⁾		1.92	
Metropolitan Water District West Standby Charge ⁽⁷⁾		10.08	
Capistrano Unified School District CFD No. 98-1A ⁽⁸⁾		3,789.44	\$4,581.52
Total Assessments and Parcel Charges		\$3,807.46	\$4,599.54
<u>PROJECTED TOTAL PROPERTY TAXES</u>		<u>\$15,630.74</u>	<u>\$16,422.82</u>
Projected Total Effective Tax Rate (as % of Total Assessed Value)		1.36527%	1.43446%

⁽¹⁾ Based on average assessed value for 35 Tax Class 3 residential units sold to individuals as of January 1, 2015, provided by the Orange County Assessor. Net Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on the average unit size for 35 Tax Class 3 residential units.

⁽³⁾ Based on the average lot size for 35 Tax Class 3 residential units.

⁽⁴⁾ Estimated based on actual Fiscal Year 2015-16 *ad valorem* rates.

⁽⁵⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$6.02 per benefit unit. Residential units are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$1.92 per benefit unit. Residential units are assessed at 1 benefit unit.

⁽⁷⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁸⁾ Expected amount based on the Community Facilities District's Reduced Assigned Rates for Fiscal Year 2016-17 of \$3,789.44 per unit for Tax Class 3 property. Maximum amount based on the greater of Fiscal Year 2016-17 Assigned Special Tax or the Fiscal Year 2016-17 Backup Special Tax, where the Fiscal Year 2016-17 Backup Special Tax rate is \$19,089.00 per lot acre. The Assigned and Backup Special Tax rates escalate at two percent per year.

Source: David Taussig & Associates, Inc.

Table 8C
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)

Fiscal Year 2015-16 Tax Rates
Residential Property
Tax Class 4 (2,750-3,249 Square Feet)

Assessed Value and Property Taxes	Percent of Net AV	Expected Amount	Maximum Amount
TOTAL ASSESSED VALUE ⁽¹⁾			
NET ASSESSED VALUE ⁽¹⁾			
Unit Size for Residential Property ⁽²⁾	3,119 Square Feet		
Lot Size for Residential Property ⁽³⁾	8,665 Square Feet		
AD VALOREM PROPERTY TAXES ⁽⁴⁾			
Basic Levy	1.00000%	\$11,192.47	
Metropolitan Water District G.O. Bonds	0.00350	39.17	
City of San Juan Capistrano Series 1990 Bonds	0.00358	40.07	
City of San Juan Capistrano Series 2008 Bonds	0.03198	357.94	
Total General Property Taxes and Overrides	1.03906%	\$11,629.65	
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES			
Mosquito & Fire Ant Assessment ⁽⁵⁾		\$6.02	
Vector Control Charge ⁽⁶⁾		1.92	
Metropolitan Water District West Standby Charge ⁽⁷⁾		10.08	
Capistrano Unified School District CFD No. 98-1A ⁽⁸⁾		3,387.45	\$3,797.25
Total Assessments and Parcel Charges		\$3,405.47	\$3,815.27
<u>PROJECTED TOTAL PROPERTY TAXES</u>		<u>\$15,035.12</u>	<u>\$15,444.92</u>
Projected Total Effective Tax Rate (as % of Total Assessed Value)		1.33498%	1.37136%

⁽¹⁾ Based on average assessed value for 48 Tax Class 4 residential units sold to individuals as of January 1, 2015, provided by the Orange County Assessor. Net Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on the average unit size for 48 Tax Class 4 residential units.

⁽³⁾ Based on the average lot size for 48 Tax Class 4 residential units.

⁽⁴⁾ Estimated based on actual Fiscal Year 2015-16 *ad valorem* rates.

⁽⁵⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$6.02 per benefit unit. Residential units are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$1.92 per benefit unit. Residential units are assessed at 1 benefit unit.

⁽⁷⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁸⁾ Expected amount based on the Community Facilities District's Reduced Assigned Rates for Fiscal Year 2016-17 of \$5,387.45 per unit for Tax Class 4 property. Maximum amount based on the greater of Fiscal Year 2016-17 Assigned Special Tax or the Fiscal Year 2016-17 Backup Special Tax, where the Fiscal Year 2016-17 Backup Special Tax rate is \$19,089.00 per lot acre. The Assigned and Backup Special Tax rates escalate at two percent per year.

Source: David Taussig & Associates, Inc.

Table 8D
Community Facilities District No. 98-1A of the
Capistrano Unified School District (Pacifica San Juan)

Fiscal Year 2015-16 Tax Rates
Residential Property
Tax Class 5 (2,300-2,749 Square Feet)

Assessed Value and Property Taxes		Percent of Net AV	Expected Amount	Maximum Amount
TOTAL ASSESSED VALUE ⁽¹⁾	\$814,638			
NET ASSESSED VALUE ⁽¹⁾	\$807,638			
Unit Size for Residential Property ⁽²⁾	2,630 Square Feet			
Lot Size for Residential Property ⁽³⁾	8,892 Square Feet			
AD VALOREM PROPERTY TAXES ⁽⁴⁾				
Basic Levy		1.00000%	\$8,076.38	
Metropolitan Water District G.O. Bonds		0.00350	28.27	
City of San Juan Capistrano Series 1990 Bonds		0.00358	28.91	
City of San Juan Capistrano Series 2008 Bonds		<u>0.03198</u>	<u>258.28</u>	
Total General Property Taxes and Overrides		1.03906%	\$8,391.85	
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES				
Mosquito & Fire Ant Assessment ⁽⁵⁾			\$6.02	
Vector Control Charge ⁽⁶⁾			1.92	
Metropolitan Water District West Standby Charge ⁽⁷⁾			10.08	
Capistrano Unified School District CFD No. 98-1A ⁽⁸⁾			<u>2,386.26</u>	<u>\$3,896.53</u>
Total Assessments and Parcel Charges			\$2,404.28	\$3,914.55
<u>PROJECTED TOTAL PROPERTY TAXES</u>			<u>\$10,796.13</u>	<u>\$12,306.40</u>
Projected Total Effective Tax Rate (as % of Total Assessed Value)			1.32527%	1.51066%

⁽¹⁾ Based on average assessed value for 6 Tax Class 5 residential units sold to individuals as of January 1, 2015, provided by the Orange County Assessor. Net Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on the average unit size for 6 Tax Class 5 residential units.

⁽³⁾ Based on the average lot size for 6 Tax Class 5 residential units.

⁽⁴⁾ Estimated based on actual Fiscal Year 2015-16 *ad valorem* rates.

⁽⁵⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$6.02 per benefit unit. Residential units are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$1.92 per benefit unit. Residential units are assessed at 1 benefit unit.

⁽⁷⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁸⁾ Expected amount based on the Community Facilities District's Reduced Assigned Rates for Fiscal Year 2016-17 of \$2,386.26 per unit for Tax Class 5 property. Maximum amount based on the greater of Fiscal Year 2016-17 Assigned Special Tax or the Fiscal Year 2016-17 Backup Special Tax, where the Fiscal Year 2016-17 Backup Special Tax rate is \$19,089.00 per lot acre. The Assigned and Backup Special Tax rates escalate at two percent per year.

Source: David Taussig & Associates, Inc.

Overlapping Direct Assessments

As indicated in the tables above, properties within the Community Facilities District are subject to a variety of standby charges, direct assessments, maintenance assessments, special assessments and service charges. Most of these charges are in amounts less than \$400 per annum. Other than the Special Taxes levied with respect to the 2016 Bonds, the Community Facilities District is not aware of whether the properties within the Community Facilities District are subject to sewer service charges or special taxes in excess of \$400 per year.

The Community Facilities District has no control over the amount of additional debt payable from taxes or assessments levied on all or a portion of the property within a special district which may be incurred in the future by other governmental agencies, including, but not limited to, the County or any other governmental agency having jurisdiction over all or a portion of the property within the Community Facilities District.

Accordingly, the debt on the property within the Community Facilities District could increase, without any corresponding increase in the value of the property therein, and thereby severely reduce the ratio that exists at the time the 2016 Bonds are issued between the value of the property and the debt secured by other taxes and assessments which may be levied on such property. The incurring of such additional indebtedness could also affect the ability and willingness of the property owners within the Community Facilities District to pay Special Taxes when due.

Moreover, in the event of a delinquency in the payment of Special Taxes, no assurance can be given that the proceeds of any foreclosure sale of the property with delinquent Special Taxes would be sufficient to pay the delinquent Special Taxes. See “BONDOWNERS’ RISKS – Assessed Values.”

HISTORY OF PROPERTY OWNERSHIP

As discussed above, in 1999 the School District formed the Community Facilities District No. 98-1 of the Capistrano Unified School District (Pacifica San Juan), which was, in 2004, amended pursuant to the Mello-Roos Community Facilities Act of 1982 (the “**Act**”), and renamed “Community Facilities District No. 98-1A of the Capistrano Unified School District (Pacifica San Juan).” In connection with the 2004 proceedings, the School District recorded Amendment No. 1 to Notice of Special Tax for Community Facilities District No. 98-1A with respect to the 2004 Amended and Restated Rate and Method.

Development of the project was delayed in 2008, after Lehman Brothers declared bankruptcy. From 2008 through 2015, the property was subject to various proceedings related to the Lehman Brother’s bankruptcy. On May 21, 2015, the property was purchased by a joint venture, Pacific Point Development Partners LLC, a Delaware limited liability company (the “Developer”).

In 2004, all of the taxable property in the Community Facilities District was owned by SJD Partners, LTD, a California limited partnership (“**SJD**”). The School District and SJD entered into the Impact Mitigation Agreement Related to Community Facilities District No. 98-1A, dated as of June 14, 2004 (the “**2004 Mitigation Agreement**”), which provided for the mitigation of the impacts of the development of the overall project on the school facilities of the School District.

The 2004 Mitigation Agreement contemplated that the Community Facilities District would finance (i) school facilities in the amount of \$13,818,000 and (ii) facilities to be owned by the City of San Juan Capistrano (the “City”) in the amount of \$13,800,000 (the “City Facilities”).

Under the Act, in order to finance the City Facilities, the School District, the City, and SJD entered into the Amended and Restated Joint Community Facilities Agreement, dated as of June 14, 2004 (the “2004 JCFA”).

Subsequent to the foregoing, the Overall Project was partially developed by the construction and sale of 98 of the lots to homeowners (the “98 Lots”). As of May 1, 2016, the residual 318 lots (out of the original 416) remain undeveloped.

In 2007, SJD defaulted under the terms of a loan by Lehman ALI Inc., a Delaware corporation (“Lehman ALI”), and on June 18, 2008, Lehman ALI assigned the Deed of Trust and its security interest in the “Loan Documents” (which included the Assignment) to LV Pacific Point LLC, a Delaware limited liability company (“LVPP”). LVPP, as successor-in-interest to Lehman ALI, foreclosed on the Deed of Trust and the assigned security interest in certain loan documents in a unified sale pursuant to *California Commercial Code* Section 9604(a)(1)(B), and was the buyer at the foreclosure sale conducted on August 28, 2008. On September 9, 2008, the Trustee’s Deed Upon Sale was recorded as instrument number 2008000425460 (the “Trustee’s Deed”), making LVPP the owner of the Undeveloped Property and successor to SJD on contracts, agreements, and documents executed or held by SJD in relation to the Overall Project, including all contracts with governmental agencies, including the 2004 JCFA and the 2004 Mitigation Agreement.

On May [19/21], 2015, [Confirm: Pacific Point Development Partners LLC (the “Developer”) purchased all the “Undeveloped Property” (as that term is defined in the Amended and Restated Rate and Method) within the Community Facilities District from LVPP, and became the successor to LVPP and SJD under the 2004 Mitigation Agreement and the 2004 JCFA.

In 2016, as part of the implementation of changes relating to the Community Facilities District to facilitate development of the remaining 318 residential lots, (i) the School District, the Community Facilities District, and the Developer have entered into the “Amended and Restated Joint Community Facilities Agreement” dated March 1, 2016 (the “**Amended and Restated Mitigation Agreement**”), (ii) the School District, the City, the Community Facilities District, and the Developer have entered into the “Second Amended and Restated Joint Community Facilities Agreement” dated March 1, 2016 (the “**Amended and Restated JCFA**”) and (iii) the School District and the Developer have entered into a Purchase and Sale Agreement, dated March 1, 2016, with respect to the acquisition by the School District of a school site within the Community Facilities District (the “**Purchase and Sale Agreement**”).

As part of the agreed-upon changes relating to the Community Facilities District, the School District is in the process of forming a new community facilities district over the 318 lots constituting Undeveloped Property named Community Facilities District No. 98-1B of the Capistrano Unified School District (Pacifica San Juan) (“**CFD No. 98-1B**”).

In conjunction with the formation of CFD No. 98-1B and exercising its powers under the Act to levy special taxes at amounts less than the maximum amount, the School District will record approximately 30 days after formation of CFD No. 98-1B, an amendment to the Community Facilities District’s Notice of Special Tax Lien that will permanently relinquish the authority to levy Special Taxes under the 2004 Amended and Restated Rate and Method to amounts which are 39.67% of the amounts set forth therein as evidenced by the recordation of the Second Amended Notice of Special Tax.

Upon completion of the formation of CFD No. 98-1B, both the Community Facilities District and CFD No. 98-1B will be authorized to finance both School Facilities and City Facilities through: (i) the previous and future levy of Special Taxes on the property in the Community Facilities District and the issuance of bonds secured by the levy of the Special Taxes on the property in the Community Facilities District and (ii) the future levy of CFD No. 98-1B Special Taxes on the property in CFD No. 98-1B and the issuance of bonds secured by the levy of CFD No. 98-1B Special Taxes on the property in CFD No. 98-1B.

See “SECURITY FOR THE 2016 BONDS – Parity Bonds” for the requirements of the Indenture applicable to the issuance of Parity Bonds.

PROPERTY OWNERSHIP AND DEVELOPMENT

The information regarding the Developer and its affiliates, the development plan, and the Developer’s financing plan in this section of the Official Statement has been provided by representatives of the Developer and has not been independently confirmed or verified by the Underwriter, the Community Facilities District or the School District. Neither the Underwriter nor the Community Facilities District makes any representation as to the accuracy or adequacy of the information contained in this section of the Official Statement.

Property Ownership

The information in the following section of the Official Statement entitled “Property Ownership” regarding ownership of certain taxable property in the Community Facilities District has been included because it is considered relevant to an informed evaluation of the 2016 Bonds. The inclusion in this Official Statement of information related to the ownership of certain taxable property in the Community Facilities District should not be construed to suggest that the 2016 Bonds, or the Special Taxes that will be used to pay debt service on the 2016 Bonds, are recourse obligations of any of the property owners mentioned, including the Developer. Any owner of property within the Community Facilities District, including the Developer, may sell or otherwise dispose of land within the Community Facilities District or any interest therein at any time.

On May 19, 2015, Pacific Point Development Partners LLC, a Delaware limited liability company (the “Developer”), purchased from LV Pacific Point LLC, a Delaware limited liability company, undeveloped property within the Community Facilities District, which property is expected to be developed into 318 residential units. The property acquired by the Developer includes 189 existing approved single family lots and 2 large-lot planning areas – The Pearl and The Cove. Final tract maps or condominium maps for the two large lot planning areas are currently being processed through the City of San Juan Capistrano. These maps include 129 proposed units that will bring the total unit count on the Developer’s property to 318 units. Other than the four lots for which building permits have been pulled to construct models, as of May 1, 2016, the property owned by the Developer in the Community Facilities District remains undeveloped.

Pacific Point Development Partners LLC.

[Developer Providing Update] The Developer was formed in 2015 as a Delaware limited liability company. The members of the Developer are: (i) Pacific Point Grand Avenue Partners, LLC a Delaware limited liability company; (ii) Taylor Morrison Pacific Point Holdings, LLC, a Delaware limited liability company (“TMPPH”), the managing member of which is _____ (“_____”); and (iii) PAC VEN I LLC, an Arizona limited liability company (“PAC VEN I”). The _____ of _____ is Taylor Morrison of California, LLC, a California limited liability company (“Taylor Morrison of California”). Additionally, Pacific Point Development Partners LLC entered into a development management agreement with Pacific Ventures Development Management LLC, a Delaware limited liability company (“PVDLM”), whose sole member is DMB Pacific Ventures LLC, a Delaware limited liability company (“DMBPV”).

[Managing Member.

[Developer Providing Update]

PAC VEN I, PVDM and DMBPV

PAC VEN I is a single purpose investment entity whose ownership is comprised of the same members (directly and indirectly) as DMBPV. PVDM is a subsidiary of DMBPV. DMBPV is a privately held real estate investment and development company with offices in Newport Beach, California, San Francisco, California and Phoenix, Arizona that currently manage real estate holdings throughout California and Hawaii.

DMBPV identifies, visions, plans, entitle, permits, develops, manages and operates significant land development and natural resource conservation holdings over a geographically diverse area. Formerly the Pacific Division of DMB Associates, Inc., a diversified real estate development and investment company based in Scottsdale, Arizona, with holdings throughout the western United States, DMBPV was established as an independent entity in 2012 with an initial real estate portfolio that included projects in California (Martis Camp in Placer County, Tejon Mountain Village in Kern County and Redwood City Saltworks in Redwood City) and Hawaii (Kukui’ula on the Island of Kauai).

Development Plan

No assurances can be made that the Developer or any future owner of property within the Community Facilities District will have the resources, willingness, and ability to successfully complete development activities on the property within the Community Facilities District. No representation is made as to the ability (financial or otherwise) of the Developer or any future owner of property within the Community Facilities District to complete development as currently planned. Moreover, the development and financing plans described below are as of the dates indicated; the Developer will continue to evaluate the real estate market and make adjustments to the development and financing plans as determined necessary by the Developer.

Background. The Developer’s property within the Community Facilities District is subject to Final Tract Map Numbers 14196, 15609, 16748, 16749, 16750, 16751 and 16752 (collectively, the “Final Maps”). The Final Maps created 189 single family detached lots. There are also two recorded large lot planning maps, numbers 16747 and 15687, a portion of which maps are expected to be further subdivided, or subjected to a condominium map, into 129 residential units.

Entitlement Status. With the exception of the two large lot planning areas mentioned above, all discretionary entitlements required to complete the development and sale of homes in the Community Facilities District have been received. The Forester Canyon Planned Community Comprehensive Development Plan (CDP 81-01) was initially adopted by the City on March 3, 1982 and was subsequently amended by City Council on March 3, 1998 and September 16, 2003. On June 16, 1992, the City Council certified the Final Environmental Impact Report (“EIR”). A Supplemental Environmental Impact Report was approved by the City on September 2, 2003.

Infrastructure Development. Certain on-site and off-site improvements have been constructed as a condition of developing the property. The Developer intends to construct addition on-site and off-site improvements (the “Remaining Improvements”), and intends to finance such Remaining Improvements using proceeds of the Bonds, as well as internal sources (including home sales revenues, members’ equity) and [TO BE CONFIRMED:] Loan proceeds (as described below). Set forth in Table ____ below is the status of the improvements to the Developer’s property within the Community Facilities District, including the Remaining Improvements.

TABLE ____
STATUS OF REMAINING INFRASTRUCTURE IMPROVEMENTS
(As of May 1, 2016)

<u>Description</u>	<u>Estimated Remaining Cost</u>	<u>Status</u>
Arterial Roadways (Public)		
• Avenida California	\$1,535,000	95% complete. Anticipate opening in Q4, 2016.
• Vista Marina	375,000	95% complete. Anticipate opening in Q4, 2016.
La Novia Ave Improvements	1,682,000	Anticipate start of construction in Q2, 2016.
Valle Road North Improvements	692,000	70% complete
Camino Capistrano @ San Juan Creek	197,000	80% complete
Road Improvements		
In-tract Improvements		
• Tract 14196	403,000	90% complete.
• Tract 15609	2,046,000	30% complete.
• Tract 15687	5,642,000	30% complete.
• Tract 16747	3,783,000	20% complete.
• Tract 16748	0	100% complete
• Tract 16749	0	100% complete
• Tract 16750	440,000	90% complete.
• Tract 16751	1,455,000	20% complete.
• Tract 16752	3,801,000	20% complete.
Re-vegetation (Offsite)	3,150,000	25% complete.
Storm Drain (1)	0	100% complete
Water and Sewer System (1)	0	100% complete
Recreation Center	1,000,000	Anticipate start of construction in Q4, 2016.
Master Overall	<u>9,000,000</u>	This remaining work in ongoing and will be complete by Q4, 2017.
Total	\$30,720,000	

(1) Excludes in-tract improvements.
Source: Developer.

Planned Development. The Developer currently anticipates that it will carry out home development activities on its property within the Community Facilities District and to sell completed homes to individual homeowners. The Developer expects to commence conveying completed homes to individual homeowners in the fourth quarter of 2016, and to convey all of the homes proposed to be built by the Developer to individual homeowners by the first quarter of 2019. *No assurance can be given that future home construction will be carried out, or that the Developer's construction and sale plans will not change after the date of this Official Statement.*

Status of Construction and Sales. As of May 1, 2016, a total of four building permits have been pulled for the property owned by the Developer in the Community Facilities District: two for model homes to be built in the Blue Harbor neighborhood (Tract Map No. 16750) and two for model homes to be built in the Bell Haven neighborhood (Tract Map No. 14196). As of May 1, 2016, no construction on any of the proposed units has commenced and no sales have been made.

Table ____ below shows the number of planned units within each product line, as well as the currently expected timing for completion of construction and sales.

TABLE
ESTIMATED CONSTRUCTION AND SALES SCHEDULE
(As of May 1, 2016)

<u>Tract No.</u>	<u>Product</u>	<u>Plan</u>	<u>Projected Square Footage</u>	<u>Number of Lots</u>	<u>Projected Base Home Price</u>	<u>Anticipated Construction Completion Date</u>	<u>Anticipated Sales Date</u>
16750	Blue Harbor	1	2,563	5	\$1,130,000	Q1, 2017	Q1, 2016 – Q3, 2017
16750	Blue Harbor	2	3,210	4	\$1,260,000	Q1, 2017	Q1, 2016 – Q3, 2017
16750	Blue Harbor	3	3,679	6	\$1,395,000	Q1, 2017	Q1, 2016 – Q3, 2017
16750	Blue Harbor	4	4,272	8	\$1,565,000	Q1, 2017	Q1, 2016 – Q3, 2017
				<u>23</u>			
14196	Belle Haven	1	2,653	5	\$1,295,000	Q1, 2017	Q1, 2016 – Q3, 2017
14196	Belle Haven	2	3,356	16	\$1,425,000	Q1, 2017	Q1, 2016 – Q3, 2017
14196	Belle Haven	3	3,649	18	\$1,495,000	Q1, 2017	Q1, 2016 – Q3, 2017
				<u>39</u>			
16751	Crystal Downs North	1	2,474	5	\$1,240,000	Q4, 2018	Q2, 2017 – Q3, 2018
16751	Crystal Downs North	2	2,637	3	\$1,285,000	Q4, 2018	Q2, 2017 – Q3, 2018
16751	Crystal Downs North	3	3,679	5	\$1,485,000	Q4, 2018	Q2, 2017 – Q3, 2018
16751	Crystal Downs North	4	4,272	4	\$1,655,000	Q4, 2018	Q2, 2017 – Q3, 2018
16751	Crystal Downs North	5	4,546	5	\$1,735,000	Q4, 2018	Q2, 2017 – Q3, 2018
				<u>22</u>			
16752	Crystal Downs	1	2,474	7	\$1,240,000	Q4, 2018	Q2, 2017 – Q1, 2019
16752	Crystal Downs	2	2,637	20	\$1,285,000	Q4, 2018	Q2, 2017 – Q1, 2019
16752	Crystal Downs	3	3,679	18	\$1,485,000	Q4, 2018	Q2, 2017 – Q1, 2019
16752	Crystal Downs	4	4,272	18	\$1,655,000	Q4, 2018	Q2, 2017 – Q1, 2019
16752	Crystal Downs	5	4,546	19	\$1,735,000	Q4, 2018	Q2, 2017 – Q1, 2019
				<u>82</u>			
15609	The Peninsula	1	4,146	4	\$1,865,000	Q2, 2018	Q4, 2017 – Q3, 2018
15609	The Peninsula	2	4,574	9	\$1,950,000	Q2, 2018	Q4, 2017 – Q3, 2018
15609	The Peninsula	3	5,306	10	\$2,100,000	Q2, 2018	Q4, 2017 – Q3, 2018
				<u>23</u>			
16747 (1)	The Cove	1	1,811	22	\$695,000	Q1, 2018	Q3, 2017 – Q4, 2018
	The Cove	2	1,913	24	\$725,000	Q1, 2018	Q3, 2017 – Q4, 2018
	The Cove	3	2,080	24	\$750,000	Q1, 2018	Q3, 2017 – Q4, 2018
				<u>70</u>			
15687 (1)	The Pearl	1	2,496	22	\$1,200,000	Q1, 2018	Q3, 2017 – Q3, 2018
	The Pearl	2	2,191	23	\$1,115,000	Q1, 2018	Q3, 2017 – Q3, 2018
	The Pearl	3	3,037	14	\$1,355,000	Q1, 2018	Q3, 2017 – Q3, 2018
				<u>59</u>			
Total Lots				318			

(1) The large lot maps for The Cove and The Pearl neighborhoods have not yet been subdivided into the plans depicted in the above table.
Source: Developer.

Financing Plan

[DEVELOPER TO CONFIRM:]

Estimated Cost of Development. As of May 1, 2016, the Developer has expended approximately \$160 million in land acquisition and various site development and home construction costs and other development, marketing and sales costs (exclusive of internal financing payment, corporate overhead allocation and other carrying costs) related to its property in the Community Facilities District. The Developer estimates that it will require approximately an additional \$200 million to complete the development and sale and conveyance to individual homes buyers of the residences planned to be constructed on the 318 undeveloped lots in the Community Facilities District.

Sources of Financing. The Developer plans to finance its development activities within the Community Facilities District with a combination of internal sources, home sales proceeds and the proceeds of the Loan (as defined below). The Developer has or intends to use some or all of these sources of funds to finance the acquisition of the property within the Community Facilities District, the development costs required as a condition of development and the construction, marketing and carrying costs of residential home construction, including property taxes and the Special Taxes while it owns the property.

[The Loan.] [Developer Providing Update.]

Notwithstanding the belief of the Developer that it will have sufficient funds to complete its planned development in the Community Facilities District, no assurance can be given that sources of financing available to the Developer will be sufficient to complete the property development and home construction as currently anticipated. While the Developer has made such internal financing available in the past, there can be no assurance whatsoever of its willingness or ability to do so in the future. Neither the Developer nor any of its affiliates has any legal obligation of any kind to make any such funds available or to obtain loans. Other than pointing out the willingness of the Developer to provide internal financing in the past, the Developer has not represented in any way that it will do so in the future. If and to the extent that internal financing, Bond proceeds, the Loan and home sales revenues are inadequate to pay the costs to complete the Developer's planned development in the Community Facilities District and other financing by the Developer is not put into place, there could be a shortfall in the funds required to complete the proposed development by the Developer and portions of the Project may not be developed.

The development and financing plans discussed above are solely projections as of the dates indicated in this Official Statement. Such plans are subject to change. No assurance can be given that such plans will remain in their current state or that the plans will ultimately be carried out according to the discussions set forth above.

BONDOWNERS' RISKS

In addition to the other information contained in this Official Statement, the following risk factors should be carefully considered in evaluating the investment quality of the 2016 Bonds. The Community Facilities District and the Underwriter caution prospective investors that this discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the 2016 Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the Community Facilities District to pay their Special Taxes when due. Any such failure to pay Special Taxes could result in the inability of the Community Facilities District to make full and punctual payments of debt service on the 2016 Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the Community Facilities District.

Risks of Real Estate Secured Investments Generally

The Bondowners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Community Facilities District, the supply of or demand for competitive properties in such area, and the market value of residential property in the event of sale or foreclosure; (ii) changes in real estate tax rate and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes, landslides, wildfires, floods and droughts), which may result in uninsured losses.

Economic Uncertainty

In recent years, there have been local economic uncertainty and volatility within the region. Unemployment rates as of January 2016 have decreased to approximately 4.4% for the City of San Juan Capistrano (not seasonally adjusted) as compared to 4.5% for calendar year 2015, and approximately 4.0% (not seasonally adjusted) for Orange County as compared to 4.2% for calendar year 2015. The Community Facilities District cannot predict future economic conditions or whether or to what extent economic conditions may affect the ability of homeowners to pay Special Taxes or the marketability of the 2016 Bonds.

State Budget

As a result of the slow State and national economies, the State in recent years experienced serious budgetary shortfalls. The effect of the State revenue shortfalls on the local or State economy or on the demand for, or value of, the property within the Community Facilities District cannot be predicted.

Special Taxes Are Not Personal Obligations

The current and future owners of land within the Community Facilities District are not personally liable for the payment of the Special Taxes. Rather, the Special Tax is an obligation only of the land within the Community Facilities District. If the value of the land within the Community Facilities District is not sufficient to fully secure the Special Tax, then the Community Facilities District has no recourse against the landowner under the laws by which the Special Tax has been levied and the 2016 Bonds have been issued.

The 2016 Bonds Are Limited Obligations of the Community Facilities District

The Community Facilities District has no obligation to pay principal of and interest on the 2016 Bonds in the event Special Tax collections are delinquent, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent, nor is the Community Facilities District obligated to advance funds to pay such debt service on the 2016 Bonds.

Neither the faith and credit nor the taxing power of the School District, the State or any political subdivision thereof other than the Community Facilities District is pledged to the payment of the 2016 Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the 2016 Bonds. The 2016 Bonds are not general or special obligations of the School District, the State or any political subdivision thereof nor general obligations of the Community Facilities District, but are special obligations of the Community Facilities District, payable solely from Net Special Taxes and the other assets pledged therefor under the Indenture.

Assessed Values

Prospective purchasers of the 2016 Bonds should not assume that the land within the Community Facilities District could be sold for the assessed amount described in this Official Statement at a foreclosure sale for delinquent Special Taxes.

The assessed values summarized herein estimate the fee simple interest assessed value of the property within the Community Facilities District. This value is merely the amount of the assessed value in the records maintained by the County Assessor. The assessed value relates to sale by a willing seller to a willing buyer at a point in time, as adjusted by State law. Consequently, the assessed value is of limited use in predicting the selling price at a foreclosure sale, because the sale is forced and the buyer may not have the benefit of full information.

No assurance can be given that if any of the Taxable Property in the Community Facilities District should become delinquent in the payment of the Special Taxes, and be foreclosed upon, that such property could be sold for the assessed value. See “Value-to-Lien Ratios,” below.

Value-to-Lien Ratios

Value-to-lien ratios have traditionally been used in land-secured bond issues as a measure of the “collateral” supporting the willingness of property owners to pay their special taxes and assessments (and, in effect, their general property taxes as well). The value-to-lien ratio is mathematically a fraction, the numerator of which is the value of the property (usually either the assessed value or a market value as determined by an appraiser) and the denominator of which is the “lien” of the assessments or special taxes as represented by the principal amount of bonds repaid by such assessment or special tax. A value-to-lien ratio should not, however, be viewed as a guarantee of credit-worthiness. Land values are especially sensitive to economic cycles. A downturn of the economy may depress land values and hence the value-to-lien ratios. Further, the value-to-lien ratio typically cited for a bond issue is an average. Individual parcels in a community facilities district may fall above or below the average, sometimes even below a 1:1 ratio. (With a 1:1 ratio, the land is worth less than the debt on it.) Although judicial foreclosure proceedings can be initiated rapidly, the process can take several years to complete, and the bankruptcy courts may impede the foreclosure action. Finally, local agencies may form overlapping community facilities districts or assessment districts. Such local agencies typically do not coordinate their bond issuances. Debt issuance by an entity other than the Community Facilities District can therefore dilute value-to-lien ratios. See “THE COMMUNITY FACILITIES DISTRICT – Direct and Overlapping Debt.”

Burden of Parity Liens, Taxes and Other Special Assessments on the Taxable Property

While the Special Taxes are secured by the Taxable Property, the security only extends to the value of such Taxable Property that is not subject to priority and parity liens and similar claims.

Table 7 in the section entitled “THE COMMUNITY FACILITIES DISTRICT – Direct and Overlapping Debt” sets forth the presently outstanding amount of governmental obligations (with stated exclusions), the tax or assessment for which is or may become an obligation of one or more of the parcels of Taxable Property. The table does not specifically identify which of the governmental obligations are secured by liens on one or more of the parcels of Taxable Property.

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of Taxable Property and may be secured by a lien on a parity with the lien of the Special Tax securing the 2016 Bonds.

In general, as long as the Special Tax is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Special Taxes securing the 2016 Bonds, the Special Tax will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro rata basis. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of Taxable Property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy.

While governmental taxes, assessments and charges are a common claim against the value of a parcel of Taxable Property, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to pay the Special Tax is a claim with regard to a hazardous substance. See “Factors Affecting Parcel Values and Aggregate Value – *Hazardous Substances*” below.

Disclosure to Future Purchasers

On [____], 2016, the Community Facilities District recorded the Second Amended Notice of Special Tax Lien which effects the Relinquishment in the Office of the Orange County Recorder, as Document No. [2016____]. The Community Facilities District had previously recorded Amendment No. 1 to Notice of Special Tax Lien for the Community Facilities District in the Office of the Orange County Recorder on June 25, 2004, as Document No. 2004000580583 in connection with the 2004 Amended and Restated Rate and Method. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a parcel of land or a home in the Community Facilities District or the lending of money thereon. The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers, other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to

consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Special Tax Delinquencies

In order to pay debt service on the 2016 Bonds, it is necessary that the Special Taxes be paid in a timely manner. Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the 2016 Bonds are derived, are customarily billed to the properties within the Community Facilities District, as applicable, on the regular *ad valorem* property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular *ad valorem* property tax installments. The unwillingness or inability of a property owner to pay *ad valorem* property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Tax installment payments in the future. If a substantial number of homeowners fail to pay the Special Taxes when due there could be significant special tax delinquencies.

Insufficiency of the Special Tax

The principal source of payment of principal of and interest on the 2016 Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the Community Facilities District. The annual levy of the Special Tax is subject to the maximum tax rates authorized. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the 2016 Bonds. Other funds which might be available include funds derived from the payment of penalties on delinquent Special Taxes and funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular Taxable Property and the amount of the levy of the Special Tax against such parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of such parcels and the proportionate share of debt service on the 2016 Bonds, and certainly not a direct relationship.

The Special Tax levied in any particular tax year on a Taxable Property is based upon the revenue needs and application of the Amended and Restated Rate and Method. Application of the Amended and Restated Rate and Method will, in turn, be dependent upon certain development factors with respect to each Taxable Property by comparison with similar development factors with respect to the other Taxable Property within the Community Facilities District. Thus, in addition to annual variations of the revenue needs from the Special Tax, the following are some of the factors which might cause the levy of the Special Tax on any particular Taxable Property to vary from the Special Tax that might otherwise be expected:

- (1) Reduction in the amount of Taxable Property, for such reasons as acquisition of Taxable Property by a government and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.
- (2) Failure of the owners of Taxable Property to pay the Special Tax and delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.

Except as set forth above under “SECURITY FOR THE 2016 BONDS – Special Taxes” and “ – Amended and Restated Rate and Method” herein, the Indenture provides that the Special Tax is to be

collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in “SECURITY FOR THE 2016 BONDS – Proceeds of Foreclosure Sales” and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to owners of the 2016 Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the Community Facilities District of the proceeds of sale if the Reserve Fund is depleted. See “SECURITY FOR THE 2016 BONDS – Proceeds of Foreclosure Sales.”

In addition, the Amended and Restated Rate and Method limits the increase of Special Taxes levied on parcels of Developed Property to cure delinquencies of other property owners in the Community Facilities District. See “SECURITY FOR THE 2016 BONDS – Amended and Restated Rate and Method” herein.

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Amended and Restated Rate and Method (see “SECURITY FOR THE 2016 BONDS – Amended and Restated Rate and Method” herein). In addition, the Act provides that properties or entities of the state, federal or local government are exempt from the Special Tax; *provided, however*, that property within the Community Facilities District acquired by a public entity subsequent to adoption of the Resolution of Formation through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. It is possible that property acquired by a public entity following a tax sale or foreclosure based upon failure to pay taxes could become exempt from the Special Tax. In addition, although the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Tax. In the event that additional property is dedicated to the School District or other public entities, this additional property might become exempt from the Special Tax.

The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

Depletion of Reserve Fund

The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement (see “SECURITY FOR THE 2016 BONDS – Reserve Fund” herein). Funds in the Reserve Fund may be used to pay principal of and interest on the 2016 Bonds, in the event the proceeds of the levy and collection of the Special Tax against property within the Community Facilities District are insufficient. If funds in the Reserve Fund are depleted, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay all amounts to be paid to the Bondowners pursuant to the Indenture. However, no replenishment from the proceeds of a Special Tax levy can occur as long as the proceeds that are collected from the levy of the Special Tax against property within the Community Facilities District, at the maximum tax rates, together with other available funds, remains insufficient to pay all such amounts. Thus it is possible that the Reserve Fund will be depleted and not be replenished by the levy of the Special Tax.

Potential Delay and Limitations in Foreclosure Proceedings

The payment of property owners' taxes and the ability of the Community Facilities District to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings, may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. See "SECURITY FOR THE 2016 BONDS – Proceeds of Foreclosure Sales" and "BONDOWNERS' RISKS – Bankruptcy and Foreclosure Delay" herein. In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

The ability of the Community Facilities District to collect interest and penalties specified by State law and to foreclose against properties having delinquent Special Tax installments may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the "FDIC"), the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Drug Enforcement Agency, the Internal Revenue Service or other similar federal governmental agencies has or obtains an interest. See "BONDOWNERS' RISKS – Payments by FDIC, Fannie Mae, Freddie Mac and Other Federal Agencies" herein.

Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of such military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

The Community Facilities District and the School District are unable to predict what effect the application of a policy statement by the FDIC regarding payment of state and local real property taxes would have in the event of a delinquency on a parcel within the Community Facilities District in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed at a judicial foreclosure sale would likely reduce or eliminate the persons willing to purchase a parcel at a foreclosure sale.

In addition, potential investors should be aware that judicial foreclosure proceedings are not summary remedies and can be subject to significant procedural and other delays caused by crowded court calendars and other factors beyond the control of the Community Facilities District or the School District. Potential investors should assume that, under current conditions, it is estimated that a judicial foreclosure of the lien of Special Taxes may take up to two or three years from initiation to the lien foreclosure sale. At a Special Tax lien foreclosure sale, each parcel will be sold for not less than the "minimum bid amount" which is equal to the sum of all delinquent Special Tax installments, penalties and interest thereon, costs of collection (including reasonable attorneys' fees), post-judgment interest and costs of sale. Each parcel is sold at foreclosure for the amounts secured by the Special Tax lien on such parcel and multiple parcels may not be aggregated in a single "bulk" foreclosure sale. If any parcel fails to obtain a "minimum bid," the Community Facilities District may, but is not obligated to, seek superior court approval to sell such parcel at an amount less than the minimum bid. Such superior court approval requires the consent of the owners of 75% of the aggregate principal amount of the outstanding Bonds.

Delays and uncertainties in the Special Tax lien foreclosure process create significant risks for Bondowners. High rates of special tax payment delinquencies which continue during the pendency of protracted Special Tax lien foreclosure proceedings, could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of property upon foreclosure. In that event, there could be a

default in payment of the principal of, and interest on, the 2016 Bonds. See “Special Taxes Are Not Personal Obligations” above.

If a judgment of foreclosure and order of sale is obtained, the judgment creditor (the Community Facilities District) must cause a Notice of Levy to be issued. Under current law, a judgment debtor (property owner) has 120 days (or in some cases a shorter period) from the date of service of the Notice of Levy and 20 days from the subsequent notice of sale in which to redeem the property to be sold. If a judgment debtor fails to so redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made. The constitutionality of the aforementioned legislation, which repeals the former one-year redemption period, has not been tested; and there can be no assurance that, if tested, such legislation will be upheld. Any parcel subject to foreclosure sale must be sold at the minimum bid price unless a lesser minimum bid price is authorized by the Owners of 75% of the aggregate principal amount of the 2016 Bonds Outstanding.

No assurances can be given that the real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the School District or the Community Facilities District to purchase or otherwise acquire any lot or parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale. The Act does specify that the Special Tax will have the same lien priority in the case of delinquency as do ad valorem property taxes.

If the Reserve Fund is depleted and delinquencies in the payment of Special Taxes exist, there could be a default or delay in payments to the Bondowners pending prosecution of foreclosure proceedings and receipt by the Community Facilities District of foreclosure sale proceeds, if any. However, within the limits of the Amended and Restated Rate and Method and the Act, the Community Facilities District may adjust the Special Taxes levied on all property in the Community Facilities District in future Fiscal Years to provide an amount, taking into account such delinquencies, required to pay debt service on the 2016 Bonds and to replenish the Reserve Fund. There is, however, no assurance that the maximum Special Tax rates will be at all times sufficient to pay the amounts required to be paid on the 2016 Bonds by Indenture. The levy of Special Taxes is subject to the maximum annual amount of Special Taxes authorized by the qualified voters of the Community Facilities District and the limitation imposed by Section 53321 of the Act as applied to the Community Facilities District. See “SECURITY FOR THE 2016 BONDS – Special Tax Levy.”

Bankruptcy and Foreclosure Delay

The payment of Special Taxes and the ability of the Community Facilities District to foreclose the lien of a delinquent Special Taxes as discussed in the section herein entitled “SECURITY FOR THE 2016 BONDS” may be limited by bankruptcy, insolvency, or other laws generally affecting creditors’ rights or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a judicial foreclosure may be delayed due to congested local court calendars or procedural delays.

The various legal opinions to be delivered concurrently with the delivery of the 2016 Bonds (including Bond Counsel’s approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although bankruptcy proceedings would not cause the obligation to pay the Special Tax to become extinguished, bankruptcy of a property owner or of a partner or other equity owner of a property owner, could result in a stay of enforcement of the lien for the Special Taxes, a delay in prosecuting

superior court foreclosure proceedings or adversely affect the ability or willingness of a property owner to pay the Special Taxes and could result in the possibility of delinquent Special Taxes not being paid in full. In addition, the amount of any lien on property securing the payment of delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Special Tax, or any such delay or non-payment, would increase the likelihood of a delay or default in payment of the principal of and interest on the 2016 Bonds and the possibility of delinquent Special Taxes not being paid in full. Moreover, amounts received upon foreclosure sales may not be sufficient to fully discharge delinquent installments. To the extent that a significant percentage of the property in the Community Facilities District is owned any property owner, and Special Taxes have been levied on such property, and such owner is the subject of bankruptcy proceedings, the payment of the Special Tax and the ability of the Community Facilities District to foreclose the lien of a delinquent unpaid Special Tax could be extremely curtailed by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glasply Marine Industries*. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on the property. The court upheld the priority of unpaid taxes imposed after the filing of the bankruptcy petition as "administrative expenses" of the bankruptcy estate, payable after all secured creditors. As a result, the secured creditor was able to foreclose on the property and retain all of the proceeds of the sale except the amount of the pre-petition taxes.

According to the court's ruling, as administrative expenses, post-petition taxes would have to be paid, assuming that the debtor has sufficient assets to do so. In certain circumstances, payment of such administrative expenses may be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise) it would at that time become subject to current *ad valorem* taxes.

The Act provides that the Special Taxes are secured by a continuing lien, which is subject to the same lien priority in the case of delinquency as *ad valorem* taxes. No case law exists with respect to how a bankruptcy court would treat the lien for the Special Taxes levied after the filing of a petition in bankruptcy. *Glasply* is controlling precedent for bankruptcy courts in the State. If the *Glasply* precedent was applied to the levy of the Special Tax, the amount of Special Tax received from parcels whose owners declare bankruptcy could be reduced.

It should also be noted that on October 22, 1994, Congress enacted 11 U.S. C. Section 362(b)(18), which added a new exception to the automatic stay for *ad valorem* property taxes imposed by a political subdivision after the filing of a bankruptcy petition. Pursuant to this new provision of law, in the event of a bankruptcy petition filed on or after October 22, 1994, the lien for *ad valorem* taxes in subsequent fiscal years will attach even if the property is part of the bankruptcy estate. Bondowners should be aware that the potential effect of 11 U.S. C. Section 362(b)(18) on the Special Taxes depends upon whether a court were to determine that the Special Taxes should be treated like *ad valorem* taxes for this purpose.

Payments by FDIC, Fannie Mae, Freddie Mac and Other Federal Agencies

The ability of the Community Facilities District to collect interest and penalties specified by State law and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to properties in which the FDIC, Fannie Mae, Freddie Mac, the Federal National Mortgage Association, the

Drug Enforcement Agency, the Internal Revenue Service or other similar federal governmental agencies has or obtains an interest.

FDIC. Specifically, with respect to the FDIC, on June 4, 1991, the FDIC issued a Statement of Policy Regarding the Payment of State and Local Property Taxes (the “1991 Policy Statement”). The 1991 Policy Statement was revised and superseded by new Policy Statement effective January 9, 1997 (the “Policy Statement”). The Policy Statement provides that real property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property’s value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution’s affairs, unless abandonment of the FDIC’s interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC’s consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC’s consent.

The Policy Statement states that the FDIC generally will not pay non *ad valorem* taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Act and a special tax formula which determines the special tax due each year, are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC’s federal immunity.

The Community Facilities District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the Community Facilities District in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Owners of the 2016 Bonds should assume that the Community Facilities District will be unable to collect Special Taxes or to foreclose on any parcel within the Community Facilities District owned by the FDIC. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, a default in payment on the 2016 Bonds. Based upon the secured tax roll as of January 1, 2015, the FDIC did not own any of the property in the Community Facilities District. The Community Facilities District expresses no view concerning the likelihood that the risks described above will materialize while the 2016 Bonds are outstanding.

Mortgage Interests. Similarly, in the event a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution (“This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding”), in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means

that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments. Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the Community Facilities District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. For a discussion of risks associated with taxable parcels within the Community Facilities District becoming owned by the federal government, federal government entities or federal government sponsored entities, see " – Exempt Properties" above.

Factors Affecting Parcel Values and Aggregate Value

Geologic, Topographic and Climatic Conditions. The value of the Taxable Property in the Community Facilities District in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on the parcels of Taxable Property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes and volcanic eruptions, topographic conditions such as earth movements, landslides, liquefaction, floods or fires, and climatic conditions such as tornadoes, droughts, and the possible reduction in water allocation or availability. It can be expected that one or more of such conditions may occur and may result in damage to improvements of varying seriousness, that the damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the Taxable Property may well depreciate or disappear.

Seismic Conditions. The Community Facilities District is located in a seismically active region in Southern California. In the event of a severe earthquake, there may be significant damage to both property and infrastructure in the Community Facilities District. As a result, the property owners may be unable or unwilling to pay the Special Taxes when due, and the Reserve Fund may eventually become depleted. In addition, the value of land in the Community Facilities District could be diminished in the aftermath of such natural events, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes. Development within the Community Facilities District has been built in accordance with applicable building codes, including requirements relating to seismic safety. No assurances can be given that any earthquake insurance will be obtained as to any of the improvements within the Community Facilities District.

January 17, 2014, Governor's State of Emergency Proclamation Regarding Drought. On January 17, 2014, with California facing water shortfalls in the then driest year in recorded state history, Governor Edmund G. Brown Jr. proclaimed a State of Emergency and directed state officials to take all necessary actions to prepare for these drought conditions. In the State of Emergency declaration, Governor Brown directed state officials to assist farmers and communities that are economically impacted by dry conditions and to ensure the State can respond if Californians face drinking water shortages. The Governor also directed state agencies to use less water and hire more firefighters and initiated a greatly expanded water conservation public awareness. In addition, the proclamation gave state water officials more flexibility to manage supply throughout California under drought conditions.

The Governor's State of Emergency Proclamation follows a series of actions the administration took to ensure that California is prepared for record dry conditions. In May 2013, Governor Brown issued an Executive Order to direct state water officials to expedite the review and processing of voluntary transfers of water and water rights. In December 2014, the Governor formed a Drought Task Force to

review expected water allocations, California's preparedness for water scarcity and whether conditions merit a drought declaration.

On April 1, 2015, for the first time in state history, the Governor directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25%. California set a new "low water" mark on April 1, 2015, with its early-April snowpack measurement. The statewide electronic reading of the snowpack's water content stood at 5% of the April 1st average. April 1, 2015's content was only 1.4 inches, or 5% of the 28-inch average. The lowest previous reading since 1950 was 25% of average, so Water Year 2015 is the driest winter in California's written record. On November 13, 2015, the Governor issued an executive order which stated that if the drought conditions persist through January 2016, the Water Board shall extend until October 31, 2016, restrictions to achieve a statewide reduction in urban potable water usage, that the Water Board consider modifying existing restrictions to address use of potable and non-potable water, and that the California Public Utilities Commission be requested to take similar action with respect to investor owned utilities providing water service. On March 17, 2016, the Department of Water Resources announced a revised 2016 allocation of 45% for customers of the State Water Project. Depending upon the amount of rain and snow that reaches California this winter, the allocation maybe increased or decreased.

The historic drought has lasted for years and will not be resolved by a single year's rainfall. The implementation of mandatory water reductions is ongoing. The Community Facilities District cannot predict how long the drought conditions will last, what effect drought conditions may have on property values or whether to what extent water reduction requirements may affect the homeowners or development in the Community Facilities District.

Hazardous Substances. One of the most serious risks in terms of the potential reduction in the value of Taxable Property is a claim with regard to a hazardous substance. In general, the owners and operators of Taxable Property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but State laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Taxable Property be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

Further, it is possible that liabilities may arise in the future with respect to any of the Taxable Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but that may in the future be so classified. Such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of Taxable Property that is realizable upon a delinquency and subsequent institution of foreclosure proceedings. See "SECURITY FOR THE 2016 BONDS" for more information.

Legal Requirements. Other events which may affect the value of a parcel of Taxable Property in the Community Facilities District include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures.

No Acceleration Provisions

The 2016 Bonds do not contain a provision allowing for the acceleration of the 2016 Bonds in the event of a payment default or other default under the terms of the 2016 Bonds or the Indenture. Pursuant to the Indenture, a Bondowner is given the right for the equal benefit and protection of all Bondowners similarly situated to pursue certain remedies (see APPENDIX C – “Summary of Certain Provisions of the Indenture” herein). So long as the 2016 Bonds are in book-entry form, DTC will be the sole Bondowner. See APPENDIX F – “Book-Entry System.

Community Facilities District Formation

California voters, on June 6, 1978, approved an amendment (“Article XIII A”) to the California Constitution. Section 4 of Article XIII A, requires a vote of two-thirds of the qualified electorate to impose “special taxes,” or any additional *ad valorem*, sales or transaction taxes on real property. At an election held within the Community Facilities District pursuant to the Act, more than two-thirds of the qualified electors within the Community Facilities District, consisting of the landowners within the boundaries of the Community Facilities District, authorized the Community Facilities District to incur bonded indebtedness to finance School District facilities and City facilities and approved the Amended and Restated Rate and Method. The Supreme Court of the State has not yet decided whether landowner elections (as opposed to resident elections) satisfy requirements of Section 4 of Article XIII A, nor has the Supreme Court decided whether the special taxes of a community facilities district constitute a “special tax” for purposes of Article XIII A.

Section 53341 of the Act requires that any action or proceeding to attack, review, set aside, void or annul the levy of a special tax or an increase in a special tax pursuant to the Act will be commenced within 30 days after the special tax is approved by the voters. No such action has been filed with respect to Special Tax.

Billing of Special Taxes

A special tax formula can result in a substantially heavier property tax burden being imposed upon properties within a community facilities district than elsewhere in a city or county, and this in turn can lead to problems in the collection of the special tax. In some community facilities districts the taxpayers have refused to pay the special tax and have commenced litigation challenging the special tax, the community facilities district and the bonds issued by the community facilities district.

Under provisions of the Act, the Special Taxes are billed to the properties within the Community Facilities District which were entered on the Assessment Roll of the County Assessor by January 1 of the previous fiscal year on the regular property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. These Special Tax installment payments cannot be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and installment payments of Special Taxes in the future. See “SECURITY FOR THE 2016 BONDS – Proceeds of Foreclosure Sales” for a discussion of the provisions which apply and procedures which the Community Facilities District is obligated to follow in the event of delinquency in the payment of installments of Special Taxes.

Inability to Collect Special Taxes

In order to pay debt service on the 2016 Bonds, it is necessary that the Special Tax levied against land within the Community Facilities District be paid in a timely manner. The Community Facilities District has covenanted in the Indenture under certain conditions to institute foreclosure proceedings against property with delinquent Special Tax in order to obtain funds to pay debt service on the 2016 Bonds. If foreclosure proceedings were instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Tax to protect its security interest. In the event such superior court foreclosure is necessary, there could be a delay in principal and interest payments to the owners of the 2016 Bonds pending prosecution of the foreclosure proceedings and receipt of the proceeds of the foreclosure sale, if any. No assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. Although the Act authorizes the Board to cause such an action to be commenced and diligently pursued to completion, the Act does not specify the obligations of the Board with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale if there is no other purchaser at such sale. See “SECURITY FOR THE 2016 BONDS – Proceeds of Foreclosure Sales.”

Right to Vote on Taxes Act

An initiative measure, Proposition 218, commonly referred to as the “Right to Vote on Taxes Act” (the “Initiative”) was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Article XIIC (“Article XIIC”) and Article XIID to the California Constitution. According to the “Title and Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” The provisions of the Initiative as they may relate to community facilities districts are subject to interpretation by the courts.

Among other things, Section 3 of Article XIIC states that “. . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge.” The Act provides for a procedure, which includes notice hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

“Section 3 of Article XIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution.”

Accordingly, although the matter is not free from doubt, it is likely that the Initiative has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the 2016 Bonds.

It may be possible, however, for voters of the Community Facilities District to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the 2016 Bonds but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels.

Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the 2016 Bonds.

The Act also establishes time limits for initiating any challenge to the validity of special taxes levied pursuant to the Act and any challenge to the validity of bonds issued pursuant to the Act. Section 53341 of the Act provides that:

“Any action or proceeding to attack, review, set aside, void, or annul the levy of a special tax or an increase in a special tax pursuant to this chapter shall be commenced within 30 days after the special tax is approved by the voters. Any appeal from a final judgment in that action or proceeding shall be perfected within 30 days after the entry of judgment.”

Section 53359 of the Act provides that:

“An action to determine the validity of bonds issued pursuant to this chapter or the validity of any special taxes levied pursuant to this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure but shall, notwithstanding the time limits specified in Section 860 of the Code of Civil Procedure, be commenced within 30 days after the voters approve the issuance of the bonds or the special tax if the action is brought by an interested person pursuant to Section 863 of the Code of Civil Procedure. Any appeal from a judgment in that action or proceeding shall be commenced within 30 days after entry of judgment.”

Based on the forgoing, with respect to any challenge to the validity of the Special Tax or the 2016 Bonds and Parity Bonds, if any, the Community Facilities District believe that under current State law the time for initiating any such legal challenge has expired.

Like its antecedents, the Initiative is likely to undergo both judicial and legislative scrutiny before its impact on the Community Facilities District and its obligations can be determined. Certain provisions of the Initiative may be examined by the courts for their constitutionality under both State and federal constitutional law. The Community Facilities District is not able to predict the outcome of any such examination.

For example, on August 1, 2014, in *City of San Diego v. Shapiro*, an Appellate Court ruled that an election held by the City of San Diego to authorize the levying of special taxes on hotels City-wide pursuant to a City ordinance which created a convention center facilities district and which specifically defined the electorate to consist solely of (1) the owners of real property in the City on which a hotel is located, and (2) the lessees of real property owned by a governmental entity on which a hotel is located, was invalid under the California Constitution because such landowners and lessees are neither “qualified electors” of the City for purposes of Articles XIII A, Section 4 of the California Constitution nor do they comprise a proper “electorate” under Article XIII C, Section 2(d). The Court specifically noted that the decision did not require the Court to consider the distinct question of whether landowner voting to impose special taxes pursuant to Section 53326(b) of the Act is constitutional under Article XIII A, Section 4 and Article XIII C, Section 2(d) in districts that lack sufficient registered voters to conduct an election among registered voters, and thus does not affect the validity of the levy of the Special Taxes by the Community Facilities District. In addition, the provisions of the Act described above that establish time limits for initiating any challenge to the validity of the Special Taxes levied pursuant to the Act or the issuance of Bonds pursuant to the Act described above would provide obstacles to any party which sought to present a legal challenge to the validity of the Special Taxes or the 2016 Bonds and Parity Bonds based on the *City of San Diego v. Shapiro* case. The Community Facilities District is not able to predict the outcome of any such examination of the Initiative in relation to community facilities districts formed under the Act.

The Community Facilities District covenants in the Indenture that it will not initiate proceedings to reduce the Maximum Special Tax, unless, in connection therewith, (i) the Community Facilities District receives a certificate from one or more Special Tax Consultants which, when taken together, certify that, on the basis of the parcels of land and improvements existing in the Community Facilities District as of the July 1 preceding the reduction, the Maximum Special Tax which may be levied on all Assessor's Parcels of Developed Property in each Fiscal Year will equal at least 110% of the gross debt service on all Bonds to remain Outstanding after the reduction is approved and will not reduce the Maximum Special Tax payable from Assessor's Parcels of Developed Property to less than 110% of Maximum Annual Debt Service, and (ii) the Legislative Body finds pursuant to the Indenture that any reduction made under such conditions will not adversely affect the interests of the Owners of the 2016 Bonds and Parity Bonds. Any reduction in the Maximum Special Tax approved pursuant to the preceding sentence may be approved without the consent of the Owners of the 2016 Bonds and Parity Bonds, if any.

The Community Facilities District further covenants that in the event any initiative is adopted by the qualified electors which purports to reduce the maximum authorized Special Tax below the levels authorized pursuant to the Amended and Restated Rate and Method, the Community Facilities District will, from funds available under the Indenture, commence and pursue legal actions to preserve the authority and power of the Community Facilities District to levy Special Taxes pursuant to the Amended and Restated Rate and Method.

The foregoing discussion of the Initiative and related matters should not be considered an exhaustive or authoritative treatment of the issues. The Community Facilities District does not expect to be in a position to control the consideration or disposition of these issues and cannot predict the timing or outcome of any judicial or legislative activity in this regard. Interim rulings, final decisions, legislative proposals and legislative enactments may all affect the impact of the Initiative on the 2016 Bonds as well as the market for the 2016 Bonds. Legislative and court calendar delays and other factors may prolong any uncertainty regarding the effects of the Initiative.

Ballot Initiatives and Legislative Measures

The Initiative was adopted pursuant to a measure qualified for the ballot pursuant to California's constitutional initiative process and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the State Legislature. The adoption of any such initiative or enactment of legislation might place limitations on the ability of the State, the County, the School District or local districts to increase revenues or to increase appropriations or on the ability of a property owner to complete the development of the property.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the 2016 Bonds or, if a secondary market exists, that such 2016 Bonds can be sold for any particular price. Although the Community Facilities District has committed to provide certain statutorily-required financial and operating information, there can be no assurance that such information will be available to Bondowners on a timely basis. The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of credit rating for the 2016 Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Loss of Tax Exemption

As discussed under the caption “LEGAL MATTERS – Tax Exemption,” the interest on the 2016 Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the 2016 Bonds as a result of future acts or omissions of the Community Facilities District and the School District in violation of certain provisions of the Code and the covenants of the Indenture. In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the 2016 Bonds, the Community Facilities District has covenanted in the Indenture not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the 2016 Bonds under Section 103 of the Internal Revenue Code of 1986, as amended. Interest on the 2016 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2016 Bonds were issued as a result of acts or omissions of the Community Facilities District in violation of the Code. Should such an event of taxability occur, the 2016 Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption or mandatory sinking fund redemption provisions of the Indenture. See “THE 2016 BONDS – Redemption.”

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing or examination of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2016 Bonds will be selected for audit or examination by the IRS. It is also possible that the market value of such 2016 Bonds might be affected as a result of such an audit of such 2016 Bonds (or by an audit of similar bonds or securities).

Impact of Legislative Proposals, Clarifications of the Code and Court Decisions on Tax Exemption

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2016 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners of the 2016 Bonds from realizing the full current benefit of the tax status of such interest.

The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, liquidity of or marketability of, the 2016 Bonds. In recent years, legislative changes were proposed in Congress, which, if enacted, would result in additional federal income tax being imposed on certain owners of tax-exempt state or local obligations, such as the 2016 Bonds. Prospective purchasers of the 2016 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation as to which Bond Counsel expresses no opinion. As discussed in this Official Statement, under the caption “LEGAL MATTERS,” interest on the 2016 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2016 Bonds were issued as a result of future acts or omissions of the Community Facilities District in violation of its covenants in the Indenture. Should such an event of taxability occur, the 2016 Bonds are not subject to special redemption or acceleration and will remain outstanding until maturity or until redeemed under one of the other redemption provisions contained in the Indenture.

Backup Withholding

Interest paid with respect to tax-exempt obligations such as the 2016 Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest with respect to the 2016 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s

taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Limitations on Remedies

Remedies available to the Bondowners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the 2016 Bonds or to preserve the tax-exempt status of the 2016 Bonds. See “Payments by FDIC, Fannie Mae, Freddie Mac and other Federal Agencies,” “No Acceleration Provisions” and “Billing of Special Taxes” herein.

LEGAL MATTERS

Legal Opinion

The legal opinion of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel, approving the validity of the 2016 Bonds will be made available to purchasers at the time of original delivery and is attached hereto as Appendix E. A copy of the legal opinion will be printed on each 2016 Bond. James F. Anderson Law Firm A Professional Corporation, Laguna Hills, California, is serving as Disclosure Counsel. Burke, Williams & Sorensen, LLP will also pass upon certain legal matters for the School District and the Community Facilities District as counsel to these entities.

Tax Exemption

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the Community Facilities District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2016 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the 2016 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

To the extent the issue price of any maturity of the 2016 Bonds is less than the amount to be paid at maturity of such 2016 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2016 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2016 Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the 2016 Bonds is the first price at which a substantial amount of such maturity of the 2016 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2016 Bonds accrues daily over the term to maturity of such 2016 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2016 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2016 Bonds. Beneficial Owners of the 2016 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2016 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2016 Bonds in the original offering to the public at the first price at which a substantial amount of such 2016 Bonds is sold to the public.

The 2016 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2016 Bonds. The Community Facilities District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2016 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2016 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2016 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the 2016 Bonds may adversely affect the value of, or the tax status of interest on, the 2016 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2016 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2016 Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2016 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, the Obama Administration’s budget proposals in recent years have proposed legislation that would limit the exclusion from gross income of interest on the 2016 Bonds to some extent for high income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2016 Bonds. Prospective purchasers of the 2016 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which 2016 Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the 2016 Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Community Facilities District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Community Facilities District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2016 Bonds ends with the issuance of the 2016 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Community Facilities District or the Beneficial Owners regarding the tax-exempt status of the 2016 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Community Facilities District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Community Facilities District legitimately disagree, may not be practicable. Any action of the IRS, including but not limited to selection of the 2016 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2016 Bonds, and may cause the Community Facilities District or the Beneficial Owners to incur significant expense.

Absence of Litigation

No litigation is pending or threatened concerning the validity of the 2016 Bonds. There is no action, suit or proceeding known by the Community Facilities District or the School District to be pending at the present time restraining or enjoining the delivery of the 2016 Bonds or in any way contesting or affecting the validity of the 2016 Bonds or any proceedings of the Community Facilities District or the School District taken with respect to the execution thereof. A no litigation certificate executed by the School District, on behalf of the Community Facilities District, will be delivered to the Underwriter simultaneously with the delivery of the 2016 Bonds.

No General Obligation of School District or Community Facilities District

The 2016 Bonds are not general obligations of the School District or the Community Facilities District, but are limited obligations of the Community Facilities District payable solely from proceeds of the Special Tax and proceeds of the 2016 Bonds, including amounts in the Reserve Fund, Special Tax Fund and Bond Fund and investment income on funds held pursuant to the Indenture (other than as necessary to be rebated to the United States of America pursuant to Section 148(f) of the Code and any applicable regulations promulgated pursuant thereto). Any tax levied for the payment of the 2016 Bonds will be limited to the Special Taxes to be collected within the Community Facilities District.

NO RATING

The 2016 Bonds have not been rated by any securities rating agency and there are no current plans to do so in the future.

UNDERWRITING

The 2016 Bonds are being purchased by Hilltop Securities Inc. at a purchase price of \$_____ (which represents the aggregate principal amount of the 2016 Bonds of \$_____, plus a net original issue premium of \$_____ and less an underwriter's discount of \$_____).

The purchase agreement relating to the 2016 Bonds provides that the Underwriter will purchase all of the 2016 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriter may offer and sell the 2016 Bonds to certain dealers and others at prices lower than the offering price stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

PROFESSIONAL FEES

Fees payable to certain professionals, including the Underwriter, Nossaman LLP, as Underwriter's Counsel, James F. Anderson Law Firm, A Professional Corporation, as Disclosure Counsel, Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, and U.S. Bank National Association, as the Trustee, are contingent upon the issuance of the 2016 Bonds. The fees of Government Financial Strategies inc., as Financial Advisor, and David Taussig & Associates, Inc., as Special Tax Consultant, are in part contingent upon the issuance of the 2016 Bonds. From time to time, Disclosure Counsel represents the Underwriter on matters unrelated to the 2016 Bonds.

MISCELLANEOUS

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statement of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representatives of fact. This Official Statement is not to be construed as a contract or agreement between the Community Facilities District and the purchasers or owners of any of the 2016 Bonds.

The execution and delivery of the Official Statement by the Community Facilities District has been duly authorized by the Capistrano Unified School District on behalf of the Community Facilities District.

COMMUNITY FACILITIES DISTRICT NO. 98-1A OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT (PACIFICA
SAN JUAN)

By: _____
Clark Hampton, Deputy Superintendent,
Business & Support Services,
Capistrano Unified School District, on behalf of
Community Facilities District No. 98-1A of the Capistrano
Unified School District
(Pacifica San Juan)

APPENDIX A

GENERAL INFORMATION ABOUT THE CAPISTRANO UNIFIED SCHOOL DISTRICT

The following information relating to the School District is included only for the purpose of supplying general information regarding the School District. Neither the faith and credit nor the taxing power of the School District has been pledged to payment of the 2016 Bonds, and the 2016 Bonds will not be payable from any of the School District's revenues or assets.

Introduction

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the School District. Additional information concerning the School District and copies of the most recent and subsequent audited financial reports of the School District may be obtained by contacting: Capistrano Unified School District, 33122 Valle Road, San Juan Capistrano, CA 92675 Attention: Deputy Superintendent, Business & Support Services. There may be a charge for copying, mailing and handling.

General Information

The Capistrano Unified School District (the "School District") is a political subdivision of the State of California (the "State") and is governed by a seven member Board of Trustees (the "Board"). Founded in 1965, the School District encompasses 195 square miles in seven cities and a portion of the unincorporated area of Orange County (the "County"). The jurisdiction of the School District includes all or part of the cities of San Clemente, Dana Point, San Juan Capistrano, Laguna Niguel, Aliso Viejo, Mission Viejo and Rancho Santa Margarita, and the communities of Las Flores, Coto de Caza, Dove Canyon, Ladera Ranch, Sendero/Rancho Mission Viejo and Wagon Wheel.

The School District provides kindergarten through 12th grade public education to more than 49,000 students on 55 campuses. The School District's second period report (P-2, the period from July 1 to April 15) of average daily attendance ("ADA"), computed in accordance with State law for the 2015-16 academic year, is estimated at 47,937. The estimated population within the School District's boundaries was approximately [_____] as of January 1, 2015. The School District reported 50,095 students enrolled at the California Basic Educational Data System ("CBEDS") for Fiscal Year 2013-14 and 49,838 students enrolled at the CBEDS during Fiscal Year 2014-15. The School District reports 49,117 students enrolled at the CBEDS during Fiscal Year 2015-16.

Administration and Enrollment

The School District is governed by the Board of Trustees (the "Board"). The seven Board members are elected to four-year terms in alternate slates of three and two in elections held every two years. If a vacancy arises during any term, the vacancy is filled by an appointment by a majority vote of the remaining Board members and, if there is no majority, by a special election.

The administrative staff of the School District includes Kirsten M. Vital, Superintendent, and Clark Hampton, Deputy Superintendent, Business & Support Services.

The Superintendent of the School District is responsible for administering the affairs of the School District in accordance with the policies of the Board. The School District also employs an Assistant Superintendent of Education Services and an Assistant Superintendent of Human Resource Services and an Assistant Superintendent of SLPA, Special Education.

Commencing with Fiscal Year 2013-14, the State budget restructures the manner in which the State allocates funding for K-12 education. In Fiscal Year 2013-14, State legislation replaced the majority of revenue limit and categorical funding formulas with a new set of funding formulas. The Governor refers to the proposals as the “Local Control Funding Formula.” The State budget provided funding in Fiscal Year 2013-14 to begin implementing the new formulas. Under the prior funding system, school districts received different per-pupil funding rates based on historical factors and varying participation in categorical programs. The new system provides a more uniform base per-pupil rate for each of several grade levels. The base rates are augmented by several funding supplements for (1) students needing additional services, defined as English learners, students from lower income families and foster youth; (2) school districts with high concentrations of English learners and lower income families; and (3) high school students. The new funding system requires school districts to develop local plans describing how the school district intends to educate its students.

From Fiscal Year 2011-12 through Fiscal Year 2015-16 the School District’s enrollment has been stable. The demographics of the School District reflect a slight decrease in elementary school population, stable trend in middle school population and slight increase in high school population. California voters approved Proposition 13 that not only limits the tax rate on property, but gives an incentive for owners to occupy longer resulting in slower turnover of homes to new families. Information concerning enrollment for these years is set forth below:

**Capistrano Unified School District
Student Enrollment**

Fiscal Year	CBEDS Enrollment	District Average Daily Attendance	District Base Revenue Limit
2011-12	50,538	48,708	6,492
2012-13	50,500	48,507	6,704
2013-14	50,095	48,212	6,810 ⁽²⁾
2014-15	49,838	47,773	6,848 ⁽²⁾
2015-16	49,117	47,937 ⁽¹⁾	N/A ⁽²⁾

⁽¹⁾ Estimated second period report (P-2, the period from July 1 to April 15).

⁽²⁾ Commencing with Fiscal Year 2013-14, the State restructured allocations for funding K-12 education and begins implementing the Local Control Funding Formula. See “ – Administration and Enrollment” above.

Source: California Department of Education and the School District.

Labor Relations

As of December 2015, the School District employed approximately 2,162 certificated professionals and approximately 1,456 classified employees. The professionals, except management and some part-time employees, are represented by the bargaining units as noted below

Capistrano Unified School District District Employees

Labor Organization	Approximate Number of Employees In Organization¹	Contract Expiration Date
Capistrano Unified Educators Association	1,655	6/30/17
California School Employees Association	1,570	6/30/18
Teamsters		

¹Excludes management and part-time employees who are not represented by any of the labor organizations.

Source: The School District.

Retirement Programs

The School District participates in the State of California Teachers' Retirement System ("STRS"). This plan covers certificated employees. The School District's contribution to STRS in Fiscal Year 2012-13 was \$14,727,500 and in Fiscal Year 2013-14 was \$15,679,891. The School District's contribution to STRS for Fiscal Year 2014-15 was \$17,782,182. The School District's contribution to STRS for Fiscal Year 2015-16 is estimated to be \$22,600,021. In order to receive STRS benefits, an employee must be at least 55 years old and have provided five years of service to California public schools.

The School District also participates in the State of California Public Employees' Retirement System ("PERS"). This plan covers certificated employees who elect and all classified personnel who are employed 1,000 or more hours per fiscal year. The School District's contribution to PERS in Fiscal Year 2012-13 was \$5,642,008 and in Fiscal Year 2013-14 was \$5,654,959. The School District's contribution to PERS for Fiscal Year 2014-15 was \$6,198,896. The School District's contribution to PERS for Fiscal Year 2015-16 is estimated to be \$6,753,618. In order to receive PERS benefits, an employee must be at least 55 years old and have provided five years of service to California public schools.

Contribution rates to these two retirement systems vary annually depending on changes in actuarial assumptions and other factors, such as changes in retirement benefits. The contribution rates are based on state-wide rates set by the STRS and PERS retirement boards. STRS has a substantial state-wide unfunded liability. Since this liability has not been broken down by each school district, it is impossible to determine the School District's share.

The School District offers post-retirement benefits for employees up to age 65. The School District's contribution for these benefits for the Fiscal Year ending June 30, 2013, was \$2,137,149, for the Fiscal Year ending June 30, 2014 was \$2,466,738 and for the Fiscal year ending June 30, 2015, was \$3,327,978. The School District's contribution for these benefits is estimated to be \$2,871,350 for Fiscal Year 2015-16. The program is operated on a pay-as-you go basis and budgets the current costs each year with an increase based on actual health and welfare increases.

Insurance

The School District operates workers' compensation and property and liability insurance programs that are accounted for in the Internal Service Fund. In addition, the School District's health and welfare benefit programs are accounted for in the Internal Service Fund.

In 1998, the State of California authorized the School District to operate a Self-Insured Workers' Compensation Plan to finance liabilities arising from employee industrial injuries. The School District responded by implementing such a plan on July 1, 1998. Beginning in 2009, the School District has established a fund to self-insure itself for workers' compensation coverage. The workers' compensation experience of the School District was calculated and applied to a premium rate, which was utilized to charge funds for the administration of the program. Excess liability coverage for workers' compensation claims is provided through the purchase of commercial insurance.

The School District operates a self-insurance program to cover general liability claim losses up to a limit of \$[50,000 per claim and for property losses up to \$[5,000 per claim. During fiscal year ending June 30, 2015, the School District contracted with Alliance of Schools Cooperative Insurance Programs (ASCIP) for property and liability insurance coverage. Excess liability coverage is obtained through participation in Schools Excess Liability Fund (SELF) (through ASCIP). Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. In addition, property and liability claims for which the School District retains the risk of loss (claims below the School District's retained limits), are administered by the Self Insurance Fund.

APPENDIX B

**AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT
FOR COMMUNITY FACILITIES DISTRICT NO. 98-1A
OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT
(PACIFICA SAN JUAN)**

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX D

**FORM OF COMMUNITY FACILITIES DISTRICT
CONTINUING DISCLOSURE AGREEMENT**

APPENDIX E
FORM OF OPINION OF BOND COUNSEL

APPENDIX F

BOOK-ENTRY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the 2016 Bonds, payment of principal of and interest on the 2016 Bonds to Direct Participants, Indirect Participants or Beneficial Owners (as such terms are defined below) of the 2016 Bonds, confirmation and transfer of beneficial ownership interests in the 2016 Bonds and other bond-related transactions by and between DTC, Direct Participants, Indirect Participants and Beneficial Owners of the 2016 Bonds is based solely on information furnished by DTC to the Community Facilities District which the Community Facilities District believes to be reliable, but the Community Facilities District, the Community Facilities District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2016 Bonds. The 2016 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2016 Bond will be issued for each maturity of the 2016 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information on such website is not incorporated herein by such reference or otherwise.

Purchases of 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2016 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2016 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of

the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2016 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2016 Bonds, except in the event that use of the book-entry system for the 2016 Bonds is discontinued.

To facilitate subsequent transfers, all 2016 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2016 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2016 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2016 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2016 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2016 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2016 Bonds documents. For example, Beneficial Owners of the 2016 Bonds may wish to ascertain that the nominee holding the 2016 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2016 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Community Facilities District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the 2016 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Community Facilities District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Community Facilities District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Community Facilities District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2016 Bonds at any time by giving reasonable notice to the Community Facilities District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the 2016 Bond certificates are required to be printed and delivered.

The Community Facilities District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the 2016 Bond certificates will be printed and delivered to DTC.

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

Discontinuance of DTC Services


In the event that (a) DTC determines not to continue to act as securities depository for the 2016 Bonds, or (b) the Community Facilities District determines that DTC shall no longer act and delivers a written certificate to the Trustee to that effect, then the Community Facilities District will discontinue the Book-Entry System with DTC for the 2016 Bonds. If the Community Facilities District determines to replace DTC with another qualified securities depository, the Community Facilities District will prepare or direct the preparation of a new single separate, fully-registered 2016 Bond for each maturity of the 2016 Bonds registered in the name of such successor or substitute securities depository as are not inconsistent with the terms of the Indenture. If the Community Facilities District fails to identify another qualified securities depository to replace the incumbent securities depository for the 2016 Bonds, then the 2016 Bonds shall no longer be restricted to being registered in the 2016 Bond registration books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository or its nominee transferring or exchanging the 2016 Bonds shall designate.

In the event that the Book-Entry System is discontinued, the following provisions would also apply: (i) the 2016 Bonds will be made available in physical form, (ii) principal of, and redemption premiums if any, on the 2016 Bonds will be payable upon surrender thereof at the trust office of the Trustee identified in the Indenture, and (iii) the 2016 Bonds will be transferable and exchangeable as provided in the Indenture.

The Community Facilities District and the Trustee do not have any responsibility or obligation to DTC Participants, to the persons for whom they act as nominees, to Beneficial Owners, or to any other person who is not shown on the registration books as being an owner of the 2016 Bonds, with respect to (i) the accuracy of any records maintained by DTC or any DTC Participants; (ii) the payment by DTC or any DTC Participant of any amount in respect of the principal of, redemption price of or interest on the 2016 Bonds; (iii) the delivery of any notice which is permitted or required to be given to registered owners under the Indenture; (iv) the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the 2016 Bonds; (v) any consent given or other action taken by DTC as registered owner; or (vi) any other matter arising with respect to the 2016 Bonds or the Indenture. The Community Facilities District and the Trustee cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal of or interest on the 2016 Bonds paid to DTC or its nominee, as the registered owner, or any notices to the Beneficial Owners or that they will do so on a timely basis or will serve and act in a manner described in this Official Statement. The Community Facilities District and the Trustee are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner in respect to the 2016 Bonds or any error or delay relating thereto.

MEMORANDUM

To: Clark Hampton

From: Keith Weaver 

Date: April 25, 2016

Re: Board Documents for CFDs: the Formation of CFD 98-1B, the Issuance of Bonds for CFD 98-1A and CFD 2005-1, the Refinancing of Bonds for CFD 90-2, and the Prepayment of Bonds for CFD 87-1

Clark, on May 11th the Board will be asked to consider approval of resolutions and related legal documents that pertain to upcoming activity in CFD 98-1A and 98-1B (Pacifica San Juan), CFD 90-2 (Talega), and CFD 87-1 (Mission Viejo/Aliso Viejo). In preparation for the Board's consideration of these items, this memorandum briefly reviews the role of each of the primary documents.

Resolution of Formation of CFD 98-1B (Pacifica San Juan)

This resolution establishes CFD 98-1B. The resolution sets a date for a public hearing at the Board meeting on May 11, 2016 and provides for an election where the landowner(s) within the CFD will vote on the approval of the CFD. It describes the facilities to be financed by the CFD. Finally, it includes a rate and method of apportionment of the CFD tax.

Rate and Method of Apportionment

The rate and method of apportionment describes how taxes levied within the CFD will be applied amongst the property owners. There will be six zones of taxes based on the different locations and housing products planned by the developer. Developed property is levied first, and undeveloped property is only levied to the extent required to pay debt service on the bonds. Property owners have the ability to prepay the tax. The tax has an expiration date of 40 years, beginning with FY 2016-17.

Resolution to Incur Bonded Indebtedness Within CFD 98-1B (Pacifica San Juan)

The resolution describes CUSD's determination that it is necessary to issue bonds to help fund the share of mitigation owed by new homes within CFD 98-1B. The bonds will finance school facilities and city infrastructure. The estimated bond amount is \$11.5 million, and the resolution establishes a not-to-exceed amount of \$14.0 million. The estimated term of the bonds is 30 years, and the resolution establishes a not-to-exceed term of 40 years.

Resolution Calling Special Election for CFD 98-1B (Pacifica San Juan)

The resolution calls for a special election of the landowners within the CFD. The election will be held at the District office during the Board meeting on May 11, 2016. The Clerk of the Board will conduct the election by receiving and counting the ballots.

Resolution Declaring Results of Special Election for CFD 98-1B (Pacifica San Juan)

Once the Clerk of the Board has counted the ballots, she will submit the canvass of results to the Board for review. Assuming the election is successful, the Resolution declares the election as having passed, and directs that a notice of special tax lien be filed upon the property within the CFD.

Resolution Reducing the Levy of Taxes for CFD 98-1A (Pacifica San Juan)

This resolution permanently reduces the levy of special taxes for CFD 98-1A, and directs that an amended notice of special tax lien be filed upon the property within the CFD. The reason for the reduction is that the homes within CFD 98-1A will receive a credit to acknowledge the pay-as-you-go funds that they have already paid. The new maximum special tax levy will be 39.67% of the prior maximum special tax levy. The remaining share of total development mitigation will be paid from CFD 98-1B.

Resolution Authorizing the Issuance of Bonds for CFD 98-1A (Pacifica San Juan)

This resolution authorizes the issuance of bonds for CFD 98-1A in an amount not-to-exceed \$6.5 million. The estimated amount of bonds planned for issuance is \$4.8 million, though the not-to-exceed amount allows for additional bonds to be issued should market conditions prove more favorable than anticipated. The resolution also approves several CFD 98-1A bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The creation of funds and accounts for the bonds and the allocation of bond proceeds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 98-1A, the underwriter is Hilltop Securities, selected via an RFP process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the District or the Underwriter. This document will be finalized on the day of pricing of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant

events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned pricing date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Issuance of Refunding Bonds for CFD 90-2 (Talega)

This resolution authorizes the issuance of refunding bonds (for the purpose of refinancing the outstanding bonds) for CFD 90-2 in an amount not-to-exceed \$45.0 million, and sets the minimum net present value savings after costs to be 3% of the principal amount of CFD 90-2 bonds to be refunded. The estimated amount of refunding bonds planned for issuance is \$40.0 million, though the not-to-exceed amount allows for additional bonds to be issued should the flexibility be needed to cover additional costs. The resolution also approves several CFD 90-2 bond documents in form (to be finalized after the pricing of the bonds), each of which is discussed below:

Form of Indenture

The Indenture is an agreement between the District and the Trustee (U.S. Bank), and establishes the terms and conditions upon which the bonds will be issued, including:

- The structure and duration of the bonds and debt service payments
- The allocation of bond proceeds into specified funds and accounts for the bonds
- Provisions for prepayment or refinancing of the bonds
- Provisions for issuing additional bonds
- The establishment of funds for the collection and allocation of special taxes
- Under what circumstances a default occurs and the remedies for defaults
- The roles and responsibilities of the Trustee
- How and when the Indenture may be amended

Form of Bond Purchase Agreement

The Bond Purchase Agreement is an agreement between the District and the Underwriter (for 90-2, the underwriter will be selected via a competitive bid process). This agreement specifies the terms and conditions under which the underwriter will purchase the bonds from the District. It identifies the purchase price that the District will receive, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the Underwriter. This document will be finalized on the day of sale of the bonds.

Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate describes the District's responsibilities for updating the municipal market and investors with information after the bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Form of Preliminary Official Statement

The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. The completed version of the POS will be distributed to underwriters approximately seven to ten days before the planned sale date. The final Official Statement incorporating the terms of the sale will be distributed approximately one week after the sale.

Each Board member is asked to review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the bonds to be effectively marketed to potential investors.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo) (Acting on Behalf of CFD 87-1)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Resolution Authorizing the Prepayment of Bonds for CFD 87-1 (Mission Viejo/Aliso Viejo)

This Resolution authorizes District staff to proceed with prepaying the outstanding bonds. If authorized, the bonds will be prepaid on September 1, 2016. There are currently \$26 million of outstanding bonds, and prepayment would come from cash on hand currently held in CFD 87-1 special tax funds. Prepayment would end the CFD four years early and save an estimated \$42.8 million of taxes.

Next Steps

It is currently anticipated that the CFD 2005-1 bond issuance will be completed in June, the CFD 98-1A bond issuance will be completed in July, the CFD 90-2 bond issuance will be completed in August, and the CFD 87-1 prepayment will be completed in September. Following completion, the Board will receive an information presentation on the results.

Clark, please let us know if you have any questions or comments. Thank you.

KW/abm

RESOLUTION NO. 1516-59

**A RESOLUTION OF THE BOARD OF TRUSTEES
OF THE CAPISTRANO UNIFIED SCHOOL
DISTRICT AUTHORIZING THE ISSUANCE OF
NOT TO EXCEED \$45,000,000 AGGREGATE
PRINCIPAL AMOUNT OF COMMUNITY
FACILITIES DISTRICT NO. 90-2 OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT
(TALEGA) SPECIAL TAX REFUNDING BONDS,
SERIES 2016, APPROVING THE EXECUTION AND
DELIVERY OF AN INDENTURE, A BOND
PURCHASE AGREEMENT AND A CONTINUING
DISCLOSURE CERTIFICATE AND THE
PREPARATION OF AN OFFICIAL STATEMENT
AND OTHER MATTERS RELATED THERETO**

**Community Facilities District No. 90-2
of the Capistrano Unified School District (Talega)**

WHEREAS, the Board of Trustees (the “Board”) of the Capistrano Unified School District (“CUSD”) has formed Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) (the “Community Facilities District”) under the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”);

WHEREAS, the Community Facilities District is authorized under the Act to levy special taxes (the “Special Taxes”) to pay for the costs of certain public facilities (the “Facilities”) and to issue bonds payable from the Special Taxes;

WHEREAS, in order to provide funds to finance and refinance a portion of the Facilities, the Community Facilities District issued \$44,980,000 aggregate principal amount of Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Series 2006 Special Tax Refunding Bonds (the “Prior Bonds”), pursuant to the Bond Indenture, dated as of June 1, 2006, by and between the Community Facilities District and U.S. Bank National Association, as trustee;

WHEREAS, the Community Facilities District has determined that it would be advantageous to refund the outstanding Prior Bonds;

WHEREAS, in order to provide funds to refund the outstanding Prior Bonds, the Community Facilities District desires to provide for the issuance of Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Special Tax Refunding Bond, Series 2016 (the “Bonds”), in the aggregate principal amount of not to exceed \$45,000,000;

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured, and to secure the payment of the principal thereof, premium, if any, and interest thereon,

the Community Facilities District proposes to enter into an Indenture with U.S. Bank National Association, as trustee (the “Trustee”) (such Indenture, in the form presented to this meeting, with such changes, insertions, and omissions as are made pursuant to this Resolution, being referred to herein as the “Indenture”);

WHEREAS, in order to provide for the sale, and conditions for sale, of the Bonds, the Community Facilities District proposes to enter into an Bond Purchase Agreement, with a broker-dealer serving as underwriter of the Bonds (the “Underwriter”), pursuant to which the Underwriter will purchase the Bonds from the Community Facilities District (such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Purchase Agreement”);

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Bonds, the Underwriter must have reasonably determined that the Community Facilities District or an obligated person has undertaken in a written agreement or contract for the benefit of the holders of the Bonds to provide disclosure of certain financial and operating data and certain material events on an ongoing basis;

WHEREAS, in order to assist in providing for the satisfaction of such requirement, the Community Facilities District desires to enter into a Continuing Disclosure Certificate (such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Certificate”);

WHEREAS, a Preliminary Official Statement to be used in connection with the offering and sale of the Bonds has been prepared (such Preliminary Official Statement in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”);

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Indenture;
- (b) the Purchase Agreement;
- (c) the Continuing Disclosure Certificate; and
- (d) the Preliminary Official Statement;

WHEREAS, the Board desires to authorize the issuance of the Bonds and the execution and delivery of such documents and the performance of such acts by or on behalf of the Community Facilities District as may be necessary or desirable to effect the issuance of the Bonds and the execution and delivery of such documents;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the Capistrano Unified School District as follows:

Section 1. Subject to the provisions of Section 2 hereof, the issuance of the Bonds, in an aggregate principal amount of not to exceed \$45,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form, and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution.

Section 2. The Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. Each of the President of the Board of Trustees, and such other member of the Board of Trustees as the President may designate, the Superintendent of CUSD, the Deputy Superintendent, Business and Support Services, of CUSD, and such other officer or employee of CUSD as the Superintendent may designate (the “Authorized Officers”), is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Indenture in the form submitted to this meeting, with such changes, insertions, and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Indenture by such Authorized Officer; provided, however, that such changes, insertions, and omissions shall not authorize an aggregate principal amount of Bonds in excess of \$45,000,000, shall not result in a final maturity date of the Bonds later than September 1, 2032 and shall not result in a true interest cost for the Bonds in excess of 6.00%.

Section 3. The Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Purchase Agreement in the form presented to this meeting, with such changes, insertions, and omissions as the Authorized Officer of the Community Facilities District executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Purchase Agreement by such Authorized Officer; provided, however, that aggregate net present value savings, expressed as a percentage of the par amount of the refunded Prior Bonds, at not less than 3.00%, and that such changes, insertions, and omissions shall not result in an aggregate underwriter’s discount (not including any original issue discount) from the principal amount of the Bonds in excess of 2.00% of the aggregate principal amount of the Bonds. The Board hereby finds and determines that the sale of the Bonds at negotiated sale as contemplated by the Purchase Agreement will result in a lower overall cost.

Section 4. The Continuing Disclosure Certificate, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Continuing Disclosure Certificate in the form presented to this meeting, with such changes, insertions, and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate by such Authorized Officer.

Section 5. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes therein as may be approved by an Authorized Officer, be and the same is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to certify to the Underwriter that the Preliminary Official Statement has been “deemed final” for purposes of Rule 15c2-12.

Section 6. The preparation and delivery of a final Official Statement (the “Official Statement”), and its use in connection with the offering and sale of the Bonds, be and the same 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 approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute the final Official Statement and any amendment or supplement thereto.

Section 7. The assessed values of the property within the Community Facilities District are set forth in the Preliminary Official Statement and the value-to-lien information with respect thereto is set forth therein and, based thereon, the Board of Trustees, for purposes of Section 53345.8 of the Act, hereby finds and determines that the value of the real property that would be subject to the Special Tax to pay debt service on the Bonds will be at least three times the principal amount of the Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Community Facilities District or a special assessment levied on property within the Community Facilities District.

Section 8. The Authorized Officers and the officers and employees of CUSD are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to do any and all things, and to execute and deliver any and all other documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution.

Section 9. All actions heretofore taken by the officers and employees of CUSD with respect to the issuance of the Bonds, or in connection with or related to any of the agreements or documents referred to herein, are hereby approved, confirmed, and ratified.

Section 10. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED this May 11, 2016, by the Capistrano Unified School District Board of Trustees, San Juan Capistrano, Orange County, California.

President of the Board of Trustees of the
Capistrano Unified School District

ATTEST:

Clerk of the Board of Trustees of the
Capistrano Unified School District

CLERK'S CERTIFICATE

I, _____, Clerk of the Board of Trustees of the Capistrano Unified School District, hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly adopted at a regular meeting of said Board of Trustees duly and regularly held on May 11, 2016, of which meeting all of the members of said Board of Trustees had due notice and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

An agenda of said meeting was posted at least 72 hours before said meeting at 33122 Valle Road, San Juan Capistrano, California, a location freely accessible to members of the public, and a brief general description of said Resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing Resolution is a full, true, and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2016

Clerk of the Board of Trustees of the
Capistrano Unified School District

INDENTURE

by and between

**COMMUNITY FACILITIES DISTRICT NO. 90-2 OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT (TALEGA)**

and

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

Dated as of [DATED AS OF DATE]

Relating to

**Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)
Special Tax Refunding Bond, Series 2016**

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INDENTURE

THIS INDENTURE (this “Indenture”), dated as of [DATED AS OF DATE], is by and between COMMUNITY FACILITIES DISTRICT NO. 90-2 OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (TALEGA), a community facilities district organized and existing under and by virtue of the laws of the State of California (the “Community Facilities District”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”).

WITNESSETH:

WHEREAS, the Board of Trustees of the Capistrano Unified School District has formed the Community Facilities District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311 of the California Government Code (the “Act”);

WHEREAS, the Community Facilities District is authorized under the Act to levy special taxes (the “Special Taxes”) to pay for the costs of certain public facilities (the “Facilities”) and to authorize the issuance of bonds payable from the Special Taxes;

WHEREAS, in order to provide funds to finance and refinance a portion of the Facilities, the Community Facilities District issued \$44,980,000 aggregate principal amount of Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Series 2006 Special Tax Refunding Bonds (the “Prior Bonds”), pursuant to the Bond Indenture, dated as of June 1, 2006, by and between the Community Facilities District and U.S. Bank National Association, as trustee;

WHEREAS, the Community Facilities District has determined that it would be advantageous to refund the outstanding Prior Bonds;

WHEREAS, in order to provide funds to refund the outstanding Prior Bonds, the Community Facilities District desires to provide for the issuance of Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Special Tax Refunding Bond, Series 2016 (the “Series 2016 Bonds”), in the aggregate principal amount of not to exceed \$_____;

WHEREAS, the Community Facilities District desires to provide for the issuance of additional bonds, provided that said issuance is solely for the purpose of refunding previously issued bonds of the Community Facilities District (the “Additional Bonds”) payable from the Special Taxes on a parity with the Series 2016 Bonds (the Series 2016 Bonds and any such Additional Bonds being collectively referred to as the “Bonds”);

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District has authorized the execution and delivery of this Indenture; and

WHEREAS, the Community Facilities District has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Community Facilities District, authenticated and delivered by the Trustee and duly issued, the valid, binding, and legal special obligations of the Community Facilities District, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture has been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Community Facilities District does hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any certificate, opinion or other document herein or therein mentioned, have the meanings herein specified.

“Act” means the Mello-Roos Community Facilities Act of 1982, constituting Sections 53311 *et seq.* of the California Government Code.

“Additional Bonds” means Bonds other than Series 2016 Bonds issued hereunder in accordance with the provisions of Sections 3.05 and 3.06.

“Administrative Expense Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.07.

“Administrative Expenses” means any ordinary expenses of the School District or the Community Facilities District directly related to the administration of the Community Facilities District, consisting of the costs of computing the Special Taxes and preparing the annual Special Tax schedules and the costs of collecting the Special Taxes, the costs of remitting the Special Taxes to the Trustee, the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under this Indenture, the costs incurred by the Community Facilities District in complying with the disclosure provisions of any continuing disclosure undertaking and this Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners, the costs of the Community Facilities District related to an appeal of the Special Tax, any amounts required to be rebated to the federal government in order for the Community Facilities District to comply with Section 6.08, the fees and costs of legal counsel to the School District and an allocable share of the salaries of the staff of the School District providing services on behalf of the Community Facilities District directly related to the foregoing and a proportionate amount of general administrative overhead of the School District related thereto, and the costs (including legal fees and expenses) of foreclosure of delinquent Special Taxes.

“Affiliate” of another Person means (a) each Person that, directly or indirectly, owns or controls, whether beneficially or as trustee, guardian, or other fiduciary, 50% or more of any class of equity securities of such other Person, and (b) each Person that controls, is controlled by, or is under common control with or by such Person or any Affiliate of such Person. For the purpose of this definition, “control” of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.

“Annual Debt Service” means, for each Bond Year, the sum of: (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions); and (b) the principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year).

“Auditor” means the Auditor/Controller of the County of Orange.

“Authorized Representative” means, with respect to the Community Facilities District, the Deputy Superintendent of Business and Support Services of the School District, and any other Person designated as an Authorized Representative of the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee.

“Average Annual Debt Service” means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

“Board of Trustees” means the Board of Trustees of the School District.

“Bond Counsel” means a firm of nationally recognized bond counsel selected by the Community Facilities District.

“Bond Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.03.

“Bond Year” means each twelve-month period beginning on September 2 in each year and extending to the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on September 1, 2016.

“Bonds” means the Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Special Tax Refunding Bond issued hereunder, and includes the Series 2016 Bonds and any Additional Bonds.

“Book-Entry Bonds” means the Bonds of a Series registered in the name of the nominee of DTC, or any successor securities depository for such Series of Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.09.

“Business Day” means a day which is not (a) a Saturday, Sunday, or legal holiday in the State of California, (b) a day on which banking institutions in the State of California, or in any state in which the Office of the Trustee is located, are required, or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.

“Capitalized Interest Account” means the account by that name within the Bond Fund as may be established and held by the Trustee pursuant to Section 5.03.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to a Series of Book-Entry Bonds.

“Closing Date” means the date upon which the Series 2016 Bonds are delivered to the Original Purchaser, being _____, 2016.

“Code” means the Internal Revenue Code of 1986.

“Community Facilities District” means Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega), a community facilities district organized and existing under and by virtue of the laws of the State of California, and any successor thereto.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Community Facilities District relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel, including the Trustee’s first annual administrative fee, fees, charges and disbursements of attorneys, financial advisors, accounting firms, appraisers, consultants, and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“Developer” means _____, and its successors or assigns.

“District Continuing Disclosure Certificate” means the Continuing Disclosure Certificate, dated as of the Closing Date, executed by the Community Facilities District and agreed and accepted to by David Taussig and Associates, Inc., as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for any Series of Book-Entry Bonds, including any such successor appointed pursuant to Section 2.09.

“Escrow Agreement” means the Escrow Agreement, dated as of [DATED AS OF DATE], by and between the Community Facilities District and the Escrow Bank, as originally executed and as it may be amended from time to time in accordance with the terms thereof.]

“Escrow Bank” means U.S. Bank National Association, as prior trustee and as escrow bank under the Escrow Agreement, and any successor thereto.]

“Federal Securities” means (a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), and (b) obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Community Facilities District designated in a Written Certificate of the Community Facilities District delivered to the Trustee.

“Improvement Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.04.

“Indenture” means this Indenture, as originally executed and as it may be amended or supplemented from time to time by any Supplemental Indenture.

“Independent Consultant” means any consultant or firm of such consultants selected by the Community Facilities District and who, or each of whom: (a) is generally recognized to be qualified in the financial consulting field; (b) is in fact independent and not under the domination of the Community Facilities District or the School District; (c) does not have any substantial interest, direct or indirect, with or in the Community Facilities District or the School District, or any owner of real property in the Community Facilities District, or any real property in the Community Facilities District; and (d) is not connected with the Community Facilities District or the School District as an officer or employee thereof, but who may be regularly retained to make reports to the Community Facilities District or the School District.

“Interest Payment Dates” means March 1 and September 1 of each year, commencing March 1, 2017, so long as any Bonds remain Outstanding.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made.

“Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

“Net Special Tax Revenues” means Special Tax Revenues, less amounts required to pay Administrative Expenses.

“Office of the Trustee” means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Community Facilities District by the Trustee in writing.

“Ordinance” means any ordinance adopted by the School District levying the Special Taxes.

“Original Purchaser” means the original purchaser of the Series 2016 Bonds from the Community Facilities District.

“Outstanding” means, when used as of any particular time with reference to Bonds, subject to the provisions of Section 11.09, all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Community Facilities District shall have been discharged in accordance with Section 10.01, including Bonds (or portions of Bonds) disqualified under Section 11.09; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

“Owner” means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

“Participant” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

“Participating Underwriter” has the meaning ascribed thereto in the District Continuing Disclosure Certificate.

“Permitted Investments” means the following, to the extent that such securities are otherwise eligible legal investments of the Community Facilities District:

- (a) Federal Securities;
- (b) any of the following direct or indirect obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank; (ii) certificates of beneficial ownership issued by the Farmers Home Administration; (iii) participation certificates issued by the General Services Administration; (iv) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal Housing Administration; (v) project notes issued by the United States Department of Housing and Urban Development; and (vi) public housing notes and bonds guaranteed by the United States of America;
- (c) interest-bearing demand deposit accounts or time deposits (including certificates of deposit) in a federal or state chartered bank (including the Trustee and its affiliates) or a state licensed branch of a foreign bank or a state or federal association (as defined in Section 5102 of the California Financial Code), provided that: (i) the unsecured short-term obligations of such commercial bank or savings and loan association shall be rated A1 or better by S&P; or (ii) such demand deposit accounts or time deposits shall be fully insured by the Federal Deposit Insurance Corporation;
- (d) commercial paper rated in the highest short-term rating category by S&P, issued by corporations which are organized and operating within the United States of America, and which matures not more than 180 days following the date of investment therein;
- (e) bankers acceptances, consisting of bills of exchange or time drafts drawn on and accepted by a commercial bank whose short-term obligations are rated in the highest short-term rating category by S&P, which mature not more than 270 days following the date of investment therein;
- (f) obligations the interest on which is excludable from gross income pursuant to Section 103 of the Code and which are rated A or better by S&P;
- (g) obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by S&P;

(h) money market funds which are rated Am or better by S&P, including funds for which the Trustee and its affiliates provide investment advisory or other management services;

(i) an investment agreement or guaranteed investment contract with, or guaranteed by, a financial institution or corporation, the long-term unsecured obligations of which are or, in the case of an insurance company, the long term financial strength of which is, rated “AA-” or better by S&P at the time of initial investment; provided, that the investment agreement shall be subject to a downgrade provision with at least the following requirements:

(1) the agreement shall provide that within ten Business Days after the financial institution’s long-term unsecured credit rating has been withdrawn, suspended, or reduced below “AA-” by S&P (such events referred to as “rating downgrades”) the financial institution shall give notice to the Community Facilities District and the Trustee and, within such ten-day period, and for as long as the rating downgrade is in effect, shall deliver in the name of the Trustee Federal Securities with an aggregate current market value equal to at least 105% of the principal amount of the investment agreement invested with the financial institution at that time, and shall deliver additional Federal Securities as needed to maintain an aggregate current market value equal to at least 105% of the principal amount of the investment agreement within three days after each evaluation date, which shall be at least weekly, and

(2) the agreement shall provide that, if the financial institution’s long-term unsecured credit rating is reduced below “A-” by S&P, the financial institution shall give notice of the downgrade to the Community Facilities District and the Trustee within five Business Days, and the Trustee may, upon five Business Days’ written notice to the financial institution, withdraw all amounts invested pursuant to the investment agreement, with accrued but unpaid interest thereon to the withdrawal date, and terminate the agreement.

(j) repurchase agreements with: (i) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated at least “A” by S&P and Moody’s; (ii) any broker-dealer with “retail customers” or a related affiliate thereof, which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by S&P and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (iii) any other entity (or entity whose obligations are guaranteed by an affiliate or parent company) rated at least “A” by S&P and Moody’s, provided that:

(1) the market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody’s to maintain an “A” rating in an “A” rated structured financing (with a market value approach);

(2) the Trustee or a third party acting solely as agent therefor (the “Holder of the Collateral”) has possession of the collateral or the collateral has been

transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(3) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral, and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(4) all other requirements of S&P and Moody's in respect of repurchase agreements shall be met; and

(5) the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3" respectively, the provider must immediately notify the Community Facilities District and Trustee and the provider must, at the direction of the Community Facilities District or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Community Facilities District or Trustee.

"Person" means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Prior Bonds" means the Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Series 2006 Special Tax Refunding Bonds, issued under the Prior Indenture.

"Prior Indenture" means the Bond Indenture, dated as of June 1, 2006, by and between the Community Facilities District and U.S. Bank National Association, as trustee, as originally executed and as it may be amended or supplemented from time to time in accordance with the terms thereof.

"Project" means the Facilities authorized to be financed from amounts on deposit in an account of the Improvement Fund, as and if required under any Supplemental Indenture, by the Community Facilities District, as more particularly described in the Resolution of Formation.

"Rate and Method" means the Amended and Restated Rate and Method of Apportionment of the Special Taxes approved by the qualified electors of the Community Facilities District at the June 14, 1999 election, as further amended from time to time.

"Rebate Fund" means the fund by that name established and held by the Trustee pursuant to Section 5.06.

"Rebate Requirement" has the meaning ascribed thereto in the Tax Certificate.

"Record Date" means the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.04.

“Redemption Price” means the aggregate amount of principal of and premium, if any, on the Bonds upon the redemption thereof pursuant hereto.

“Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.04.

“Representation Letter” means the Letter of Representations from the Community Facilities District to DTC, or any successor securities depository for any Series of Book-Entry Bonds, in which the Community Facilities District makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.05.

“Reserve Requirement” means, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service.

“Resolution of Formation” means Resolution No. 9899-112, adopted by the School District on April 26, 1999, as originally adopted and as it may be amended or supplemented from time to time.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

“School District” means the Capistrano Unified School District, a school district organized and existing under and by virtue of the laws of the State of California.

“Series” means the initial series of Bonds executed, authenticated, and delivered on the date of initial issuance of the Bonds and identified pursuant to this Indenture as the Series 2016 Bonds, and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate Series of Bonds.

“Series 2016 Bonds” means the Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Special Tax Refunding Bond, Series 2016, issued hereunder.

“Special Tax Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.02.

“Special Tax Revenues” means the proceeds of the Special Taxes received by or on behalf of the Community Facilities District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, which shall be limited to the amount of said lien and interest and penalties thereon.

“Special Taxes” means the special taxes described in the Rate and Method as “Special Tax A” levied within the Community Facilities District pursuant to the Act, the Ordinance and this Indenture.

“Supplemental Indenture” means any supplemental indenture amendatory of or supplemental to this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Surplus Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.08.

“Tax Certificate” means the Tax Certificate executed by the Community Facilities District at the time of issuance of the Series 2016 Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Trustee” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee hereunder, appointed as provided herein.

“Written Certificate” and **“Written Request”** of the Community Facilities District mean, respectively, a written certificate or written request signed in the name of the Community Facilities District by an Authorized Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion, or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Community Facilities District, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full and final payment of the principal of, premium, if any, and interest on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Community Facilities District shall be for the equal and proportionate benefit, protection, and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance, or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. The Community Facilities District hereby authorizes the issuance of the Bonds under and subject to the terms of this Indenture, the Act and other applicable laws of the State of California. The Bonds may consist of one or more Series of varying denominations, dates maturities, interest rates and other provisions, subject to the provisions and conditions contained herein. The Bonds shall be designated generally as the “Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Special Tax Refunding Bond,” each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds.

Section 2.02. Terms of Series 2016 Bonds. (a) The Series 2016 Bonds shall be designated “Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Special Tax Refunding Bond, Series 2016.” The aggregate principal amount of Series 2016 Bonds that may be issued and Outstanding under this Indenture shall not exceed \$_____, except as may be otherwise provided in Section 2.08.

(b) The Series 2016 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2016 Bond shall have more than one maturity date. The Series 2016 Bonds shall be dated as of the Closing Date, shall be issued in the aggregate principal amount of \$_____, shall mature on September 1 of each year and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum as follows:

Maturity Date (September 1)	Principal Amount	Interest Rate
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2017

2032

(c) Interest on the Series 2016 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2016 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a Series 2016 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or (iii) interest on any Series 2016 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest shall be paid in lawful money of the United States of America on each Interest Payment Date. Interest shall be paid by check of the

Trustee mailed by first class mail, postage prepaid, or by wire transfer made on such Interest Payment Date upon the written instructions of any Owner of \$1,000,000 or more Series 2016 Bonds to an account within the United States of America, on each Interest Payment Date to the Series 2016 Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any Series 2016 Bond which is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Series 2016 Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date.

(d) The principal of the Series 2016 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee. Payment of principal of any Series 2016 Bond shall be made only upon presentation and surrender of such Bond at the Office of the Trustee.

(e) The Series 2016 Bonds shall be subject to redemption as provided in Article IV.

(f) The Series 2016 Bonds shall be in substantially the form set forth in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Section 2.03. Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Community Facilities District shall execute, and the Trustee shall authenticate and shall deliver, a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any authorized denomination. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity of other authorized denominations. The Trustee shall require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be obligated to make any transfer or exchange of Bonds of a Series pursuant to this Section during the period established by the Trustee for the selection of Bonds of such Series for redemption, or with respect to any Bonds of such Series selected for redemption.

Section 2.04. Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be open to inspection during regular business hours and upon reasonable notice by the Community Facilities District; and, upon presentation for such purpose, the Trustee

shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

Section 2.05. Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Community Facilities District with the manual or facsimile signature of the President of the Board of Trustees of the School District attested by the manual or facsimile signature of the Clerk of the Board of Trustees. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of such officers of the School District who shall have signed or attested any of the Bonds shall cease to be such officers before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Community Facilities District, such Bonds may nevertheless be authenticated, delivered, and issued and, upon such authentication, delivery and issue, shall be as binding upon the Community Facilities District as though those who signed and attested the same had continued to be such officers, and also any Bonds may be signed and attested on behalf of the Community Facilities District by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the School District although at the nominal date of such Bonds any such Person shall not have been such officer of the School District.

Section 2.06. Authentication of Bonds. Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form as that set forth in Exhibit A hereto for the Series 2016 Bonds, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated, and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.07. Temporary Bonds. The Bonds of a Series may be issued in temporary form exchangeable for definitive Bonds of such Series when ready for delivery. Any temporary Bonds may be printed, lithographed, or typewritten, shall be of such authorized denominations as may be determined by the Community Facilities District, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Community Facilities District and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Community Facilities District issues temporary Bonds of a Series it shall execute and deliver definitive Bonds of such Series as promptly thereafter as practicable, and thereupon the temporary Bonds of such Series may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of such Series and maturities in authorized denominations. Until so exchanged, the temporary Bonds of such Series shall be entitled to the same benefits under this Indenture as definitive Bonds of such Series authenticated and delivered hereunder.

Section 2.08. Bonds Mutilated, Lost, Destroyed, or Stolen. If any Bond shall become mutilated, the Community Facilities District, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and Series in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Community Facilities District. If any

Bond shall be lost, destroyed or stolen, evidence of such loss, destruction, or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the Community Facilities District, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and Series in lieu of and in replacement for the Bond so lost, destroyed, or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Community Facilities District may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the Community Facilities District and the Trustee. Any Bond of a Series issued under the provisions of this Section in lieu of any Bond of such Series alleged to be lost, destroyed, or stolen shall constitute an original additional contractual obligation on the part of the Community Facilities District whether or not the Bond so alleged to be lost, destroyed, or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds of such Series secured by this Indenture.

Section 2.09. Book-Entry Bonds. (a) Prior to the issuance of a Series of Bonds, the Community Facilities District may provide that such Series of Bonds shall initially be issued as Book-Entry Bonds and, in such event, the Bonds of such Series for each maturity shall be in the form of a separate single fully registered Bond (which may be typewritten). The Series 2016 Bonds shall initially be issued as Book-Entry Bonds.

Except as provided in subsection (c) of this Section, the registered Owner of all of the Book-Entry Bonds shall be DTC and the Book-Entry Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Notwithstanding anything to the contrary contained in this Indenture, payment of interest with respect to any Book-Entry Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the payment date for the Book-Entry Bonds at the address indicated on the Record Date for Cede & Co. in the Registration Books or as otherwise provided in the Representation Letter.

(b) The Trustee and the Community Facilities District may treat DTC (or its nominee) as the sole and exclusive Owner of the Book-Entry Bonds registered in its name for the purposes of payment of the principal, premium, if any, or interest with respect to the Book-Entry Bonds, selecting the Book-Entry Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Book-Entry Bonds under this Indenture, registering the transfer of Book-Entry Bonds, obtaining any consent or other action to be taken by Owners of Book-Entry Bonds and for all other purposes whatsoever, and neither the Trustee nor the Community Facilities District shall be affected by any notice to the contrary. Neither the Trustee nor the Community Facilities District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Book-Entry Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant, the payment by DTC or any Participant of any amount in respect of the principal, premium, if any, or interest with respect to the Book-Entry Bonds, any notice which is permitted or required to be given to Owners of Book-Entry Bonds under this Indenture, the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of

the Book-Entry Bonds, or any consent given or other action taken by DTC as Owner of Book-Entry Bonds. The Trustee shall pay all principal, premium, if any and interest with respect to the Book-Entry Bonds, only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Community Facilities Districts obligations with respect to the principal, premium, if any, and interest with respect to the Book-Entry Bonds to the extent of the sum or sums so paid. Except under the conditions of subsection (c) of this Section, no person other than DTC shall receive an executed Book-Entry Bond for each separate stated maturity. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event (i) DTC, including any successor as securities depository for a Series of Bonds, determines not to continue to act as securities depository for such Series of Bonds, or (ii) the Community Facilities District determines that the incumbent securities depository shall no longer so act as securities depository for such Series of Bonds, and delivers a written certificate to the Trustee to that effect, then the Community Facilities District will discontinue the book-entry system with the incumbent securities depository for such Series of Bonds. If the Community Facilities District determines to replace the incumbent securities depository for such Series of Bonds with another qualified securities depository, the Community Facilities District shall prepare or direct the preparation of a new single, separate, fully registered Bond of such Series for the aggregate outstanding principal amount of Bonds of such Series of each maturity, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the Community Facilities District, the Trustee and the successor securities depository for the Bonds of such Series as are not inconsistent with the terms of this Indenture. If the Community Facilities District fails to identify another qualified successor securities depository for such Series of Bonds to replace the incumbent securities depository, then the Bonds of such Series shall no longer be restricted to being registered in the Registration Books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for such Series of Bonds, or its nominee, shall designate. In such event the Community Facilities District shall execute, and deliver to the Trustee, a sufficient quantity of Bonds of such Series to carry out the transfers and exchanges provided in Sections 2.03, 2.07 and 2.08. All such Bonds of such Series shall be in fully registered form in denominations authorized by this Indenture.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Book-Entry Bond is registered in the name of DTC, or its nominee, all payments with respect to the principal, premium, if any, and interest with respect to such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Owners of Book-Entry Bonds pursuant to this Indenture by the Community Facilities District or the Trustee with respect to any consent or other action to be taken by Owners, the Community Facilities District or the Trustee, as the case may be, shall establish a record date for such

consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS; ADDITIONAL BONDS

Section 3.01. Issuance of Series 2016 Bonds. The Community Facilities District may, at any time, execute the Series 2016 Bonds and deliver the same to the Trustee. The Trustee shall authenticate the Series 2016 Bonds and deliver the Series 2016 Bonds to the Original Purchaser upon receipt of a Written Request of the Community Facilities District and upon receipt of the purchase price therefor.

Section 3.02. Application of Proceeds of the Series 2016 Bonds. On the Closing Date, the proceeds of the sale of the Series 2016 Bonds received by the Trustee in the amount of \$_____ (representing the principal amount of the Series 2016 Bonds less original issue discount of \$_____, and less underwriter's discount of \$_____), shall be deposited by the Trustee as follows:

(a) the Trustee shall deposit the amount of \$_____ in the Reserve Fund, which is equal to the Reserve Requirement;

(b) the Trustee shall transfer the amount of \$_____ to the Escrow Bank, to be applied to the payment of the Prior Bonds in accordance with the provisions of the Escrow Agreement;

(c) the Trustee shall deposit the amount of _____ in the Costs of Issuance Fund; and

(w) the Trustee shall deposit the amount of \$_____ in the Administrative Expense Fund.

On the Closing Date, the Trustee shall deposit the amount received from the Prior Trustee, \$_____, as follows:

(a) the Trustee shall deposit the amount of \$_____ in the Special Tax Fund; and

(b) the Trustee shall deposit the amount of \$_____ in the Administrative Expense Fund.

Section 3.03. Costs of Issuance Fund. The Trustee shall establish and maintain a separate fund designated the "Costs of Issuance Fund." On the Closing Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to Section 3.02.

The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Community Facilities District stating: (a) the Person to whom payment is to be made; (b) the amount to be paid; (c) the purpose for which the obligation was incurred; (d) that such payment is a proper charge against the Costs of Issuance Fund; and (e) that such amounts have not been the subject of a prior

disbursement from the Costs of Issuance Fund, in each case together with a statement or invoice for each amount requested thereunder. On the last Business Day that is no later than six months after the Closing Date, the Trustee shall transfer any amount remaining in the Costs of Issuance Fund to the Bond Fund and, upon making such transfer, the Costs of Issuance Fund shall be closed.

If the Costs of Issuance Fund has been closed in accordance with the provisions hereof, the Costs of Issuance Fund shall be reopened and reestablished by the Trustee in connection with the issuance of any Additional Bonds, if so provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued.

Section 3.04. Improvement Fund. The Trustee shall establish and maintain a separate fund designated the “Improvement Fund” as and if required under any Supplemental Indenture.

Section 3.05. Conditions for the Issuance of Additional Bonds. The Community Facilities District may at any time issue one or more Series of Additional Bonds (in addition to the Series 2016 Bonds) payable from Net Special Tax Revenues as provided herein on a parity with all other Bonds theretofore issued hereunder, but only subject to the following conditions, which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) The issuance of such Additional Bonds shall have been authorized under and pursuant to the Act and under and pursuant hereto and shall have been provided for by a Supplemental Indenture which shall specify the following:

(1) The purpose for which such Additional Bonds are to be issued; provided, that the proceeds of the sale of such Additional Bonds shall be applied only for the purposes of: (i) providing funds to refund any Bonds issued hereunder; (ii) providing funds to pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds; and (iii) providing funds to make any deposit to the Reserve Fund required pursuant to paragraph (6) below;

(2) The principal amount and designation of such Series of Additional Bonds and the denomination or denominations of the Additional Bonds;

(3) The date, the maturity date or dates, the interest payment dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, that (i) the serial Bonds of such Series of Additional Bonds shall be payable as to principal annually on September 1 of each year in which principal falls due, and the term Bonds of such Series of Additional Bonds shall have annual mandatory sinking fund redemptions on September 1, (ii) the Additional Bonds shall be payable as to interest semiannually on March 1 and September 1 of each year, except that the first installment of interest may be payable on either March 1 or September 1 and shall be for a period of not longer than twelve months and the interest shall be payable thereafter semiannually on March 1 and September 1, (iii) all Additional Bonds of a Series of like maturity shall be identical in all respects, except as to number or denomination, and (iv) serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to

provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(4) The redemption premiums and terms, if any, for such Additional Bonds;

(5) The form of such Additional Bonds;

(6) The amount to be deposited from the proceeds of sale of such Additional Bonds in the Reserve Fund; provided, that the Reserve Fund shall be increased at the time that such Additional Bonds become Outstanding to an amount at least equal to the Reserve Requirement, and an amount at least equal to the Reserve Requirement shall thereafter be maintained in the Reserve Fund; and

(7) Such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof;

(b) Upon the issuance of such Additional Bonds, the Community Facilities District shall be in compliance with all agreements, conditions, covenants, and terms contained herein required to be observed or performed by it; and

(c) Annual Debt Service in each Bond Year, calculated for all Bonds to be Outstanding after the issuance of such Additional Bonds, shall be less than or equal to Annual Debt Service in such Bond Year, calculated for all Bonds Outstanding immediately prior to the issuance of such Additional Bonds.

Nothing contained herein shall limit the issuance of any special tax bonds payable from Special Taxes if, after the issuance and delivery of such special tax bonds, none of the Bonds theretofore issued hereunder will be Outstanding.

Section 3.06. Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, such Additional Bonds shall be executed by the Community Facilities District for issuance hereunder and shall be delivered to the Trustee and thereupon shall be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following:

(a) A certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) A Written Request of the Community Facilities District as to the delivery of such Additional Bonds;

(c) An opinion of Bond Counsel substantially to the effect that (i) this Indenture and all Supplemental Indentures have been duly authorized, executed, and delivered by, and constitute the valid and binding obligations of, the Community Facilities District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors rights and by the application of equitable principles and by the

exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State of California), (ii) such Additional Bonds constitute valid and binding special obligations of the Community Facilities District payable solely from Net Special Tax Revenues as provided herein and are enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State of California), and (iii) the issuance of such Additional Bonds, in and of itself, will not adversely affect the exclusion of interest on the Bonds Outstanding prior to the issuance of such Additional Bonds from gross income for federal income tax purposes;

(d) The proceeds of the sale of such Additional Bonds; and

(e) Such further documents or money as are required by the provisions hereof or by the provisions of the Supplemental Indenture authorizing the issuance of such Additional Bonds.

Section 3.07. Additional Bonds. So long as any of the Bonds remain Outstanding, the Community Facilities District shall not issue any Additional Bonds or obligations payable from Net Special Tax Revenues on a parity with the Bonds, except pursuant to Sections 3.05 and 3.06. So long as any of the Bonds remain Outstanding, the Community Facilities District shall not issue any obligations payable from Net Special Tax Revenues on a basis senior or subordinate to the Bonds.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Redemption of Series 2016 Bonds. (a) *Optional Redemption.* The Series 2016 Bonds shall be subject to optional redemption, in whole or in part, on any date, from any source of available funds, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Series 2016 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2016 through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

The Community Facilities District shall give the Trustee written notice of its intention to redeem Series 2016 Bonds pursuant to this subsection not less than 45 days prior to the applicable redemption date, unless such notice shall be waived by the Trustee.

(b) *Mandatory Redemption from Special Tax Prepayments.* The Series 2016 Bonds shall be subject to mandatory redemption, in whole or in part, on any Interest Payment Date, from and to the extent of any prepayment of Special Taxes, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Series 2016 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2016 through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

(c) *Mandatory Sinking Fund Redemption.* The Series 2016 Bonds maturing September 1, 2026 shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20__, at a Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund
Redemption Date
(September 1)

Principal Amount
to be
Redeemed

20__ (Maturity)

If some but not all of the Series 2016 Bonds maturing on September 1, 20__ are redeemed pursuant to Section 4.01(a), the principal amount of Series 2016 Bonds maturing on September 1, 20__ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of Series 2016 Bonds maturing on September 1, 20__ redeemed pursuant to Section 4.01(a). If some but not all of the Series 2016 Bonds maturing on September 1, 20__ are redeemed pursuant to Section 4.01(b), the principal amount of Series 2016 Bonds maturing on September 1, 20__ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Series 2016 Bonds maturing on September 1, 20__ so redeemed pursuant to Section 4.01(b), such reduction to be allocated among redemption dates as nearly as practicable on a *pro rata* basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Community Facilities District.

The Series 2016 Bonds maturing September 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20__, at a Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund
Redemption Date
(September 1)

Principal Amount
to be
Redeemed

20__ (Maturity)

If some but not all of the Series 2016 Bonds maturing on September 1, 20__ are redeemed pursuant to Section 4.01(a), the principal amount of Series 2016 Bonds maturing on September 1, 20__ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced,

by \$5,000 or an integral multiple thereof, as designated by the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of Series 2016 Bonds maturing on September 1, 20__ redeemed pursuant to Section 4.01(a). If some but not all of the Series 2016 Bonds maturing on September 1, 20__ are redeemed pursuant to Section 4.01(b), the principal amount of Series 2016 Bonds maturing on September 1, 20__ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Series 2016 Bonds maturing on September 1, 20__ so redeemed pursuant to Section 4.01(b), such reduction to be allocated among redemption dates as nearly as practicable on a *pro rata* basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Community Facilities District.

Section 4.02. Notice of Redemption. The Trustee on behalf and at the expense of the Community Facilities District shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses **appearing on the Registration Books and to the Original Purchaser at least 30 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole), and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption. With respect to any notice of any optional redemption of Bonds of a Series, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid within the meaning of Section 10.01, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the Redemption Price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Community Facilities District shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.**

Section 4.03. Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption: (a) with respect to any optional redemption of Bonds of a Series, among maturities of Bonds of such Series as directed in a Written Request of the Community Facilities District; (b) with respect to any redemption pursuant to Section 4.01(b) and the corresponding provision of any Supplemental Indenture pursuant to which Additional Bonds are issued, among maturities of all Series of Bonds on a *pro*

rata basis as nearly as practicable; and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Section 4.04. Purchase In Lieu of Redemption. In lieu of an optional, extraordinary mandatory or mandatory sinking fund redemption, the Community Facilities District may elect to purchase such Bonds at public or private sale at such prices as the Community Facilities District in its discretion may determine; provided, that, unless otherwise authorized by law, the purchase price (including brokerage and other charges) thereof will not exceed the principal amount thereof, plus accrued interest accrued to the purchase date and any premium which would otherwise be due if such Bonds were to be redeemed in accordance with the Indenture.

Section 4.05. Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Community Facilities District shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Community Facilities District, a new Bond or Bonds of the same Series in authorized denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Section 4.06. Effect of Notice of Redemption. Notice having been mailed as aforesaid, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside in the Redemption Fund, the Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and destroyed.

ARTICLE V

SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS

Section 5.01. Pledge. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Net Special Tax Revenues and any other amounts (including proceeds of the sale of the Bonds) held in the Special Tax Fund, the Bond Fund and the Reserve Fund are hereby pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of this Indenture and the Act. Said pledge shall constitute a first lien on such assets.

Section 5.02. Special Tax Fund. The Trustee shall establish and maintain a separate fund designated the “Special Tax Fund.” As soon as practicable after the receipt by the Community Facilities District of any Special Tax Revenues, but in any event no later than the date ten Business Days prior to the Interest Payment Date after such receipt, the Community Facilities District shall transfer such Special Tax Revenues to the Trustee for deposit in the Special Tax Fund; provided, however, that any portion of any such Special Tax Revenues that represents prepaid Special Taxes that are to be applied to the payment of the Redemption Price of Bonds in accordance with the provisions hereof shall be identified to the Trustee as such by the Community Facilities District and shall be deposited in the Redemption Fund.

Upon receipt of a Written Request of the Community Facilities District, the Trustee shall withdraw from the Special Tax Fund and transfer to the Administrative Expense Fund the amount specified in such Written Request of the Community Facilities District as the amount necessary to be transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses.

On the Business Day immediately preceding each Interest Payment Date, after having made any requested transfer to the Administrative Expense Fund, the Trustee shall withdraw from the Special Tax Fund and transfer, first, to the Bond Fund, Net Special Tax Revenues in the amount, if any, necessary to cause the amount on deposit in the Bond Fund to be equal to the principal and interest due on the Bonds, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds, on such Interest Payment Date, and, second, to the Reserve Fund, Net Special Tax Revenues in the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement.

On or after September 2 of each year, after having made any requested transfer to the Administrative Expense Fund, the Bond Fund and the Reserve Fund, the Trustee shall withdraw from the Special Tax Fund and transfer to the Surplus Fund all or a portion of any moneys remaining in the Special Tax Fund upon receipt of a Written Request delivered to the Trustee by the Community Facilities District.

Section 5.03. Bond Fund. (a) The Trustee shall establish and maintain a separate fund designated the “Bond Fund.” Within the Bond Fund, the Trustee shall establish and maintain a separate account designated the “Capitalized Interest Account” as may be required under any

Supplemental Indenture. The Trustee shall deposit in the Bond Fund from time to time the amounts required to be deposited therein pursuant to Section 5.02.

(b) In the event that, on the Business Day prior to an Interest Payment Date, amounts in the Bond Fund are insufficient to pay the principal, if any, of and interest on the Bonds due and payable on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds, the Trustee shall withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Bond Fund.

(c) On each Interest Payment Date, the Trustee shall withdraw from the Bond Fund for payment to the Owners of the Bonds the principal, if any, of and interest on the Bonds then due and payable, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds. There shall additionally be transferred from the Capitalized Interest Account to the Bond Fund the amounts required to be so transferred under any Supplemental Indenture.

Section 5.04. Redemption Fund. The Trustee shall establish and maintain a special fund designated the “Redemption Fund.” As soon as practicable after the receipt by the Community Facilities District of prepaid Special Taxes, but in any event not later than ten Business Days after such receipt, the Community Facilities District shall transfer such prepaid Special Taxes to the Trustee for deposit in the Redemption Fund. Additionally, the Trustee shall deposit in the Redemption Fund amounts received from the Community Facilities District in connection with the Community Facilities District’s exercise of its rights to optionally redeem Series 2016 Bonds pursuant to Section 4.01(a) and any other amounts required to be deposited therein pursuant to Section 5.05 or pursuant to any Supplemental Indenture.

Amounts in the Redemption Fund shall be disbursed therefrom for the payment of the Redemption Price of Series 2016 Bonds redeemed pursuant to Section 4.01(a) or Section 4.01(b) and to pay the Redemption Price of Additional Bonds redeemed under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

Section 5.05. Reserve Fund. The Trustee shall establish and maintain a special fund designated the “Reserve Fund.” On the Closing Date, the Trustee shall deposit in the Reserve Fund the amount required to be deposited therein pursuant to Section 3.02. There shall additionally be deposited in the Reserve Fund, in connection with the issuance of Additional Bonds, the amount required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of and interest on the Bonds or, in accordance with the provisions of this Section, for the purpose of redeeming Bonds. Transfers shall be made from the Reserve Fund to the Bond Fund in the event of a deficiency in the Bond Fund, in accordance with Section 5.03.

So long as no Event of Default shall have occurred and be continuing, any amount in the Reserve Fund in excess of the Reserve Requirement on September 2 of each year shall be

withdrawn from the Reserve Fund by the Trustee and shall be deposited in the Bond Fund. Notwithstanding the foregoing, before any such deposit shall be made, such amount shall be available for the payment of any rebate that may be owed under the Code, as specified in a Written Request of the Community Facilities District delivered to the Trustee on or before September 2 of each year.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee shall, upon receipt of a Written Request of the Community Facilities District, transfer the amount in the Reserve Fund to the Bond Fund or Redemption Fund, as applicable, to be applied, on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding Bonds.

Whenever Bonds are to be redeemed pursuant to Section 4.01(a) or Section 4.01(b) or the corresponding provisions of a Supplemental Indenture, a proportionate share, determined as provided below, of the amount on deposit in the Reserve Fund shall, on the Business Day prior to the date on which such Bonds are to be redeemed, be transferred by the Trustee from the Reserve Fund to the Redemption Fund and shall be applied to the redemption of said Bonds; provided, however, that such amount shall be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least equal to the Reserve Requirement (excluding from the calculation thereof said Bonds to be redeemed). Such proportionate share shall be equal to the largest integral multiple of \$5,000 that is not larger than the amount equal to the product of (a) the amount on deposit in the Reserve Fund on the date five Business Days prior to the date notice of redemption of such Bonds is required to be given pursuant to the provisions hereof, times (b) a fraction, the numerator of which is the principal amount of Bonds to be so redeemed and the denominator of which is the principal amount of Bonds to be Outstanding on the day prior to the date on which such Bonds are to be so redeemed.

Section 5.06. Rebate Fund. (a) The Trustee shall establish and maintain a special fund designated the “Rebate Fund” when and if needed. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate, as specified in a Written Request of the Community Facilities District. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Bonds pursuant to Article X hereof or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Community Facilities District, and shall have no liability or responsibility to enforce compliance by the Community Facilities District with the terms of the Tax Certificate. The Trustee may conclusively rely upon the Community Facilities District’s determinations, calculations and certifications required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Community Facilities District’s calculations.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and after payment of any amounts described in this Section, shall, upon receipt by the Trustee of a

Written Request of the Community Facilities District, be withdrawn by the Trustee and remitted to the Community Facilities District.

Section 5.07. Administrative Expense Fund. The Trustee shall establish and maintain a special fund designated the “Administrative Expense Fund.” On the Closing Date, the Trustee shall deposit in the Administrative Expense Fund the amount required to be deposited therein pursuant to Section 3.02. The Trustee shall additionally deposit in the Administrative Expense Fund the amounts transferred from the Special Tax Fund and required to be deposited therein pursuant to Section 5.02.

The moneys in the Administrative Expense Fund shall be used and withdrawn by the Trustee from time to time to pay the Administrative Expenses upon submission of a Written Request of the Community Facilities District stating: (a) the Person to whom payment is to be made; (b) the amount to be paid; (c) the purpose for which the obligation was incurred and that such purpose constitutes an Administrative Expense; (d) that such payment is a proper charge against the Administrative Expense Fund; and (e) that such amounts have not been the subject of a prior disbursement from the Administrative Expense Fund; in each case together with a statement or invoice for each amount requested thereunder.

Section 5.08. Surplus Fund. The Trustee shall establish and maintain a special fund designated the “Surplus Fund.” The Trustee shall deposit in the Surplus Fund the amounts transferred from the Special Tax Fund and required to be deposited therein pursuant to Section 5.02. The moneys in the Surplus Fund shall be used and withdrawn by the Trustee from time to time, upon receipt of a Written Request of the Community Facilities District, directing the Trustee to transfer the amount so specified in such Written Request to: (i) the Redemption Fund to redeem Bonds; or (ii) the Community Facilities District, for any authorized purpose of the Community Facilities District.

Section 5.09. Investment of Moneys. Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Indenture and held by the Trustee shall be invested by the Trustee solely in Permitted Investments, as directed in writing by the Community Facilities District two Business Days prior to the making of such investment. Moneys in all funds and accounts held by the Trustee shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture; provided, however, that Permitted Investments in which moneys in the Reserve Fund are so invested shall mature no later than the earlier of five years from the date of investment or the final maturity date of the Bonds; provided, further, that if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. Absent timely written direction from the Community Facilities District, the Trustee shall invest any funds held by it in Permitted Investments described in clause (h) of the definition thereof.

Subject to the provisions of Section 5.06, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture (other than the Capitalized Interest Account and the Reserve Fund) shall be retained therein. Subject to the provisions of Section 5.06, all interest, profits or other income received from the investment of

moneys in the Reserve Fund shall be transferred to the Bond Fund; provided, however, that, notwithstanding the foregoing, any such transfer shall be made only if and to the extent that, after such transfer, the amount on deposit in the Reserve Fund is at least equal to the Reserve Requirement.

Permitted Investments acquired as an investment of moneys in any fund or account established under this Indenture shall be credited to such fund or account. For the purpose of determining the amount in any fund or account, all Permitted Investments credited to such fund shall be valued by the Trustee at the market value thereof, such valuation to be performed not less frequently than semiannually on or before each February 15 and August 15. The Trustee may utilize and rely upon securities pricing services available to it for such valuations, including those available through the Trustee's accounting system.

The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the Community Facilities District, the Trustee shall sell or present for redemption any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investments is credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section. For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established hereunder. The Community Facilities District acknowledges that the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Community Facilities District the right to receive brokerage confirmations of security transactions as they occur, the Community Facilities District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Community Facilities District periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 5.10. State Reporting. If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal or interest on the Bonds, the Trustee shall notify the Community Facilities District in writing of such failure or withdrawal, and the Community Facilities District shall notify the California Debt and Investment Advisory Commission of such failure or withdrawal within 10 days of the failure to make such payment or the date of such withdrawal.

ARTICLE VI

COVENANTS

Section 6.01. Collection of Special Tax Revenues. The Community Facilities District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

Prior to August 1 of each year, the Community Facilities District shall ascertain from the County Assessor the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year. The Community Facilities District shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 10 that the Bonds are Outstanding, or otherwise such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the Community Facilities District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Community Facilities District shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

The Community Facilities District shall fix and levy the amount of Special Taxes within the Community Facilities District in accordance with the Rate and Method and, subject to the limitations in the Rate and Method as to the maximum Special Tax that may be levied, in an amount sufficient to yield the amount required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the Bond Year commencing in such Fiscal Year, the amount required for any necessary replenishment of the Reserve Fund and the amount estimated to be sufficient to pay the Administrative Expenses during such year, taking into account the balances in the funds and accounts established hereunder.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Section 6.02. Foreclosure. (a) Pursuant to Section 53356.1 of the Act, the Community Facilities District hereby covenants with and for the benefit of the Owners of the Bonds that it will determine or cause to be determined, on or about June 15 of each year, whether or not any owners of property within the Community Facilities District are delinquent in the payment of Special Taxes and, if such delinquencies exist, the Community Facilities District will send or cause to be sent a notice of delinquency and demand for payment thereof to the property owner within 45 days of such determination and if such delinquency remains uncured, order and cause to be commenced within 90 days of such determination of delinquency, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of any Special Taxes or installment thereof not paid when due.

(b) Notwithstanding the foregoing, however, the Community Facilities District shall not be required to order the commencement of foreclosure proceedings under subsection (a) above, if (i) the total Special Tax delinquency in the Community Facilities District for such Fiscal Year is less than 5% of the total Special Tax levied in such Fiscal Year, and (ii) no draw has been made on the Reserve Fund that has not been replenished. However, if the Community Facilities District determines that any single property owner in the Community Facilities District is delinquent in excess of \$10,000 in the payment of the Special Tax, then the Community Facilities District will diligently institute, prosecute and pursue foreclosure proceedings against such property owner, notwithstanding the first sentence of this subsection (b).

Section 6.03. Punctual Payment. The Community Facilities District shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Net Special Tax Revenues and other assets pledged for such payment as provided in this Indenture and received by the Community Facilities District or the Trustee.

Section 6.04. Extension of Payment of Bonds. The Community Facilities District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Community Facilities District to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.05. Against Encumbrances. The Community Facilities District shall not create, or permit the creation of, any pledge, lien, charge, or other encumbrance upon the Special Tax Revenues and other assets pledged under this Indenture while any of the Bonds are Outstanding, except as permitted by this Indenture.

Section 6.06. Power to Issue Bonds and Make Pledge. The Community Facilities District is duly authorized pursuant to the Act to issue the Bonds and to enter into this Indenture and to pledge the Net Special Tax Revenues and other assets pledged under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid, and binding special obligations of the Community Facilities District in accordance with their terms, and the Community Facilities District and the Trustee (subject to the provisions of Article VIII) shall at all times, to the extent permitted by law, defend, preserve and protect said pledge of Net Special Tax Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all Persons whomsoever.

Section 6.07. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with

prudent corporate trust industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds, the Special Tax Revenues and all funds and accounts established by it pursuant to this Indenture. Such books of record and account shall be available for inspection by the Community Facilities District, during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall deliver to the Community Facilities District a monthly accounting of the funds and accounts it holds under this Indenture; provided, however, that the Trustee shall not be obligated to deliver an accounting for any fund or account that (a) has a balance of zero, and (b) has not had any activity since the last reporting date.

Section 6.08. Tax Covenants. (a) The Community Facilities District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2016 Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Community Facilities District shall comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Bonds.

(b) In the event that at any time the Community Facilities District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established hereunder, the Community Facilities District shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Community Facilities District shall provide to the Trustee an opinion of Bond Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2016 Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 6.09. Continuing Disclosure. The Community Facilities District shall comply with and carry out all of the provisions of the District Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Community Facilities District to comply with the District Continuing Disclosure Certificate shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Series 2016 Bonds, and upon indemnification of the Trustee to its reasonable satisfaction, shall) or any holder or beneficial owner of the Series 2016 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 6.10. Annual Reports to the California Debt and Investment Advisory Commission. Not later than October 30 of each year, commencing October 30, 2016 and until the October 30 following the final maturity of the Bonds, the Community Facilities District shall supply to the California Debt and Investment Advisory Commission the information required to be provided thereto pursuant to Section 53359.5(b) of the Act. Such information shall be made available to any Owner upon written request to the Community Facilities District accompanied

by a fee determined by the Community Facilities District to pay the costs of the Community Facilities District in connection therewith. The Community Facilities District shall in no event be liable to any Owner or any other person or entity in connection with any error in any such information.

Section 6.11. Non-Cash Payments of Special Taxes. The Community Facilities District shall not authorize owners of taxable parcels within the Community Facilities District to satisfy Special Tax obligations by the tender of Bonds unless the Community Facilities District shall have first obtained a report of an Independent Consultant certifying that doing so would not result in the Community Facilities District having insufficient Special Tax Revenues to pay the principal of and interest on all Outstanding Bonds when due.

Section 6.12. Reduction in Special Taxes. The Community Facilities District shall not initiate proceedings under the Act to modify the Rate and Method if such modification would adversely affect the security for the Bonds. If an initiative or referendum measure is proposed that purports to modify the Rate and Method in a manner that would adversely affect the security for the Bonds, the Community Facilities District shall, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of the Rate and Method in a manner that would adversely affect the security for the Bonds.

Section 6.13. Further Assurances. The Community Facilities District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. The following events shall be Events of Default:

(a) Failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

(b) Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Failure by the Community Facilities District to observe and perform any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Community Facilities District by the Trustee or the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the Community Facilities District the failure stated in the notice can be corrected, but not within such 60 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Community Facilities District within such 60 day period and the Community Facilities District shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The Community Facilities District or the School District shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 7.02. Foreclosure. If any Event of Default shall occur under Section 7.01(a) or Section 7.01(b) then, and in each and every such case during the continuance of such Event of Default, the Trustee may, or at the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, and upon being indemnified to its satisfaction therefor, shall, commence foreclosure against any parcels of land in the Community Facilities District with delinquent Special Taxes, as provided in Section 53356.1 of the Act; provided, however, that the Trustee need not commence any such foreclosure if such foreclosure has been commenced by the Community Facilities District.

Section 7.03. Other Remedies. If an Event of Default shall have occurred under Section 7.01, the Trustee shall have the right:

(a) by mandamus, suit, action or proceeding, to compel the Community Facilities District and its officers, agents or employees to perform each and every term, provision and covenant contained in this Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the Community Facilities District and the fulfillment of all duties imposed upon it by this Indenture and the Act;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Trustee's or Bond Owner's rights; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the Community Facilities District and its officers and employees to account as if it and they were the trustees of an express trust.

Section 7.04. Application of Net Special Tax Revenues After Default. If an Event of Default shall occur and be continuing, all Net Special Tax Revenues and any other funds thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture, as follows:

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference.

(c) Any remaining funds shall be transferred by the Trustee to the Special Tax Fund.

Section 7.05. Power of Trustee to Enforce. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of this Indenture.

Section 7.06. Bond Owners Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the

Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond Owners not parties to such direction.

Section 7.07. Limitation on Bond Owners' Right to Sue. No Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Act or any other applicable law with respect to such Bonds, unless: (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or said Owners shall have tendered to the Trustee indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Act or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 7.08. Absolute Obligation. Nothing in Section 7.07 or in any other provision of this Indenture or in the Bonds contained shall affect or impair the obligation of the Community Facilities District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Net Special Tax Revenues and other assets herein pledged therefor and received by the Community Facilities District or the Trustee, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.09. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Bond Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bond Owners, then in every such case the Community Facilities District, the Trustee and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies,

powers, and duties of the Community Facilities District, the Trustee and the Bond Owners shall continue as though no such proceedings had been taken.

Section 7.10. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.11. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by this Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

TRUSTEE

Section 8.01. Duties and Liabilities of Trustee. (a) *Duties of Trustee Generally.* The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default which has not been cured or waived, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such persons own affairs.

(b) *Removal of Trustee.* The Community Facilities District may upon 30 days prior written notice remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon shall appoint a successor Trustee by an instrument in writing.

(c) *Resignation of Trustee.* The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the Community Facilities District, and to the Bond Owners at the respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Community Facilities District shall promptly appoint a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(d) *Appointment of Successor Trustee.* Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that under any circumstances the successor Trustee shall be qualified as provided in subsection (e) of this Section. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bond Owner (on behalf of himself and all other Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Community Facilities District and to its predecessor Trustee a written acceptance thereof, and after payment by the Community Facilities District of all unpaid fees and expenses of the predecessor Trustee, then such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties, and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Community Facilities District or the request of the successor Trustee, such predecessor Trustee shall

execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign, and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Community Facilities District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties, and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Community Facilities District shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then maintains a rating on the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Community Facilities District fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Community Facilities District.

(e) *Qualifications of Trustee.* The Trustee shall be a trust company or bank having trust powers in good standing in or incorporated under the laws of the United States or any state thereof, having (or if such bank or trust company is a member of a bank holding company system, its parent bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state agency. 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 agency above referred to, then for the purpose of this subsection 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.

In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02. Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (e) of Section 8.01 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Trustee. (a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Community Facilities District, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture or of the Bonds or shall incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any Bonds, or in respect of the security afforded by this Indenture and the Trustee shall incur no

responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds for value, the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee, or the application of any moneys paid to the Community Facilities District or others in accordance with this Indenture. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) No provision of this Indenture shall require the Trustee to risk or advance its own funds. The Trustee may execute any of its powers or duties hereunder through attorneys, agents or receivers and shall not be answerable for the actions of such attorneys, agents, or receivers if selected by it with reasonable care.

(e) The Trustee shall not be deemed to have knowledge of an Event of Default hereunder unless it has actual knowledge thereof.

(f) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement or any other disclosure material prepared or distributed with respect to the Bonds.

Section 8.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Community Facilities District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the duties imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein

specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Community Facilities District, and such Written Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during business hours and upon reasonable notice to the inspection of the Community Facilities District, the Owners and their agents and representatives duly authorized in writing.

Section 8.06. Compensation and Indemnification. Subject to the provisions of Section 11.01, the Community Facilities District shall pay to the Trustee from time to time all reasonable compensation pursuant to a pre-approved fee letter for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees pursuant to a pre-approved fee letter, and other disbursements pursuant to a pre-approved fee letter and those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Indenture. Subject to the provisions of Section 11.01, the Community Facilities District further agrees, to the extent permitted by law, to indemnify and save the Trustee, its officers, employees, directors and agents harmless against any liabilities, costs, claims, or expenses, including those of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder and under any related documents, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its willful misconduct. The duty of the Community Facilities District to indemnify the Trustee shall survive the termination and discharge of this Indenture.

ARTICLE IX

MODIFICATION OR AMENDMENT

Section 9.01. Amendments Permitted. (a) This Indenture and the rights and obligations of the Community Facilities District, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into with the written consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, which shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, reduce the amount of principal thereof or the rate of interest thereon, alter the redemption provisions thereof or extend the time of payment thereof, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, without the consent of the Owners of all of the Bonds then Outstanding, or (iii) permit the creation of any lien on the Net Special Tax Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture or deprive the Owners of the Bonds of the lien created by this Indenture on such Net Special Tax Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(b) This Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into without the consent of any Bond Owners for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Community Facilities District in this Indenture contained other covenants and agreements thereafter to be observed, to pledge, or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Community Facilities District;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency, or omission, or of curing or correcting any defective provision contained in this Indenture;

(iii) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of Article III;

(iv) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other

terms, conditions and provisions as may be permitted by said act or similar federal statute;

(v) to modify, amend or supplement this Indenture in such manner as to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and

(vi) in any other respect whatsoever as the Community Facilities District may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners hereunder.

(c) Promptly after the execution by the Community Facilities District and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Community Facilities District), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the Community Facilities District, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Community Facilities District so determines shall, bear a notation by endorsement or otherwise in form approved by the Community Facilities District and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Community Facilities District and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Community Facilities District and authenticated by the Trustee, and upon demand of the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same interest rate and maturity.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Owner.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. If the Community Facilities District shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, then the Owners of such Bonds shall cease to be entitled to the pledge of the Net Special Tax Revenues and the other assets as provided herein, and all agreements, covenants and other obligations of the Community Facilities District to the Owners of such Bonds hereunder shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Community Facilities District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Community Facilities District all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on such Bonds.

Subject to the provisions of the above paragraph, when any of the Bonds shall have been paid and if, at the time of such payment, the Community Facilities District shall have kept, performed and observed all of the covenants and promises in such Bonds and in this Indenture required or contemplated to be kept, performed and observed by the Community Facilities District or on its part on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Bonds and such Bonds shall cease to be entitled to the lien of this Indenture and such lien and all covenants, agreements and other obligations of the Community Facilities District hereunder shall cease, terminate become void and be completely discharged as to such Bonds.

Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners of the Bonds and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners of Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds, those provisions of this Indenture contained in Section 8.06 relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Trustee and the Community Facilities District.

Section 10.02. Bonds Deemed To Have Been Paid. If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bonds and the interest thereon at the maturity or redemption date thereof, such Bonds shall be deemed to have been paid within the meaning and with the effect provided in Section 10.01. Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 10.01 if (a) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Community Facilities District shall have

given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.02, notice of redemption of such Bonds on said redemption date, said notice to be given in accordance with Section 4.02, (b) there shall have been deposited with the Trustee either (i) money in an amount which shall be sufficient, or (ii) Federal Securities that are not subject to redemption other than at the option of the holder thereof, the interest on and principal of which when paid will provide money which, together with the money, if any deposited with the Trustee at the same time, shall, as verified by an independent certified public accountant, be sufficient to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bonds, which sufficiency shall be verified in a report of an independent firm of nationally recognized certified public accountants, and (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Community Facilities District shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owners of such Bonds that the deposit required by clause (b) above has been made with the Trustee and that such Bonds, are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bonds.

Section 10.03. Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, to the extent permitted by law, any moneys held by the Trustee in trust for the payment of the principal of, or premium or interest on, any Bonds and remaining unclaimed for two years after the date of deposit of such moneys, shall be repaid to the Community Facilities District free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Community Facilities District as aforesaid, the Trustee may (at the cost of the Community Facilities District) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Community Facilities District of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Special Obligations. All obligations of the Community Facilities District under this Indenture shall be special obligations of the Community Facilities District, payable solely from Special Tax Revenues and the other assets pledged therefor hereunder; provided, however, that all obligations of the Community Facilities District under the Bonds shall be special obligations of the Community Facilities District, payable solely from Net Special Tax Revenues and the other assets pledged therefor hereunder. Neither the faith and credit nor the taxing power of the Community Facilities District (except to the limited extent set forth herein), the School District, or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

Section 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Community Facilities District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Community Facilities District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03. Limitation of Rights. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Trustee, the Community Facilities District and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained, and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the Trustee, the Community Facilities District and the Owners of the Bonds.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Community Facilities District of any Bonds, the Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality, or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained

herein. The Community Facilities District hereby declares that it would have entered into this Indenture and each and every other Section, subsection, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, subsections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.07. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Community Facilities District:

Capistrano Unified School District
33122 Valle Road
San Juan Capistrano, California 92675
Attention: Deputy Superintendent of Business and Support Services
Re: CFD No. 90-2

If to the Trustee:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust Services
Attention:
Re: CFD No. 90-2

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request, or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

Section 11.08. Evidence of Rights of Bond Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in Person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent, or other instrument or of a writing appointing any such agent, or of the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Community Facilities District if made in the manner provided in this Section.

The fact and date of the execution by any Person of any such request, consent, or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Community Facilities District in accordance therewith or reliance thereon.

Section 11.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Community Facilities District, or by any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 11.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.03 but without any liability for interest thereon.

Section 11.11. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with prudent corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.07 and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish any such additional funds or accounts as it deems necessary to perform its obligations hereunder.

Section 11.12. Payment on Non-Business Days. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

Section 11.13. Waiver of Personal Liability. No member, trustee, officer, agent, or employee of the Community Facilities District or the School District shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, trustee, officer, agent, or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.14. Interpretation. (a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 11.15. Conflict with Act. In the event of any conflict between any provision of this Indenture and any provision of the Act, the provision of the Act shall prevail over the provision of this Indenture.

Section 11.16. Conclusive Evidence of Regularity. Bonds issued pursuant to this Indenture shall constitute evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 11.17. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 11.18. Governing Laws. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Community Facilities District has caused this Indenture to be signed in its name by its representative thereunto duly authorized, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**COMMUNITY FACILITIES DISTRICT
NO. 90-2 OF THE CAPISTRANO
UNIFIED SCHOOL DISTRICT
(TALEGA)**

By: _____
Clark Hampton,
Deputy Superintendent of Business and
Support Services of the Capistrano
Unified School District

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

By: _____
Authorized Officer

EXHIBIT A**FORM OF SERIES 2016 BOND**

No. _____

\$ _____

COUNTY OF ORANGE

STATE OF CALIFORNIA

**COMMUNITY FACILITIES DISTRICT NO. 90-2 OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT (TALEGA)
SPECIAL TAX REFUNDING BOND, SERIES 2016**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
	September 1, ____	_____, 2016	

REGISTERED OWNER:**PRINCIPAL AMOUNT:**

The Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) (the "Community Facilities District"), for value received, hereby promises to pay, solely from the sources hereinafter described, to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above or on any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof, payable semiannually on March 1 and September 1 in each year, commencing March 1, 2017 (the "Interest Payment Dates"), until payment of such Principal Amount in full. This Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date, whether or not such day is a business day, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to February 15, 2017, in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or duly provided for). The Principal Amount hereof is payable upon surrender hereof upon maturity or earlier redemption at the Office of the Trustee (as hereinafter defined). Interest hereon is payable by check of U.S. Bank National Association, as Trustee (the "Trustee"), mailed by first class mail, postage prepaid, or by wire transfer made on such Interest Payment Date upon the written instructions of any Owner of \$1,000,000 or more Series 2016 Bonds to an account within the United States, on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the Registration Books of the Trustee as of the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date. "Office of the Trustee" means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Community Facilities District by the Trustee in writing.

This Bond is one of a series of a duly authorized issue of bonds approved by the qualified electors of the Community Facilities District, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Sections 53311 *et seq.* of the California Government Code (the “Act”), and issued for the purpose of financing certain public facilities, and is one of the series of bonds designated “Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Special Tax Refunding Bond, Series 2016” (the “Series 2016 Bonds”) in the aggregate principal amount of \$_____. The Series 2016 Bonds are issued pursuant to the terms and conditions of the Indenture, dated as of [DATED AS OF DATE] (the “Indenture”), by and between the Community Facilities District and the Trustee, and this reference incorporates the Indenture herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. Pursuant to and as more particularly provided in the Indenture, additional bonds (“Additional Bonds”) may be issued by the Community Facilities District secured by a lien on a parity with the lien securing the Series 2016 Bonds. The Series 2016 Bonds and any Additional Bonds are collectively referred to as the “Bonds.” The Indenture is entered into, and this Bond is issued under, the Act and the laws of the State of California. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

Pursuant to the Act and the Indenture, the principal of and interest on the Bonds are payable solely from Net Special Tax Revenues and the other assets pledged therefor under the Indenture. Net Special Tax Revenues generally consist of the annual special tax authorized under the Act to be collected within the Community Facilities District, after the payment therefrom of certain administrative expenses. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Net Special Tax Revenues and any other amounts (including proceeds of the sale of the Bonds) held in the Bond Fund and the Reserve Fund established under the Indenture are pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act. Said pledge constitutes a first lien on such assets.

The Series 2016 Bonds shall be subject to optional and mandatory redemption, in accordance with the redemption provisions contained in the Indenture.

The Trustee on behalf and at the expense of the Community Facilities District shall mail (by first class mail) notice of any redemption to the respective owners of any Series 2016 Bonds designated for redemption, at their respective addresses appearing on the Registration Books maintained by the Trustee, at least 30 but not more than 60 days prior to the redemption date; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Series 2016 Bonds or the cessation of the accrual of interest thereon. The redemption price of the Series 2016 Bonds to be redeemed shall be paid only upon presentation and surrender thereof at the Office of the Trustee. From and after the date fixed for redemption of any Series 2016 Bonds, interest on such Series 2016 Bonds will cease to accrue.

The Series 2016 Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, fully registered Series 2016 Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount and maturity of fully registered Series 2016 Bonds of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Series 2016 Bond or Series 2016 Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Community Facilities District and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Community Facilities District and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Community Facilities District, the owners of the Bonds and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the fixed maturity of any Bonds, or reduce the principal thereof or the rate of interest borne thereby, or extend the time of payment, without the consent of the owner of such Bond, (b) reduce the percentage of Bonds the consent of the owners of which is required to effect any such amendment or modification, without the consent of the owners of all outstanding Bonds, or (c) permit the creation of any lien on the Net Special Tax Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture, or deprive the Bonds owners of the lien created under the Indenture on such Net Special Tax Revenues and such other assets (except as expressly provided in the Indenture), without the consent of the owners of all outstanding Bonds.

The Indenture contains provisions permitting the Community Facilities District to make provision for the payment of interest on, and the principal and premium, if any, of any of the Bonds so that such Bonds shall no longer be deemed to be outstanding under the terms of the Indenture.

All obligations of the Community Facilities District under the Indenture shall be special obligations of the Community Facilities District, payable solely from Special Tax Revenues and the other assets pledged therefor thereunder; provided, however, that all obligations of the Community Facilities District under the Bonds shall be special obligations of the Community Facilities District, payable solely from Net Special Tax Revenues and the other assets pledged therefor thereunder. Neither the faith and credit nor the taxing power of the Community Facilities District (except to the limited extent set forth herein and in the Indenture), the School District or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company 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.

IN WITNESS WHEREOF, the Community Facilities District has caused this Bond to be signed in its name and on its behalf by the facsimile signatures of the President of the Board of Trustees of the Capistrano Unified School District and attested to by the Clerk of said Board of Trustees, all as of the Dated Date identified above.

**COMMUNITY FACILITIES DISTRICT
NO. 90-2 OF THE CAPISTRANO
UNIFIED SCHOOL DISTRICT
(TALEGA)**

By: _____
President of the Board of Trustees of the
Capistrano Unified School District

Attest:

By: _____
Clerk of the Board of Trustees

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Series 2016 Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: _____, 2016

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

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

\$ _____
**COMMUNITY FACILITIES DISTRICT NO. 90-2 OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT (TALEGA)
SPECIAL TAX REFUNDING BOND, SERIES 2016**

BOND PURCHASE AGREEMENT

July __, 2016

Board of Trustees of the
Capistrano Unified School District,
as legislative body of Community Facilities District No. 90-2
of the Capistrano Unified School District (Talega)
33122 Valle Road
San Juan Capistrano, California 92675

Dear Members of the Board of Trustees:

The undersigned, _____, as underwriter (the "Underwriter"), offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) (the "District") which, upon acceptance, will be binding upon the District and upon the Underwriter. This offer is made subject to the District's acceptance hereof on the date hereof, and if not so accepted will be subject to withdrawal by the Underwriter upon notice delivered to the District at any time prior to the acceptance hereof by the District.

1. **Purchase and Sale of the Bonds.** Subject to the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District, and the District hereby agrees to sell to the Underwriter, all (but not less than all) of the Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Special Tax Refunding Bond, Series 2016 (the "Bonds"), to be dated July __, 2016, in the aggregate principal amount of \$_____ bearing interest payable commencing March 1, 2017, and semiannually thereafter on each September 1 and March 1 in each year at the rates of interest and maturing on the dates and in the amounts as set forth in Exhibit A attached hereto and incorporated herein by this reference.

2. **Purchase Price.** The purchase price for the Bonds shall be equal to \$_____, representing the principal amount of the Bonds (\$_____), less a net original issue discount of \$_____, less an underwriting discount of \$_____. [As an accommodation to the District, the Underwriter will pay, from the purchase price of the Bonds, the sum of \$_____ to _____ (the "Insurer") as the premium for its municipal bond insurance policy (the "Municipal Bond Insurance Policy") issued for the Bonds maturing on and after September 1, 20__ (the "Insured Bonds"), and will pay, from the purchase price of the Bonds, the sum of \$_____ to the Insurer as the premium for its reserve fund municipal bond insurance policy issued for the Bonds (the "Reserve Policy"). The Bonds maturing on September 1, __ and September 1, __ are not covered by the Municipal Bond Insurance Policy.]

The amount of \$____,000.00 has been, or within two (2) business days hereof will be, wired to the District's account as security for the performance by the Underwriter of its obligation to accept and pay for the Bonds at the Closing, as provided in Section 3 (Closing)

hereof. In the event that the Underwriter complies with such obligation, the good faith deposit in the amount thereof shall be credited toward the payment of the purchase price of the Bonds by the Underwriter at the Closing, as provided in Section 3 (Closing) hereof. In the event the District does not accept this offer, said good faith deposit shall be promptly returned to the Underwriter. In the event of the District's failure to deliver the Bonds at the Closing, or if the District shall be unable to satisfy the conditions of the obligation of the Underwriter to purchase and accept delivery of such Bonds as set forth in this Bond Purchase Agreement, or if the obligation of the Underwriter with respect to the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder, except that the amount of the good faith deposit referred to in this Section shall immediately be paid to the Underwriter and the respective obligations of the District and the Underwriter for the payment of expenses, as provided in Section 12 (Expenses), shall continue in full force and effect. If the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds at the Closing as herein provided, the amount of the good faith deposit shall be retained by the District as and for full liquidated damages for such failure and for any defaults hereunder on the Underwriter's part and shall constitute a full release and discharge of all claims and damages for such failure and for such defaults. The Underwriter understands that in such event the District's actual damages may be greater or may be less than the amount of the good faith deposit. Accordingly, the Underwriter hereby waives any right to claim that the District's actual damages are less than such sum, and the District's acceptance of this offer shall constitute a waiver of any right the District may have to additional damages from the Underwriter. Any interest or other income from the investment of the good faith deposit by the District shall belong to the District.

3. **Closing.** Except as the District and the Underwriter may otherwise agree, the District will deliver to the Underwriter, through The Depository Trust Company ("DTC"), the Bonds in definitive form (bearing CUSIP numbers) duly executed by the District and authenticated by U.S. Bank National Association, as trustee (the "Trustee"), and, at the offices of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), in Los Angeles, California, or at such other location as may be designated by the Underwriter and agreed to by the District, the other documents herein mentioned at 8:00 a.m. local time, on July __, 2016 (the "Closing Date"). The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 2, credit having been given for the amount of the good faith deposit in Section 2, by a federal funds wire or check in immediately available funds to the order of the Fiscal Agent (such delivery and payment being herein referred to as the "Closing"). The Bonds shall be made available to the Underwriter for checking at the offices of Bond Counsel not later than 24 hours prior to the Closing Date. The Bonds shall be in fully registered form and shall be registered in the name of DTC.

4. **Terms of the Bonds.** The issuance of the Bonds is authorized pursuant to the Mello-Roos Community Facilities Act of 1982, constituting sections 53311 *et seq.* of the California Government Code, as amended (the "Law"). The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable and subject to redemption as provided in the Bond Indenture, dated as of July 1, 2016, by and between the District and the Trustee (the "Indenture"). The issuance of the Bonds has been authorized by Resolution No. _____ (the "Bond Resolution") adopted by the Board of Trustees of the Capistrano Unified School District (the "School District"), acting as the legislative body of the District (the "Board"), on May 11, 2016. As and to the extent provided in the Indenture, interest on and principal of the Bonds will be payable from the net proceeds of the special taxes (the "Special Taxes") to be levied in the District that are paid to the Trustee by the District. Proceeds of the sale of the Bonds will be used in accordance with: (a) the Indenture, (b) the Bond Resolution, (c) the Law, and (d) an Escrow Instructions, dated as of July 1, 2016 (the

“Escrow Agreement”), between the District and U.S. Bank National Association, as escrow bank (the “Escrow Agent”), all in order to provide for the redemption and legal defeasance of the District’s outstanding Series 2006 Special Tax Bonds (the “Refunded Bonds”) that were issued under the Bond Indenture, dated as of June 1, 2006 (the “2006 Indenture”), between the 2006 Fiscal Agent and the District, [to pay the premium for the Reserve Policy to be held for the benefit of the reserve account for the Bonds], and to pay the costs of issuance of the Bonds.

5. **Public Offering of the Bonds.** The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices not in excess of the initial public offering prices set forth in Exhibit A hereto. The Underwriter reserves the right to change, subsequent to the initial public offering, such initial offering prices or yields. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower (or yields higher) than such initial public offering prices or yields. The Underwriter also reserves the right (a) to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market and (b) to discontinue such stabilizing, if commenced, at any time without prior notice.

6. **Official Statement.**

a. **Final Official Statement.** The District shall deliver or cause to be delivered to the Underwriter, promptly after the District’s acceptance of this Bond Purchase Agreement, copies of its Official Statement relating to the Bonds, dated the date hereof, substantially in the form of the Preliminary Official Statement dated July __, 2016 (the “Preliminary Official Statement”), with only such changes therein as have been accepted by the Underwriter (the Preliminary Official Statement with such changes, and including the cover page and all appendices thereto, being referred to as the “Official Statement”), signed on behalf of the District by the Superintendent of the School District.

b. **Preliminary Official Statement.** The District hereby ratifies, confirms, and approves the use and distribution of the Preliminary Official Statement by the Underwriter, and hereby authorizes the Underwriter to use and distribute the Official Statement, the Indenture, the Escrow Agreement and the Bond Resolution in connection with the offer and sale of the Bonds.

The District confirms that the Preliminary Official Statement was deemed final for purposes of Rule 15c2-12 adopted under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), as of its date, except for final information as to the offering prices, interest rates, selling compensation, amount of proceeds, delivery dates, other terms depending on such factors, and other information permitted to be omitted under Rule 15c2-12.

c. **Delivery of Official Statement.** The District agrees to deliver to the Underwriter an electronic version of the Official Statement to the Underwriter, and as many physical copies (not to exceed 150 copies) of the Official Statement (and any supplements or amendments thereto as have been approved by the Underwriter) as the Underwriter shall reasonably request to enable the Underwriter to meet its obligations under Rule 15c2-12 and under Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The District agrees to deliver such copies of the Official Statement within seven business days after the execution hereof (or earlier if necessary to accompany confirmations sent by the Underwriter to the initial purchasers of the Bonds).

d. End of the Underwriting Period. For purposes of this Bond Purchase Agreement, the term “End of the Underwriting Period” shall mean the Closing Date, unless the Underwriter shall notify the District in writing on or prior to the Closing Date of a different date as the End of the Underwriting Period, and in any event the End of the Underwriting Period shall be a date which is not later than 25 days after the Closing Date.

e. Amendments or Supplements to Official Statement. If at any time prior to the date which is 25 days after the End of the Underwriting Period (as defined in Section 6(d) hereof) that the final Official Statement is no longer required to be delivered under Rule 15c2-12, any event occurs as a result of which it may be necessary to supplement or amend the Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, the District shall forthwith notify the Underwriter in writing of any such event of which it has knowledge and, if in the opinion of the Underwriter such event requires an amendment or supplement to the Official Statement, the District will at its expense amend or supplement the Official Statement in a form and manner approved by the Underwriter, which approval will not be unreasonably delayed or withheld. Any information supplied by the District for inclusion in any amendments or supplements to the Official Statement will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

7. **Continuing Disclosure.** The District will undertake, pursuant to a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), to provide certain annual financial information and notices of the occurrence of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

8. **Representations, Warranties, and Agreements of the District.** The District hereby represents and warrants to, and agrees with, the Underwriter that:

a. Valid Existence. The District is a community facilities district duly formed and validly existing under and pursuant to the Law.

b. Authority. The District has full power and authority to issue the Bonds, to enter into this Bond Purchase Agreement, and to carry out, give effect to, and consummate the transactions on its part contemplated by (i) the Indenture, (ii) the Bonds, (iii) the Continuing Disclosure Certificate, (iv) this Bond Purchase Agreement, and (v) the Escrow Agreement (collectively, the “District Documents”), and the Bond Resolution and the Official Statement.

c. Official Action. By official action of the Board prior to or concurrently with the acceptance hereof, the District has duly authorized the distribution of the Preliminary Official Statement, approved and authorized the distribution of the Official Statement, approved and authorized the execution and delivery of the District Documents, approved and authorized the performance by the District of the obligations on its part contained in the District Documents, and approved and authorized the consummation of all other transactions on its part contemplated by the Official Statement.

d. Validity of Documents. The Indenture is a valid and binding obligation of the District, enforceable in accordance with its terms, except as the enforcement thereof

may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principle. Assuming due authorization, execution, and delivery by the other parties thereto, this Bond Purchase Agreement is in full force and effect as of the date hereof and the other District Documents, as executed or upon execution thereof, as applicable, will each constitute valid and binding agreements or obligations of the District, enforceable in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles.

e. Compliance with Agreements. The District has complied, or at Closing will have complied, in all material respects, with its obligations under this Bond Purchase Agreement, the other District Documents.

f. No Violation of Law or Breach of Contract. The adoption of the Bond Resolution, the execution and delivery of the District Documents by the District, and compliance with the provisions thereof will not, to the current actual knowledge (after reasonable investigation) of the officer of the District executing this Bond Purchase Agreement, (i) violate any applicable provision of statutory law or regulation, (ii) breach or otherwise violate any existing obligation of the District under any court order or administrative decree to which the District is subject, or (iii) breach, or result in a default under, any loan agreement, note, resolution, indenture, contract, agreement, or other instrument to which the District is a party or is otherwise subject or bound, including but not limited to the Indenture.

g. Governmental Approvals. Except as described in the Official Statement, all approvals, consents, authorizations, permits, and orders of or filings or registrations with any governmental authority, board, agency, or commission having jurisdiction that would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the District of its obligations under the Bond Resolution or the District Documents have been obtained and are in full force and effect.

h. Conformity with Description. The Bonds when issued and the District Documents, each when executed and delivered, will conform to the respective descriptions thereof contained in the Official Statement.

i. Accuracy of Official Statement. The Preliminary Official Statement did not as of its date and the Official Statement will not as of its date and as of the Closing Date contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (provided that no representation is made with respect to information in the Preliminary Official Statement or the Official Statement about The Depository Trust Company ("DTC"), [the Municipal Bond Insurance Policy, the Reserve Policy or the Insurer]).

j. Accuracy of Supplemented Official Statement. If the Official Statement is supplemented or amended pursuant to Section 6(e) (Amendments or Supplements to Official Statement), at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such Section) at all times subsequent thereto up to and including the End of the Underwriting Period as described in Section 6(d) (End of the Underwriting Period), the Official Statement as so supplemented or amended (except for any information about the Insurer, the Municipal Bond Insurance Policy, the Reserve Policy or DTC) will not contain any untrue

statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

k. No Litigation. Except as disclosed in the Official Statement, to the current actual knowledge (after reasonable investigation) of the officer of the District executing this Bond Purchase Agreement, no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body is pending or has been overtly threatened in writing that in any way seeks to affect the existence of the District, or the titles of the District's officers to their respective offices or seeks to restrain or to enjoin the execution, sale, or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Resolution, the Bonds, the Indenture, and the Escrow Agreement, or in any way contests or seeks to affect the validity or enforceability of the Bonds, the Bond Resolution or the District Documents or any action of the District or the School District contemplated by any of said documents, or that in any way contests the completeness or accuracy of the Official Statement or the powers of the District or its authority with respect to the Bonds, the Bond Resolution or the other District Documents, or any action of the District contemplated by any of said documents, or that would adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the exemption of such interest from California personal income taxation.

l. "Blue Sky" Qualification; Investment Eligibility. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request (i) to qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided that in connection therewith the District shall not be required to file or execute a general or special consent to service of process or qualify to do business in any jurisdiction or to pay any filing or similar fees.

m. Continuing Disclosure Compliance. The Preliminary Official Statement describes the instances in which the School District and each of the community facilities districts established by its Board of Trustees have failed to comply with their previous undertakings with respect to Rule 15c2-12. As of the date of the Preliminary Official Statement, all required filings have been made.

n. No Debt Issues. Between the date hereof and the Closing Date, without the prior written consent of the Underwriter, the District will not issue any bonds, notes, or other obligations for borrowed money or entered into any other obligations, except as may be described in or contemplated by the Official Statement.

o. Officials' Certificates. Any certificate signed by an official of the School District authorized to do so shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein.

p. No Arbitrage. The District shall not take any action or fail to take any action, or permit any action or omission with regard to which the District may exercise control, with respect to the proceeds of the 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 Bonds would have caused the Bonds to be

“arbitrage bonds” within the meaning of Section 148 of the Code, including the Treasury Regulations with respect thereto.

q. The Bonds; Pledge of Net Taxes. When delivered to the Underwriter, the Bonds will have been duly authorized by the Board and duly executed, issued and delivered by the District and will constitute legal, valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights generally. The Indenture creates a valid pledge of, first lien upon and security interest in, the Net Taxes (as defined in the Indenture), except as otherwise explicitly provided in the Indenture, and a valid pledge of, first lien upon and security interest in the amounts in the Special Tax Fund and the Debt Service Account, the Redemption Account and the Reserve Account therein, each as established pursuant to the Indenture, on the terms and conditions set forth in the Indenture.

r. No Other Debt. Except as disclosed in the Official Statement, to the best of the District’s knowledge, no other public debt secured by a tax or assessment levied by the School District on the land in the District is in the process of being authorized and no assessment districts or community facilities district have been or are in the process of being formed by the School District which include any portion of the land within the District.

s. No Listing. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

t. Special Taxes; Ordinance. The Special Taxes may lawfully be levied in accordance with the Rate and Method of Apportionment of Special Taxes for the District (the “Rate and Method”) and the Ordinance (as defined in the Indenture), and, when levied, the Special Taxes so levied will be secured by a lien on the property on which they are levied. The Ordinance is in full force and effect and has not been amended or supplemented.

u. Agreement With Underwriter. The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm’s length commercial transaction between the District and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the District, (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the District with respect to the offering of the Bonds or the process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the District or the School District on other matters) or any other obligation to the District except the obligations expressly set forth in this Bond Purchase Contract, (iv) the Underwriter has financial interests that differ from those of the District, and (v) the District has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

9. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the District contained herein, upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing, and upon the performance by the District of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the obligations of the Underwriter under this Bond Purchase Agreement to accept delivery of and to pay for the

Bonds on the Closing Date shall be conditioned upon the accuracy in all material respects of the representations and warranties on the part of the District contained herein as of the date hereof and as of the Closing Date, upon the accuracy in all material respects of the statements of the officers and other officials of the District made in any certificates or other documents furnished pursuant to the provisions hereof, and upon the performance by the District of its obligations to be performed hereunder at or prior to the Closing Date, and also shall be subject to the following additional conditions:

a. Representations and Warranties. The representations and warranties of the District contained herein shall be true and correct in all material respects on the date hereof and on and as of the Closing Date, as if made on the Closing Date.

b. District Documents and Official Statement. At the Closing Date, the District Documents shall be in full force and effect, and, together with the Official Statement, shall be in the form previously submitted to the Underwriter, and shall not have been amended, modified, or supplemented, except as may have been agreed to by the Underwriter, which agreement shall be conclusively established by the payment of the purchase price for the Bonds, and the District shall perform or have performed all of its obligations required under or specified in the District Documents, the Official Statement and the Bond Resolution to be performed at or prior to the Closing.

c. Other Documents and Opinions. At or prior to the Closing Date, the Underwriter shall have received copies of the following documents, in each case satisfactory in form and substance to the Underwriter:

(1) Official Statement. The Official Statement and each supplement or amendment thereto, if any, executed on behalf of the District by the Superintendent of the School District or other authorized officer of the School District;

(2) Ordinance and Resolutions. The Ordinance, the Bond Resolution and the Resolution establishing the District (the Bond Resolution and Resolution No. ____ establishing the District being collectively referred to below as the "Resolutions"), together with certificates of the Secretary of the Board dated as of the Closing Date, to the effect that each such resolution is a true, correct and complete copy of the one duly adopted by the Board and that it has not been amended, modified or rescinded and is in full force and effect as of the Closing Date;

(3) Final Approving Opinion of Bond Counsel and Reliance Letter. The approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, dated the Closing Date and addressed to the District in the form set forth in an appendix to the Official Statement, together with a letter dated the Closing Date and addressed to the Underwriter to the effect that such opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it;

(4) Supplemental Opinion of Bond Counsel. A supplemental opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that:

(A) Exemptions from Registration/Qualification. The Bonds are not subject to the registration requirements of the Securities Act of

1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and

(B) Accuracy of Summaries. [The statements contained in the Official Statement under the captions "INTRODUCTION," "THE 2016 BONDS" (excluding the subcaption "Book-Entry and DTC"), "PLAN OF REFUNDING," "SECURITY FOR THE 2016 BONDS" (excluding the subcaptions "Alternative Method of Tax Apportionment" and "Rate and Method"), "TAX MATTERS" and in Appendix C– Summary of Certain Provisions of the Indenture and Appendix E – Form of Opinion of Bond Counsel (excluding any material that may be treated as included under such captions by cross-reference, and further excluding any financial, statistical and economic data, forecasts, numbers, charts, graphs, estimates, projections, and assumptions as to which no opinion or view need be expressed), as such statements purport to summarize certain provisions of the Law, the Indenture, the Escrow Agreement, the Bonds, and Bond Counsel's opinion concerning certain federal and state tax matters relating to the Bonds, are accurate in all material respects;]

(C) Special Taxes. The Special Taxes and the levy thereof have been duly and validly authorized in accordance with the provisions of the Law;

(5) Disclosure Counsel Letter. A letter of James F. Anderson Law Firm, A Professional Corporation, Laguna Hills, California, as disclosure counsel to the District ("Disclosure Counsel"), addressed to the Underwriter and the District, to the effect that nothing has come to such counsel's attention that would lead them to believe that the Official Statement, as of its date and as of the Closing Date (but excluding therefrom the appendices thereto, financial statements and statistical data, and information regarding the DTC and its book entry system, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(6) District Counsel Opinion. An opinion of Burke, Williams & Sorensen, LLP, in its capacity as special counsel to the District, dated the Closing Date and addressed to the Underwriter, to the effect that:

(A) the District is a community facilities district duly organized and validly existing under and by virtue of the Law;

(B) each of the Resolutions was duly adopted at a meeting of the Board that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;

(C) the District has full right and lawful authority to adopt or enter into and perform its obligations under the District Documents;

(D) the Bond Resolution has been duly adopted, and the District Documents have been duly authorized, executed, and delivered by the District, and assuming due authorization, execution, and delivery

by and enforceability of the District Documents against the other parties thereto, and the District Documents constitute valid and binding obligations of the District enforceable against the District in accordance with their respective terms, subject to any limitations on enforcement due to any law affecting the enforceability of creditors' rights generally, by the application of equitable principles, by the possible unavailability of specific performance or injunctive relief, and by the limitations on legal remedies imposed on actions by or against community facilities districts in the State of California; and

(E) to such counsel's current actual knowledge and in reliance upon an attached certificate of the District and a search of federal court records and Orange County Superior Court records, other than as disclosed in the Official Statement, there are no actions or proceedings pending against the District (service of process having been accomplished) or overtly threatened in writing, before any court, governmental agency, or arbitrator that (i) seek to restrain or enjoin the execution and delivery of the Bonds (ii) seek to affect the collection or application of the Net Taxes to pay the principal of, and interest on, the Bonds, or (iii) seek to affect the validity of any of the District Documents;

(7) District Certificate. A certificate, dated the Closing Date and signed by the Superintendent, Deputy Superintendent, Business and Support Services or such other officer of the School District as the Underwriter may approve, to the effect that:

(A) the representations and warranties of the District contained in this Bond Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

(B) to the best knowledge of said officer, no event has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that it is necessary to disclose in the Official Statement so that the Official Statement is not untrue or misleading in any material respect; and

(C) the District has satisfied all the conditions on its part to be performed or satisfied under the District Documents at and prior to the Closing Date;

(8) Trustee and Escrow Agent Certificate. A certificate dated the Closing Date of an authorized officer of the Fiscal Agent to the effect that:

(A) the Trustee has duly accepted the duties of the Trustee under the Indenture and of the Escrow Agent under the Escrow Agreement;

(B) the Bonds were duly authenticated in the name and on behalf of the Trustee by an authorized signatory of the Trustee; and

(C) there are no actions or proceedings against the Trustee pending (service of process having been accomplished) or, to the best of

the Trustee's knowledge, overtly threatened in writing, before any court, governmental agency, or arbitrator that (i) seek to restrain or enjoin the authentication or delivery of the Bonds, or (ii) seek to affect the validity of the Bonds;

(9) District Documents. An original of each of the District Documents duly executed by the respective parties thereto;

(10) Verification Report. A report of [American Municipal Tax-Exempt Compliance Corporation and Ross & Company, PLLC] verifying the accuracy of the computations establishing the sufficiency of the escrow to defease the Refunded Bonds;

(11) Tax Certificate. A tax certificate of the District in form and substance acceptable to Bond Counsel;

(12) Form 8038-G. An executed Internal Revenue Service Form 8038-G;

(13) Rating Letters. [[Written evidence that Standard & Poor's Ratings Services has assigned a rating of "___" to the Insured Bonds based on the expected delivery of the Municipal Bond Insurance Policy, and an underlying rating of "____" to all of the Bonds, and that as of the Closing Date such ratings have not been suspended, revoked, or downgraded;]

(14) Financial Advisor Certificate. A certificate of the Financial Advisor, dated as of the Closing Date, in form and substance satisfactory to Disclosure Counsel, Bond Counsel and the Underwriter, including a statement to the effect that nothing has come to their attention that would lead them to believe that the Official Statement, including the cover page as of its date and as of the Closing Date contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(15) Underwriter's Reoffering Price Certificate, Other Tax Matters. A certificate of the Underwriter, dated as of the Closing Date, in form and substance satisfactory to Bond Counsel, concerning the reoffering prices of the Bonds and such other matters as Bond Counsel may request;

(16) Certificate Verifying Continuing Disclosure Compliance. A Certificate of the Financial Advisor, dated the Closing Date and in form and substance acceptable to Disclosure Counsel and the Underwriter, to the effect that the District and the School District are in compliance with all of their prior continuing disclosure undertakings entered into pursuant to Rule 15c2-12 and have not failed to comply with any such undertakings during the preceding five years, except as disclosed in the Official Statement;

(17) Certificate of Special Tax Consultant. A certificate dated the Closing Date from the Special Tax Consultant substantially in the form set forth in Exhibit B hereto;

(18) Notice of Special Tax Lien. Evidence of recordation in the real property records of the County of Orange of the Notice of Special Tax Lien in the form required by the Law;

(19) Opinion of Counsel to Trustee and Escrow Agent. An opinion of counsel to the Trustee and the Escrow Agent in form and substance satisfactory to the Underwriter dated the Closing Date and addressed to the District and the Underwriter to the effect that the U.S. Bank National Association has duly authorized the execution and delivery of the Indenture and the Escrow Agreement, and that such documents are valid and binding obligations of U.S. Bank National Association enforceable in accordance with their respective terms, and that the Bonds have been duly and validly authenticated by the Fiscal Agent;

(20) Defeasance Opinion. An opinion of Bond Counsel addressed to the District and the Fiscal Agent, to the effect that, assuming amounts held by the Escrow Agent under the Escrow Agreement are sufficient to pay the full redemption price of the Refunded Bonds on September 1, 2016, upon the execution and delivery of the Escrow Agreement by the parties thereto and the funding of the Escrow Fund thereunder, the Refunded Bonds will have been legally defeased and will no longer be outstanding under the bond indenture pursuant to which they were issued;

(21) [Bond Insurance and Reserve Policy. A copy of the Municipal Bond Insurance Policy and the Reserve Policy of the Insurer, each as described in the Official Statement, along with an opinion of counsel to the Insurer and a certificate of the Insurer related thereto in form and substance acceptable to the Underwriter;] and

(22) Other Opinions and Certificates. Such additional legal opinions, certificates and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the representations and warranties contained in this Bond Purchase Agreement and of the statements and information contained in the Official Statement, and to evidence the due performance or satisfaction by the District at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the District in connection with the transactions contemplated hereby and by the Official Statement.

All the opinions, letters, certificates, instruments, and other documents mentioned in this section or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the terms hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If any of the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement shall not have been satisfied when and as required herein, or if the obligations of the Underwriter to purchase, to accept delivery of, and to pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be terminated by the Underwriter at, or at any time prior to, the Closing Date by written notice to the District. In such event, all obligations of the Underwriter and the District hereunder shall be terminated, except that the respective obligations of the District and the Underwriter set forth in Section 12 (Expenses) shall continue in full force and effect.

10. **Conditions to the Obligations of the District.** The obligation of the District to issue and deliver the Bonds on the Closing Date shall be subject, at the option of the District, to the Underwriter's performance of its obligations hereunder at or prior to the Closing Date and to the following additional conditions (any of which conditions may be waived by the District):

a. No order, decree, injunction, ruling, or regulation of any court, regulatory agency, public board, or body shall have been issued, nor shall any legislation have been enacted, with the purpose or effect, directly or indirectly, of prohibiting the offering, sale, or delivery of the Bonds as contemplated hereby or by the Official Statement; and

b. The opinions and letter contemplated by Sections 9(c)(3), (5) and (20) shall have been delivered substantially in the forms described herein.

11. **Termination.** The Underwriter shall have the right to terminate its obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the District of its election to do so if, after the execution hereof and prior to the Closing, the market price or marketability of the Bonds at the initial offering prices set forth in Exhibit A hereto shall have been materially adversely affected, in the judgment of the Underwriter, because of:

a. legislation introduced in or enacted by the House of Representatives or the Senate of the Congress of the United States, or recommended to the Congress of the United States for passage by the President of the United States, or favorably reported for passage to either the House of Representatives or the Senate by any committee of either such body to which such legislation has been referred for consideration, a decision by a court established under Article III of the Constitution of the United States, or by the Tax Court of the United States, or a ruling, regulation, or order of the Treasury Department of the United States or the Internal Revenue Service made or proposed having the purpose or effect of imposing federal income taxation, or any other event that has occurred that resulted in the imposition of federal income taxation upon interest received on obligations of the general character of the Bonds;

b. any legislation, ordinance, rule, or regulation introduced in, or enacted by, any governmental body, department, or agency in the State of California, or a decision by any court of competent jurisdiction within the State of California that, in the Underwriter's judgment, materially adversely affects the market price of the Bonds;

c. a stop order, ruling, regulation or official statement by, or on behalf of the Securities and Exchange Commission proposed or made to the effect that the issuance, offering, or sale of the Bonds or obligations of the general character of the Bonds is in violation or would be in violation unless registered or otherwise qualified under any provisions of the Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or the Bonds are required to be registered under the Securities Exchange Act of 1934, as amended and as then in effect (the "Exchange Act"), or the Indenture is required to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act");

d. legislation introduced in or enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America, or a ruling, regulation, or official statement by or on behalf of the Securities and Exchange Commission (including a no-action or interpretive letter of the staff thereof) or other governmental agency having jurisdiction of the subject matter made or proposed to the effect that the Bonds or an obligation or obligations of the

general character of the Bonds are not exempt from registration, qualification or other requirements of the Securities Act, the Exchange Act, or the Trust Indenture Act;

e. declaration of a general banking moratorium by federal, State of California, or State of New York authorities;

f. a general suspension of trading on the New York Stock Exchange;

g. an outbreak of hostilities or an escalation of existing hostilities or occurrence of any other national or international calamity or crisis;

h. imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, as to the Bonds or similar obligations, of any material restrictions not now in force, or material increase in those now in force, with respect to the extension of credit by or the charge to the net capital requirements of underwriters;

i. any litigation instituted, pending, or threatened to restrain or enjoin the issuance or sale of the Bonds, in any way contesting or affecting any authority for or the validity of the Bonds or the existence or powers of the District or the validity or enforceability of any of the District Documents; or

j. any requirement, in the opinion of counsel to the Underwriter, that the contemplated distribution of the Bonds must be registered under the Securities Act or the Agreement must be qualified under the Trust Indenture Act.

In addition to the foregoing, in the event of the District's failure to deliver the Bonds at the Closing, or if the District shall be unable to satisfy the conditions of the obligation of the Underwriter to purchase and accept delivery of such Bonds as set forth in this Bond Purchase Agreement, or if the obligation of the Underwriter with respect to the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement (including by reason of the preceding provisions of this Section 11), this Bond Purchase Agreement shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder, except the respective obligations of the District and the Underwriter for the payment of expenses, as provided in Section 12 (Expenses), shall continue in full force and effect.

12. Expenses.

a. District's Expenses. Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, the Underwriter shall be under no obligation to pay and the District shall pay or cause to be paid (out of the proceeds of the Bonds or any other legally available funds of the District):

(1) all expenses incident to the delivery of the Bonds, including, but not limited to, the cost of preparing and delivering the Bonds to the Underwriter;

(2) the cost of preparation, printing (and/or word processing and reproduction), distribution, and delivery of the Bond Resolution, the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate, the Preliminary Official Statement and the Official Statement, and drafts of any thereof, in reasonable quantities as requested by the Underwriter;

(3) the fees and expenses in connection with obtaining ratings for the Bonds;

(4) subject to the terms of any fee agreement with such parties, the fees and disbursements of the Financial Advisor, the Fiscal Agent, Bond Counsel, Disclosure Counsel, the Special Tax Consultant, the verification agent and any other experts or consultants the District has retained in connection with the issuance of the Bonds and the refunding of the 2006 Bonds; and

(5) [the cost of the premium for Municipal Bond Insurance Policy and cost of the premium for the Reserve Fund Policy.]

b. **Underwriter's Expenses.** Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, the District shall be under no obligation to pay and the Underwriter shall pay (any of which may be included as a component of its underwriter's discount on the purchase of the Bonds set forth in Section 2 above):

(1) the fees and expenses of Underwriter's counsel;

(2) all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including all advertising expenses and "blue sky" filing fees;

(3) the cost of preparation and printing (and/or word processing and reproduction) of the "blue sky" and legal investment memoranda, if any;

(4) the expense of providing immediately available funds in accordance with Section 3 (Closing) hereof, whether by wire transfer or federal funds check;

(5) the fees of CUSIP and the California Debt and Investment Advisory Commission in connection with the Bonds;

(6) any MSRB or PSA fees in connection with the Bonds;

(7) the fees of The Depository Trust Company; and

(8) the Underwriter's out of pocket expenses incurred with the financing.

13. **Notices.** Any notices, requests, directions, instruments or other communications required or permitted to be given hereunder, shall be in writing and shall be given when delivered, against a receipt, or mailed certified or registered, postage prepaid, to the District and the Underwriter at their respective addresses below:

If to District: Capistrano Unified School District
33122 Valle Road
San Juan Capistrano, CA 92675
Attn: Clark Hampton, Deputy Superintendent,
Business and Support Services

If to Underwriter:

provided, however, that all such notices, requests or other communications may be made by the telephone and promptly confirmed by writing. The District and the Underwriter may, by notice given as aforesaid, specify a different address for any such notices, requests or other communications.

14. **Survival of Representations and Warranties.** The representations and warranties of the District set forth in or made pursuant to this Bond Purchase Agreement, shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Bond Purchase Agreement and regardless of any investigations made concerning such representations and statements of the District and regardless of delivery of and payment for the Bonds.

15. **Parties In Interest; Non-Assignability.** This Bond Purchase Agreement is made solely for the benefit of the District and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any rights hereunder or by virtue hereof. This Bond Purchase Agreement shall not be assigned by the District or the Underwriter.

16. **Applicable Law.** This Bond Purchase Agreement shall be governed by the laws of the State of California applicable to contracts made and performed in California.

17. **No Prior Agreements; Entire Agreement.** This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of the Bonds and represents the entire agreement of the parties as to the subject matter herein.

18. **Counterparts.** This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same agreement.

19. **Effective.** This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the District and shall be valid and enforceable each of the time of such acceptance.

Very truly yours,

[UNDERWRITER]

By: _____

Its: _____

Terms and Conditions of this Bond
Purchase Agreement
Approved and Accepted on July __, 2016.

COMMUNITY FACILITIES DISTRICT NO.
90-2 OF THE CAPISTRANO UNIFIED
SCHOOL DISTRICT (TALEGA)

By: _____
Clark Hampton,
Deputy Superintendent,
Business and Support Services of
the Capistrano Unified School District on
behalf of the Community Facilities District

Time of Execution: _____

EXHIBIT A

The Bonds mature and bear interest as set forth in the following schedule:

<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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EXHIBIT B

**COMMUNITY FACILITIES DISTRICT NO. 90-2 OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT (TALEGA)
SPECIAL TAX REFUNDING BOND, SERIES 2016**

CERTIFICATE OF SPECIAL TAX CONSULTANT

Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)

[underwriter]

The undersigned hereby states and certifies:

1. That the undersigned is an authorized officer of David Taussig & Associates, Inc. (the "Special Tax Consultant") and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Special Tax Consultant has been retained as special tax consultant for Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) (the "District"), and has reviewed the Rate and Method of Apportionment for the District (the "Rate and Method"), a copy of which is set forth in Appendix B to the Official Statement, dated July __, 2016 (the "Official Statement") relating to the above-captioned bonds (the "Bonds").

3. That, based upon our review of the Rate and Method, the Special Tax, if levied and collected at the Assigned Special Tax rates pursuant to the Rate and Method on the date hereof, and after deduction annually of the Administrative Expense Requirement (as such term is defined in the Indenture referred to in the Official Statement), would generate at least 110% of the gross annual debt service on the Bonds, provided that the annual debt service figures set forth in the table under the heading "THE 2016 BONDS – Debt Service Schedule" in the Official Statement, which were relied upon by Special Tax Consultant, are true and correct (however, although the Special Tax if levied and collected at the Assigned Special Tax rates pursuant to the Rate and Method, and after deduction annually of the Administrative Expense Requirement, will generate at least 110% of the gross annual debt service payable with respect to the Bonds each year, no representation is made herein as to actual amounts that will be collected in future years).

4. [That all information with respect to the Rate and Method in the Official Statement and all other information in the Official Statement sourced to the Special Tax Consultant (including Tables 2, 3, 4, 5, 6, 7 (other than the last four columns of Table 7), 8, 9, 10, 11, 12 and 13 therein) is true and correct as of the date of the Official Statement and as of the date hereof, and a true and correct copy of the Rate and Method is attached to the Official Statement as Appendix B.

Dated: July __, 2016]

DAVID TAUSSIG & ASSOCIATES, INC.

By: _____

Its: _____

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**FORM OF COMMUNITY FACILITIES DISTRICT
CONTINUING DISCLOSURE CERTIFICATE**

THIS CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”), dated as of June 1, 2016, is by and between Government Financial Strategies inc., as dissemination agent (the “Dissemination Agent”), and the Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) (the “Community Facilities District”).

RECITALS:

WHEREAS, the Community Facilities District has issued its Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Special Tax Refunding Bonds, Series 2016 (the “Bonds”) in the initial principal amount of \$[Principal Amount]; and

WHEREAS, the Bonds are being issued pursuant to the Indenture, dated as of June 1, 2016 (the “Indenture”), by and between the Community Facilities District and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, this Disclosure Certificate is being executed and delivered by the Community Facilities District and the Dissemination Agent for the benefit of the owners and beneficial owners of the Bonds and in order to assist the underwriter of the Bonds in complying with United States Securities and Exchange Commission Rule 15c2-12(b)(5).

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and mutual covenants herein contained, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. In addition to the definitions of capitalized terms set forth in Section 1.02 of the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section or in the Recitals above, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

“*Annual Report*” means any Annual Report provided by the Community Facilities District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

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

“*Disclosure Representative*” means the Deputy Superintendent, Business & Support Services of the School District, or such person’s designee, or such other officer or employee as the Community Facilities District shall designate as the Disclosure Representative hereunder in writing to the Dissemination Agent from time to time.

“*Dissemination Agent*” means Government Financial Strategies inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Community Facilities District and which has filed with the Community Facilities District and the School District a written acceptance of such designation.

“*EMMA*” or “*Electronic Municipal Market Access*” means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

“*Listed Events*” means any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the Official Statement, dated _____, 2016, relating to the Bonds.

“Participating Underwriter” means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Community Facilities District and the Dissemination Agent for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The Community Facilities District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the School District’s fiscal year (which currently ends on June 30), commencing with the report for the 2015-16 Fiscal Year, which is due not later than December 31, 2016, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Community Facilities District, if any, may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year.* If the Community Facilities District’s fiscal year changes, the Community Facilities District shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the Community Facilities District shall provide the Annual Report to the Dissemination Agent (if other than the Community Facilities District). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the Community Facilities District.

(d) *Report of Non-Compliance.* If the Community Facilities District is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the Community Facilities District shall send in a timely manner a notice to EMMA substantially in the form attached hereto as Exhibit A. If the Community Facilities District is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send in a timely manner a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the Community Facilities District, file a report with the Community Facilities District certifying that the Annual Report has been filed with EMMA pursuant to this Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Financial Statements. If audited financial statements of the Community Facilities District are prepared, the Community Facilities District shall provide such audited financial statements, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standard Board. If audited financial statements are to be prepared but are not available at the time required for filing, unaudited financial statements shall be submitted with the Annual Report and audited financial statement shall be submitted in a timely manner once available. For purposes of this section, the financial statements of the School District shall not be deemed to be the financial statements of the Community Facilities District, unless such audited financial statements contain specific information as to such Community Facilities District, its revenues, expenses and account balances. If audited financial statements of the Community Facilities District are not prepared, no unaudited financial statements need be submitted.

(b) Other Annual Information. Each Annual Report shall also include the following information, to the extent not included in the audited final statements of the Community Facilities District:

- (i) The most recent annual information required to be provided to the California Debt and Investment Advisory Commission pursuant to Section 6.10 of the Indenture, which shall include, in any event, the principal amount of the Bonds and any Parity Bonds outstanding and the balance in each fund under the Indenture as of the immediately preceding June 30.
- (ii) Any amendments or changes to the Rate and Method since the last Annual Report.
- (iii) The principal amount of any Parity Bonds issued since the last Annual Report.
- (iv) The aggregate levy of the Special Taxes, for the most recent fiscal year.
- (v) The number of building permits issued for property in the Community Facilities District as of the January 1 occurring during the fiscal year to which the Annual Report pertains.
- (vi) An update of Table 2 of the Official Statement entitled “Debt Service Coverage from Net Special Tax Revenues” and Table 6B entitled “Estimated Assessed Value-to-Lien Ratios” in the Official Statement for the Bonds based on the assessed values of property within the Community Facilities District and the Special Tax levy, in each case for the most recent Fiscal Year for which such information is available.
- (vii) The Special Tax and property tax delinquency rate for parcels in the Community Facilities District for the most recent Fiscal Year.
- (viii) Concerning delinquent parcels:
 - the number of parcels delinquent in payment of Special Tax,
 - the amount of total delinquency and as a percentage of total Special Tax levy, and
 - the status of the Community Facilities District’s actions on covenants to pursue foreclosure proceedings upon delinquent properties.
- (ix) Any change in the application of Orange County’s Teeter Plan to the Special Taxes levied in the Community Facilities District since the last Annual Report.

(c) Cross References. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the School District or related public entities, which are available to the public on EMMA. The Community Facilities District shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) Further Information. In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the Community Facilities District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the

light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Events.

(a) *Listed Events.* The Community Facilities District shall, or shall cause the Dissemination Agent (if not the Community Facilities District) to, give notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.
- (5) Defeasances.
- (6) Rating changes.
- (7) Tender offers.
- (8) Bankruptcy, insolvency, receivership or similar event of the obligated person.

(9) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Events.* The Community Facilities District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) Non-payment related defaults.
- (2) Modifications to rights of security holders.
- (3) Bond calls.
- (4) The release, substitution, or sale of property securing repayment of the securities.
- (5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

- (6) Appointment of a successor or additional Trustee or trustee, or the change of

name of a Trustee or trustee.

(c) Time to Disclose. The Community Facilities District shall, or shall cause the Dissemination Agent (if not the Community Facilities District) to, file a notice of any such occurrence described in subsection (a) or subsection (b) above with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Indenture.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Community Facilities District's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Community Facilities District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) Appointment of Dissemination Agent. The Community Facilities District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Government Financial Strategies inc.

If the Dissemination Agent is not the Community Facilities District, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Community Facilities District pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the Community Facilities District. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the School District or the Community Facilities District shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the Community Facilities District.

(b) Compensation of Dissemination Agent. The Dissemination Agent shall be paid compensation by the Community Facilities District for its services provided hereunder as agreed to between the Dissemination Agent and the Community Facilities District from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Community Facilities District, the School District, the owners of the Bonds or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the Community Facilities District or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the Community Facilities District and the School District. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

(c) Responsibilities of Dissemination Agent. In addition to the filing obligations of the Dissemination Agent set forth in Sections 3(e) and 5, the Dissemination Agent shall be obligated, and hereby agrees, to provide a request to the Community Facilities District and the School District to compile the information required for its Annual Report at least 30 days prior to the date such information is to be provided to the Dissemination Agent pursuant to subsection (c) of Section 3. The failure to provide or receive any such request shall not affect the obligations of the Community Facilities District under Section 3.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure

Certificate, the Community Facilities District may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the Community Facilities District that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

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

(b) *Compliance as of Issue Date.* The Disclosure Certificate, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Bond owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Bond owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bond owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the Community Facilities District shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Community Facilities District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Community Facilities District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Community Facilities District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Community Facilities District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Community Facilities District to comply with any provision of this Disclosure Certificate, any Bond owner or Beneficial Owner, or the Trustee or the Participating Underwriter, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Community Facilities District to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the Community Facilities District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Community Facilities District, the Trustee, the Dissemination Agent, the Participating Underwriter and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Certificate as of the date first above written.

COMMUNITY FACILITIES DISTRICT
NO. 90-2 OF THE CAPISTRANO UNIFIED SCHOOL
DISTRICT (TALEGA)

By: _____
Its: _____

GOVERNMENT FINANCIAL STRATEGIES INC.,
as Dissemination Agent

By: _____
Its: _____

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligor: Community Facilities District No. 90-2 of the Capistrano Unified
School District (Talega)

Name of Bond Issue: Community Facilities District No. 90-2 of the Capistrano Unified
School District (Talega) Special Tax Refunding Bonds, Series 2016

Date of Issuance: _____, 2016

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated as of June 1, 2016, between the Obligor and Government Financial Strategies inc., as dissemination agent, and Section 6.09 of the Indenture, dated as of June 1, 2016, by and between the Obligor and U.S. Bank National Association, as Trustee. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

[DISSEMINATION AGENT]

By: _____

Its: _____

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2016

NEW ISSUE– FULL BOOK-ENTRY ONLY

RATINGS: S&P: “_”
(See “RATINGS” herein)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Community Facilities District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2016 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the 2016 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “LEGAL MATTERS – Tax Exemption” herein.

[\$[PRINCIPAL AMOUNT]]*
COMMUNITY FACILITIES DISTRICT NO. 90-2 OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT (TALEGA)
SPECIAL TAX REFUNDING BONDS, SERIES 2016

Dated: Date of Delivery

Due: September 1, as shown below

Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Special Tax Refunding Bonds, Series 2016 (the “2016 Bonds”) are being issued under the Mello-Roos Community Facilities Act of 1982 (the “Act”) and the Indenture, dated as of June 1, 2016 (the “Indenture”), by and between Community Facilities District No. 90-2 of the Capistrano Unified School District Community Facilities District No. 90-2 (Talega) (the “Community Facilities District”) and U.S. Bank National Association, as trustee (the “Trustee”).

The 2016 Bonds are payable from proceeds of an annual Special Tax being levied on and collected from certain property within the Community Facilities District pursuant to the Amended and Restated Rate and Method of Apportionment of Special Taxes Capistrano Unified School District Community Facilities District No. 90-2 (Talega) (the “Amended and Restated Rate and Method”) approved by the qualified electors of the Community Facilities District and by the Board of Trustees of the Capistrano Unified School District (the “School District”), acting as the legislative body of the Community Facilities District (the “Board”). The 2016 Bonds are secured by a first pledge of the Net Special Tax Revenues (as defined herein) and the moneys on deposit in certain funds held under the Indenture.

The 2016 Bonds are being issued (i) to refund the outstanding Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Series 2006 Special Tax Refunding Bonds originally issued in the principal amount of \$44,980,000 (the “Prior Bonds”), (ii) [to fund the portion of the Reserve Requirement (as defined herein) for the 2016 Bonds not funded by the Reserve Policy], and (iii) to pay the costs of issuing the 2016 Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Interest on the 2016 Bonds is payable on March 1, 2017, and semiannually thereafter on each March 1 and September 1. The 2016 Bonds will be issued in denominations of \$5,000 or integral multiples thereof. The 2016 Bonds, when delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the 2016 Bonds as described herein under “THE 2016 BONDS – Book-Entry and DTC.”

The 2016 Bonds are subject to optional redemption, mandatory redemption from prepayment of Special Taxes and [mandatory sinking fund redemption] as described herein.

The scheduled payment of principal of and interest on the 2016 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2016 Bonds by [INSURER]. See “BOND INSURANCE” herein.

[INSURER LOGO]

THE 2016 BONDS, THE INTEREST THEREON, AND ANY PREMIUMS PAYABLE ON THE REDEMPTION OF ANY OF THE 2016 BONDS, ARE NOT AN INDEBTEDNESS OF THE SCHOOL DISTRICT, THE STATE OF CALIFORNIA (THE “STATE”) OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN), THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE ON THE 2016 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN) OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2016 BONDS. OTHER THAN THE SPECIAL TAXES LEVIED PURSUANT TO THE AMENDED AND RESTATED RATE AND METHOD, NO TAXES ARE PLEDGED TO THE PAYMENT OF THE 2016 BONDS. THE 2016 BONDS ARE NOT A GENERAL OBLIGATION OF THE COMMUNITY FACILITIES DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM THE SPECIAL TAXES LEVIED PURSUANT TO THE AMENDED AND RESTATED RATE AND METHOD, AS MORE FULLY DESCRIBED HEREIN.

This cover page contains certain information for general reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Investment in the 2016 Bonds involves risks which may not be appropriate for some investors. See “BONDOWNERS’ RISKS” herein for a discussion of risk factors that should be considered in evaluating the investment quality of the 2016 Bonds.

The 2016 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe, Los Angeles, California, Bond Counsel, and subject to certain other conditions. Certain legal matters will

* Preliminary, subject to change.

be passed on for the School District and the Community Facilities District by Burke, Williams & Sorensen, LLP, Santa Ana, California, and by James F. Anderson Law Firm, A Professional Corporation, Laguna Hills, California, Disclosure Counsel. It is anticipated that the 2016 Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about _____, 2016.

Dated: _____, 2016

MATURITY SCHEDULE

\$[PRINCIPAL AMOUNT]^{*}
COMMUNITY FACILITIES DISTRICT NO. 90-2 OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT (TALEGA)
SPECIAL TAX REFUNDING BONDS, SERIES 2016

Base CUSIP[®] No. [†] 139708

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP[®]</u> <u>No.[†]</u>	<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP[®]</u> <u>No.[†]</u>
	\$	%	%			\$	%	%	

\$ _____ % Term 2016 Bonds due September 1, 20__ – Yield _____% CUSIP[®] No. [†] 139708 ____

\$ _____ % Term 2016 Bonds due September 1, 2032 – Yield _____% CUSIP[®] No. [†] 139708 ____

^{*} Preliminary, subject to change.

[†] CUSIP[®] is a registered trademark of the American Bankers Association. CUSIP[®] data is provided by CUSIP Global Services (CGS) which is managed on behalf of the American Bankers Association by S&P Capital IQ. CUSIP[®] data is not intended to create a database and does not serve in any way as a substitute for the CUSIP[®] Service Bureau. CUSIP[®] numbers are provided for convenience of reference only. The Community Facilities District, the School District and the Underwriter take no responsibility for the accuracy of such numbers.

CAPISTRANO UNIFIED SCHOOL DISTRICT

BOARD OF TRUSTEES

Amy Hanacek, *President*
Jim Reardon, *Vice President*
Martha McNicholas, *Clerk of the Board*
John M. Alpay, *Member*
Lynn Hatton-Hodson, *Member*
Gila Jones, *Member*
Dr. Gary Pritchard, *Member*

SUPERINTENDENT

Kirsten M. Vital, *Superintendent*
Clark Hampton, *Deputy Superintendent, Business & Support Services*

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

COMMUNITY FACILITIES DISTRICT & SCHOOL DISTRICT COUNSEL

Burke, Williams & Sorensen, LLP
Santa Ana, California

DISCLOSURE COUNSEL

James F. Anderson Law Firm, A Professional Corporation
Laguna Hills, California

FINANCIAL ADVISOR

Government Financial Strategies inc.
Sacramento, California

SPECIAL TAX CONSULTANT & CFD ADMINISTRATOR

David Taussig & Associates, Inc.
Newport Beach, California

TRUSTEE

U.S. Bank National Association
Los Angeles, California

VERIFICATION AGENT

American Municipal Tax-Exempt Compliance Corporation
Avon, Connecticut

GENERAL INFORMATION ABOUT THE OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the offer and sale of the 2016 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2016 Bonds. All information for investors regarding the Community Facilities District and the 2016 Bonds is contained in this Official Statement. While the School District maintains an internet website for various purposes, none of the information on this website is intended to assist investors in making any investment decision or to provide any continuing information with respect to the 2016 Bonds or any other bonds or obligations of the School District.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the Community Facilities District in any press release and in any oral statement made with the approval of an authorized officer of the Community Facilities District or any other entity described or referenced herein, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend,” and similar expressions identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the Community Facilities District or any other entity described or referenced herein since the date hereof. The Community Facilities District does not plan to issue any updates or revision to the forward-looking statements set forth in this Official Statement.

Authorized Information. No dealer, broker, salesperson or other person has been authorized by the Community Facilities District to give any information or to make any representations in connection with the offer or sale of the 2016 Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the Community Facilities District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2016 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Involvement of Underwriter. The Underwriter has submitted the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Community Facilities District or any other entity described or referenced herein since the date hereof. All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

Bond Insurer. [Insert Bond Insurer text]

Stabilization of Prices. In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the 2016 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2016 Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

THE 2016 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION

REQUIREMENTS CONTAINED IN SUCH ACT. THE 2016 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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[AERIAL MAP]

OFFICIAL STATEMENT

\$(PRINCIPAL AMOUNT)*
COMMUNITY FACILITIES DISTRICT NO. 90-2 OF THE
CAPISTRANO UNIFIED SCHOOL DISTRICT (TALEGA)
SPECIAL TAX REFUNDING BONDS, SERIES 2016

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the 2016 Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, including the cover page and appendices hereto, is provided to furnish information regarding the Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) Special Tax Refunding Bonds, Series 2016 (the “2016 Bonds”). Capitalized terms used herein but not defined shall have the meanings given them in the Indenture or APPENDIX C – “Summary of Certain Provisions of the Indenture.”

The 2016 Bonds are issued pursuant to the Act (as defined below) and the Indenture, dated as of June 1, 2016 (the “Indenture”), by and between Community Facilities District No. 90-2 of the Capistrano Unified School District (Talega) (the “Community Facilities District”) and U.S. Bank National Association, as trustee (the “Trustee”). See “THE 2016 BONDS – Authority for Issuance” herein.

See “SECURITY FOR THE 2016 BONDS – Parity Bonds for Refunding Purposes Only.”

Capitalized terms used herein but not defined shall have the meanings given them in the Fiscal Agent Agreement or Appendix C – “Summary of Certain Provisions of the Fiscal Agent Agreement.”

The School District

The Capistrano Unified School District (the “School District”) is a political subdivision of the State of California (the “State”) and is governed by a seven member Board of Trustees (the “Board”). Founded in 1965, the School District encompasses 195 square miles in seven cities and a portion of the unincorporated area of Orange County (the “County”). The jurisdiction of the School District includes all or part of the cities of San Clemente, Dana Point, San Juan Capistrano, Laguna Niguel, Aliso Viejo, Mission Viejo and Rancho Santa Margarita, and the communities of Las Flores, Coto de Caza, Dove Canyon, Ladera Ranch, Sendero/Rancho Mission Viejo and Wagon Wheel.

The School District provides kindergarten through 12th grade public education to more than 49,000 students on 55 campuses. The School District’s second period report (P-2, the period from July 1 to April 15) of average daily attendance (“ADA”), computed in accordance with State law for the 2015-16 academic year, is estimated at 47,291. The estimated population within the School District’s boundaries was approximately [_____] as of January 1, 2015. The School District reported 49,117

* Preliminary, subject to change.

students enrolled at the California Basic Educational Data System (“CBEDS”) for Fiscal Year 2015-16. See APPENDIX A – “General Information About the Capistrano Unified School District” herein.

The Community Facilities District

The Community Facilities District is a community facilities district first established by the Board in 1990 pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the California Government Code, the “Act”). Pursuant to the Act, the seven members of the Board serve as the legislative body of the Community Facilities District (the “Legislative Body”) by virtue of their election to the Board.

The Community Facilities District consists of approximately 2,176 gross acres of land located in the City of San Clemente, California (the “City”), in the southwesterly portion of the School District and in the southwesterly portion of Orange County. The land within the Community Facilities District is part of the approximately 3,510-acre Talega Valley Planned Development (the “Talega Project”). The Community Facilities District is located entirely within the School District. See “THE COMMUNITY FACILITIES DISTRICT” and – Direct and Overlapping Debt” below.

Pursuant to the Act, the Board, acting as the Legislative Body of the Community Facilities District, adopted the necessary resolutions stating its intent to establish the Community Facilities District, to authorize the levy of Special Taxes on taxable property within the boundaries of the Community Facilities District and to have the Community Facilities District incur bonded indebtedness. Following a public hearing conducted pursuant to the provisions of the Act, the Board adopted resolutions establishing the Community Facilities District, determining to incur bonded indebtedness and calling special elections to submit the authorization of the levy of the Special Taxes and the incurring of bonded indebtedness to the qualified voters of the Community Facilities District. On June 19, 1990, at an election held pursuant to the Act, the landowner which comprised the qualifying elector within the Community Facilities District authorized the Community Facilities District to incur bonded indebtedness in an aggregate principal amount not to exceed \$10,000,000 and approved the rate and method of apportionment of Special Taxes within the Community Facilities District (the “Special Taxes”) to pay the principal of and interest on the bonds of the Community Facilities District.

On April 26, 1999, the Board, acting as the Legislative Body of the Community Facilities District, adopted a resolution commencing proceedings pursuant to the Act to increase the amount of the authorized bonded indebtedness and to amend the rate and method of apportionment of special tax for the Community Facilities District. On June 14, 1999, at a special election held pursuant to the Act, the owners of the property within the boundaries of the Community Facilities District, who were the qualified voters, authorized the Community Facilities District to incur a bonded indebtedness in an amount not to exceed \$50,000,000 (the “Authorization”) and approved an amended and restated rate and method of apportionment of the Special Taxes to be levied to pay the principal of, and interest on, such bonded indebtedness. See “SECURITY FOR THE 2016 BONDS – Special Taxes” herein. The rate and method of apportionment of special tax, as amended, is set forth in APPENDIX B hereto (the “Amended and Restated Rate and Method”). The Board acts as the legislative body of the Community Facilities District. See “SECURITY FOR THE 2016 BONDS – Special Taxes – *Amended and Restated Rate and Method of Apportionment of Special Taxes*” and APPENDIX B – “AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES.” The 2016 Bonds are being issued for the purpose of refunding the Community Facilities District’s Prior Bonds. See “THE REFUNDING PLAN.”

In 2002, the Board conducted proceedings pursuant to the Act to designate portions of then-undeveloped property in the Community Facilities District as Improvement Area No. 2002-1 (“Improvement Area No. 2002-1”). Improvement Area No. 2002-1 consists of approximately 1,090 acres. The bonds issued by the Community Facilities District with respect to the Improvement Area No. 2002-

1 are not being refunded by the 2016 Bonds. Special taxes levied by the Community Facilities District with respect to Improvement Area No. 2002-1 are not available to pay debt service on the 2016 Bonds.

The Community Facilities District has covenanted in the Indenture to issue Parity Bonds for refunding purposes.

The 2016 Bonds are being authorized pursuant to a resolution adopted by the Legislative Body on [May 11], 2016 (the “Resolution”) and the Indenture.

Once duly established, a community facilities district is a legally constituted governmental entity established for the purpose of financing specific facilities and services within defined boundaries. Subject to approval by a two-thirds vote of the qualified voters within a community facilities district and compliance with the provisions of the Act, a community facilities district may issue bonds and may levy and collect special taxes to repay such bonded indebtedness, including interest thereon.

The Community Facilities District levies an annual special tax (the “Special Tax,” as defined below) on Developed Property (and Undeveloped Property, if necessary) as set forth in the Amended and Restated Rate and Method. See “SECURITY FOR THE 2016 BONDS – Amended and Restated Rate and Method.” Annual Special Taxes will be levied on Taxable Property within the Community Facilities District. The 2016 Bonds are secured by and payable from the Special Tax levied pursuant to the Amended and Restated Rate and Method.

See “THE COMMUNITY FACILITIES DISTRICT” for a description of the Community Facilities District and the development in the Community Facilities District.

Sources of Payment for the 2016 Bonds

The 2016 Bonds are secured by and payable from a first pledge of “Net Special Tax Revenues,” which is defined in the Indenture as Special Tax Revenues, less amounts required to pay Administrative Expenses. “Special Tax Revenues” means the proceeds of the Special Taxes received by or on behalf of the Community Facilities District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, which will be limited to the amount of said lien and interest and penalties thereon. See “SECURITY FOR THE 2016 BONDS –Special Tax Fund.”

“Special Taxes” are defined in the Indenture as the special taxes described in the Amended and Restated Rate and Method as “Special Tax A” levied within the Community Facilities District pursuant to the Act, the Ordinance and the Indenture.

Pursuant to the Act, the Amended and Restated Rate and Method, the Resolution of Formation (as defined herein) and the Indenture, so long as the 2016 Bonds are outstanding, the Community Facilities District will annually ascertain the parcels on which the Special Taxes are to be levied in the following Fiscal Year, taking into account any subdivisions of parcels during the applicable Fiscal Year. The Community Facilities District will effect the levy of the Special Taxes in accordance with the Amended and Restated Rate and Method and the Act each Fiscal Year so that the computation of such levy is complete and transmitted to the Auditor of the County before the final date on which the Auditor of the County will accept the transmission of the Special Taxes for the parcels within the Community Facilities District for inclusion on the next real property tax roll. See “SECURITY FOR THE 2016 BONDS – Special Taxes” herein.

The Amended and Restated Rate and Method exempts from the Special Tax all property owned by the State, the federal government and local governments, as well as certain other properties, subject to

certain limitations. See “SECURITY FOR THE 2016 BONDS – Amended and Restated Rate and Method” and “BONDOWNERS’ RISKS – Exempt Properties.”

The 2016 Bonds and Parity Bonds (as defined herein) are also secured by a first pledge of all moneys deposited in the Reserve Fund. See “SECURITY FOR THE 2016 BONDS.”

The Indenture defines Reserve Requirement, with respect to the 2016 Bonds and any Parity Bonds, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the 2016 Bonds and any Parity Bonds (excluding 2016 Bonds and Parity Bonds refunded with the proceeds of subsequently issued Parity Bonds), (b) the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made (“Maximum Annual Debt Service,”) or (c) 125% of the average of the Average Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made. The ability of the Legislative Body to increase the annual Special Taxes levied to replenish the Reserve Fund is subject to the limitation imposed by Section 53321 of the Act and the Amended and Restated Rate and Method which provide that the Special Tax levied against any Assessor’s Parcel of Residential Property for which an occupancy permit for private residential use has been issued may not be increased by more than 10% as a consequence of delinquency or default by the owner of any other parcel or parcels within the Community Facilities District. The moneys in the Reserve Fund will only be used for payment of principal of, interest and any redemption premium on the 2016 Bonds, and at the direction of the Community Facilities District, for payment of rebate obligations related to the 2016 Bonds. See “SECURITY FOR THE 2016 BONDS –Special Tax Levy” and “ – Reserve Fund.”

The Community Facilities District has also covenanted in the Indenture to cause foreclosure proceedings to be commenced and prosecuted against certain parcels with delinquent installments of the Special Taxes. For a more detailed description of the foreclosure covenant see “SECURITY FOR THE 2016 BONDS – Proceeds of Foreclosure Sales.”

THE 2016 BONDS, THE INTEREST THEREON, AND ANY PREMIUMS PAYABLE ON THE REDEMPTION OF ANY OF THE 2016 BONDS, ARE NOT AN INDEBTEDNESS OF THE SCHOOL DISTRICT, THE STATE OF CALIFORNIA (THE “STATE”) OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN), THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE ON THE 2016 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN) OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2016 BONDS. OTHER THAN THE SPECIAL TAXES LEVIED PURSUANT TO THE AMENDED AND RESTATED RATE AND METHOD, NO TAXES ARE PLEDGED TO THE PAYMENT OF THE 2016 BONDS. THE 2016 BONDS ARE NOT A GENERAL OBLIGATION OF THE COMMUNITY FACILITIES DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM SPECIAL TAXES LEVIED PURSUANT TO THE AMENDED AND RESTATED RATE AND METHOD, AS MORE FULLY DESCRIBED HEREIN.

Bond Insurance Policy

Concurrently with the issuance of the 2016 Bonds, [Insurer] (“[INSURER]”) will issue its Municipal Bond Insurance Policy for the 2016 Bonds (the “Policy”). See “BOND INSURANCE” below. The Policy guarantees the scheduled payment of principal of and interest on the 2016 Bonds when due as set forth in the form of the Policy included as APPENDIX G – “SPECIMEN MUNICIPAL BOND

INSURANCE POLICY.”

[The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.]

Other Matters Related to Bond Insurance

In the event of a default in the payment of principal of or interest on the 2016 Bonds, when all or some becomes due, any Beneficial Owner of a Bond may have a claim under the Policy. The Policy does not insure against redemption premium, if any, with respect to the 2016 Bonds. In the event that [INSURER] is unable to make payment of principal of or interest on the 2016 Bonds as such payments become due under such a Policy, the 2016 Bonds will be payable solely as otherwise described herein. In the event that [INSURER] becomes obligated to make payments on the 2016 Bonds, no assurance can be given that such event would not adversely affect the market price of the 2016 Bonds or the marketability (liquidity) of the 2016 Bonds.

Tax Exemption

Assuming compliance with certain covenants and provisions of the Internal Revenue Code of 1986, in the opinion of Bond Counsel, interest on the 2016 Bonds will not be includable in gross income for federal income tax purposes, although it may be includable in the calculation for certain taxes. Also in the opinion of Bond Counsel, interest on the 2016 Bonds will be exempt from State personal income taxes. See “LEGAL MATTERS – Tax Exemption” herein.

Risk Factors Associated with Purchasing the 2016 Bonds

Investment in the 2016 Bonds involves risks that may not be appropriate for some investors. See the section of this Official Statement entitled “BONDOWNERS’ RISKS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth herein, in considering the investment quality of the 2016 Bonds.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a “plan,” “expect,” “estimate,” “project,” “budget,” “anticipate” or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the caption “THE COMMUNITY FACILITIES DISTRICT” herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COMMUNITY FACILITIES DISTRICT AND THE SCHOOL DISTRICT DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Professionals Involved in the Offering

U.S. Bank National Association, Los Angeles, California, will serve as the Trustee for the 2016 Bonds and will perform the functions required of it under the Indenture for the payment of the principal of and interest and any premium on the 2016 Bonds and all activities related to the redemption of the 2016 Bonds. Orrick, Herrington & Sutcliffe, Los Angeles, California, is serving as Bond Counsel to the Community Facilities District. Burke, Williams & Sorensen, LLP, Santa Ana, California, is serving as counsel to the School District. James F. Anderson Law Firm, A Professional Corporation, Laguna Hills, California, is acting as Disclosure Counsel.

Government Financial Strategies inc., Sacramento, California, acted as Financial Advisor to the School District and the Community Facilities District, and David Taussig & Associates, Inc., Newport Beach, California, acted as Special Tax Consultant, CFD Administrator and Dissemination Agent to the Community Facilities District.

Except for some Special Tax Consultant fees to be paid from Special Taxes, payment of the fees and expenses of Bond Counsel, Disclosure Counsel, the Special Tax Consultant, the Underwriter, and the Trustee is contingent upon the sale and delivery of the 2016 Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the 2016 Bonds, certain sections of the Indenture, security for the 2016 Bonds, risk factors, the Community Facilities District, the School District and other information are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. The descriptions herein of the 2016 Bonds, the Indenture, and other resolutions and documents are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the 2016 Bonds, the Indenture, such resolutions and other documents. All such descriptions are further qualified in their entirety by reference to laws and to principles of equity relating to or affecting generally the enforcement of creditors' rights. Copies of such documents may be obtained from the Deputy Superintendent, Business & Support Services of the Capistrano Unified School District, 33122 Valle Road, San Juan Capistrano, California 92675. There may be a charge for copying, mailing and handling of any documents.

CONTINUING DISCLOSURE

The Community Facilities District. The Community Facilities District has covenanted for the benefit of the holders and Beneficial Owners of the 2016 Bonds to provide certain financial information and operating data relating to the School District and the Community Facilities District (the "Community Facilities District Annual Report"), by not later than nine months after the end of each Fiscal Year, commencing with the report for the 2015-16 Fiscal Year (which is due no later than March 30, 2017), and to provide notices of the occurrence of certain enumerated events. The Community Facilities District Annual Report will either be filed by the Community Facilities District or Government Financial Strategies inc., as Dissemination Agent on behalf of the Community Facilities District, with the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access System (the "EMMA System"), in an electronic format and accompanied by identifying information as prescribed by the MSRB, with a copy to the Trustee. Any notice of a listed event will be filed by the Community Facilities District, or the Dissemination Agent on behalf of the Community Facilities District, with the MSRB through the EMMA System. The specific nature of the information to be contained in the Community Facilities District Annual Report or any notice of a listed event is set forth in the Community Facilities District Continuing Disclosure Agreement. The covenants of the Community Facilities District

in the Community Facilities District Continuing Disclosure Agreement have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”); *provided, however*, a default under the Community Facilities District Continuing Disclosure Agreement will not, in itself, constitute an event of default under the Indenture, and the sole remedy under the Community Facilities District Continuing Disclosure Agreement in the event of any failure of the Community Facilities District or the Dissemination Agent to comply with the Community Facilities District Continuing Disclosure Agreement will be an action to compel performance. The specific nature of the information to be contained in the Annual Report or the notices are set forth in “APPENDIX D – Form of Community Facilities District Continuing Disclosure Agreement.” These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the “Rule”).

Prior Disclosure Compliance by the Community Facilities District. A review of compliance with disclosure undertakings for filings required by the Community Facilities District in connection with the prior undertaking under the Rule entered into in connection with the issuance of the 2013 Bonds, indicates [Confirm: the School] District’s audited financial statements were filed late in 2012 and 2013 and a notice of a rating change with respect to the Community Facilities District’s Improvement Area No. 2002-1 special tax bonds was not filed in a timely manner. The Community Facilities District has developed procedures to ensure that future annual reports and notices of listed events are filed in a timely manner. As of the date of this Official Statement, all required filings have been made in connection with the prior undertakings.

Prior Disclosure Compliance by the School District and Other Community Facilities Districts. A review of compliance with disclosure undertakings for filings required by the School District or by other community facilities districts formed by the School District (other than the Community Facilities District), since [May 15], 2011, indicates that the School District or other community facilities districts formed by the School District may not have fully complied with their prior continuing disclosure undertakings under the Rule. Identification of the below described events does not constitute a representation by the Community Facilities District, the School District or any other community facilities district formed by the School District that the late filings were material or that the School District or any other community facilities district formed by the School District, other than the Community Facilities District, is an obligated person under the Rule for this transaction. The review indicates (i) that in connection with other community facilities districts formed by the School District, other than the Community Facilities District, the audited financial statements were filed late in 2012 and 2013, and one annual report was filed late in 2012, (ii) in connection with several series of School Facilities Improvement District No. 1 general obligation bonds, the audited financial statements were filed late in 2012, and the annual report was filed late in 2013 and 2016, and (iii) in connection with the 2002 certificates of participation financing, the audited financial statements were filed late in 2012 and the annual report was filed late in 2013 and 2016. In addition, notices of rating changes were not always filed in a timely manner with respect to financings by the School District or community facilities districts formed by the School District, (other than the Community Facilities District).

In order to remain in compliance with their respective undertakings in the future, the School District and the community facilities districts, including the Community Facilities District, have implemented procedures to file their annual reports on a timely basis and coordinate the efforts of personnel and firms responsible for preparing and/or monitoring compliance with the respective disclosure undertakings.

THE REFUNDING PLAN

The 2016 Bonds are being issued to (i) refund and defease the outstanding Prior Bonds currently outstanding in the aggregate principal amount of \$ _____ [\$38,060,000], (ii) fund the portion of the Reserve Requirement not funded with the Reserve Policy, and (iii) pay costs of issuance, including premiums, if any, for the applicable municipal bond insurance policy obtained in connection with the 2016 Bonds and the Reserve Policy to satisfy [a portion] of the Reserve Requirement.

[confirm: Pursuant to the Escrow Agreement, dated as of [June 1, 2016 (the “Escrow Agreement”), by and between the Community Facilities District and U.S. Bank National Association, as Escrow Bank (the “Escrow Bank”), a portion of the proceeds of the Prior Bonds, together with funds held by the Fiscal Agent for the Prior Bonds, will be deposited into the Escrow Fund established thereunder. Moneys in the Escrow Fund, together with interest earnings thereon, will be in an amount necessary to pay when due the regularly scheduled principal of and interest on Prior Bonds through September 1, 2016, and on September 1, 2016 pay the redemption price of the remaining outstanding principal amount of the 2006 Bonds. Moneys on deposit in the Escrow Fund will be invested by the Escrow Bank in [State and Local Government Series], all as further provided in the Escrow Agreement. Upon the issuance of the 2016 Bonds, American Municipal Tax-Exempt Compliance Corporation, will deliver a report verifying the arithmetical accuracy of certain computations included in the schedules provided by the Underwriter and the Fiscal Agent for the sufficiency of the moneys deposited in the Escrow Fund. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the 2016 Bonds will be deposited into the following respective accounts and funds established under the Indenture, as follows:

SOURCES

Principal Amount of 2016 Bonds	\$
Plus/less: [Original Issue Premium/Discount]	
Plus Available Prior Bonds Funds	
Less: Underwriter’s Discount	_____ ()
<i>Total Sources</i>	\$ _____

USES

Deposit into Escrow Fund	\$
Deposit into Reserve Fund	
Deposit into Costs of Issuance Fund ⁽¹⁾	_____
<i>Total Uses</i>	\$ _____

- (1) Includes, among other things, the fees and expenses of Bond Counsel, Disclosure Counsel, the Financial Advisor, the cost of printing the preliminary and final Official Statements, [insurance policy and reserve policy, if any,] the fees of the Special Tax Consultant, the Verification Agent, and reimbursement to the School District.

THE 2016 BONDS

Authority for Issuance

The 2016 Bonds will be issued pursuant to the Act and the Indenture.

General Provisions

The 2016 Bonds will be dated their date of delivery and will bear interest at the rates per annum set forth on the inside cover page hereof, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each March 1 and September 1, commencing on March 1, 2017 (each, an “Interest Payment Date”), and will mature in the amounts and on the dates set forth on the inside cover page hereof. The 2016 Bonds will be issued in fully-registered form in denominations of \$5,000 each or any integral multiple thereof and when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the 2016 Bonds. Ownership interests in the 2016 Bonds may be purchased in book-entry form only, in denominations of \$5,000 or any integral multiple thereof within a single maturity. So long as the 2016 Bonds are held in book-entry form, principal of, premium, if any, and interest on the 2016 Bonds will be paid directly to DTC for distribution to the beneficial owners of the 2016 Bonds in accordance with the procedures adopted by DTC. See “THE 2016 BONDS – Book-Entry and DTC.”

Interest on the 2016 Bonds will be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a 2016 Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th calendar day of the month preceding each Interest Payment Date whether or not such day is a Business Day (the “Record Date”), in which event it will bear interest from such Interest Payment Date, (ii) a 2016 Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or (iii) interest on any 2016 Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has previously been paid or duly provided for. Interest will be paid in lawful money of the United States of America on each Interest Payment Date. Interest will be paid by check of the Trustee mailed by first-class mail, postage prepaid, or by wire transfer made on such Interest Payment Date upon the written instructions of any Owner of \$1,000,000 or more 2016 Bonds to an account within the United States of America, on each Interest Payment Date to the 2016 Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any 2016 Bond which is not punctually paid or duly provided for on any Interest Payment Date will, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such 2016 Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which will be given to such Owner not less than ten days prior to such special record date.

The principal of the 2016 Bonds is payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee. Payment of principal of any 2016 Bond will be made only upon presentation and surrender of such Bond at the Office of the Trustee (currently in Los Angeles, California).

Debt Service Schedule

The following table presents the annual debt service on the 2016 Bonds (including sinking fund redemptions), assuming that there are no early redemptions.

Table 1
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)

Scheduled Annual Debt Service on 2016 Bonds

Year Ending September 1	Principal	Interest	Total Debt Service
2017	\$	\$	\$
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
	\$	\$	\$

Estimated Debt Service Coverage

The following table presents the estimated Net Special Tax Revenues, annual debt service on the 2016 Bonds [(including sinking fund redemptions)], assuming that there are no early redemptions, and resulting estimated debt service coverage.

Table 2
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)
Debt Service Coverage from Net Special Tax Revenues *

Bond Year Ending September 1	Residential Developed Special Tax Revenues ⁽¹⁾⁽²⁾	Non- Residential Developed Special Tax Revenues	Annual Administrative Expenses ⁽³⁾	Net Special Tax Revenues	Series 2016 Debt Service ^{(4)*}	Coverage from Developed Property ^{(5)'}
2017	\$4,086,516	\$75,450	\$76,500	\$4,085,466	\$2,681,300	152.37%
2018	\$4,168,246	76,959	78,030	4,167,175	2,737,700	152.21
2019	\$4,251,611	78,498	79,591	4,250,519	2,787,250	152.50
2020	\$4,336,643	80,068	81,182	4,335,529	2,853,950	151.91
2021	\$4,423,376	81,670	82,806	4,422,240	2,902,200	152.38
2022	\$4,511,843	83,303	84,462	4,510,684	2,967,450	152.01
2023	\$4,602,080	84,969	86,151	4,600,898	3,019,100	152.39
2024	\$4,694,122	86,669	87,874	4,692,916	3,082,450	152.25
2025	\$4,788,004	88,402	89,632	4,786,774	3,147,050	152.10
2026	\$4,883,764	90,170	91,425	4,882,510	3,207,750	152.21
2027	\$4,981,440	91,973	93,253	4,980,160	3,277,350	151.96
2028	\$5,081,068	93,813	95,118	5,079,763	3,336,525	152.25
2029	\$5,182,690	95,689	97,020	5,181,358	3,405,450	152.15
2030	\$5,286,344	97,603	98,961	5,284,986	3,473,600	152.15
2031	\$5,392,070	99,555	100,940	5,390,685	3,545,400	152.05
2032	\$5,499,912	101,546	102,959	5,498,499	3,624,400	151.71

⁽¹⁾ Special Tax Revenues for Fiscal Year 2016-17 and each year thereafter are based on 100.00% of the Assigned Special Tax rates. The Assigned Special Tax rates escalate by 2.00% per year. Fiscal Year 2016-17 includes all property considered Developed Property for Fiscal Year 2016-17. Assumes no future development thereafter.

⁽²⁾ Pursuant to Section 53321(d) of the Government Code and proceedings of the Community Facilities District, the special tax levied against any Assessor's parcel for which an occupancy permit for private residential use has been issued will not be increased by more than ten percent as a consequence of delinquency or default by the owner of any other Assessor's parcel within the Community Facilities District. As a result, it is possible that the School District may not be able to increase the tax levy to the assigned special tax in all years.

⁽³⁾ Based on Administrative Expenses Cap equal to \$75,000 in Fiscal Year 2015-16, escalated by 2.00% per year thereafter.

⁽⁴⁾ Based on preliminary bond sizing dated April 1, 2016 provided by Government Financial Strategies inc.

⁽⁵⁾ Calculated by dividing the Net Special Tax Revenues column by the Total Debt Service column.

* Preliminary, subject to change.

Source: David Taussig & Associates, Inc.

Redemption

Optional Redemption. The 2016 Bonds maturing on or prior to September 1, 20__, are not subject to optional redemption before maturity. The 2016 Bonds are subject to optional redemption, in whole or in part, on any date, from any source of available funds, at the following respective Redemption Prices (expressed as percentages of the principal amount of the 2016 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, 2017 through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

Whenever provision is made for the optional redemption of less than all of the 2016 Bonds, the Trustee will select the 2016 Bonds to be redeemed from all 2016 Bonds not previously called for redemption with respect to any optional redemption of 2016 Bonds, among maturities of 2016 Bonds as directed in a written request of the Community Facilities District.

Mandatory Redemption from Special Tax Prepayments. The 2016 Bonds are subject to mandatory redemption, in whole or in part, on any Interest Payment Date, from and to the extent of any prepayment of Special Taxes, at the following respective Redemption Prices (expressed as percentages of the principal amount of the 2016 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, 2017 through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

Whenever provision is made for the mandatory redemption from Special Tax prepayments of less than all of the 2016 Bonds, the Trustee will select the 2016 Bonds to be redeemed from all maturities of all series of 2016 Bonds and Parity Bonds on a pro rata basis as nearly as practicable.

Mandatory Sinking Fund Redemption. The 2016 Bonds, maturing on September 1, 20__, are subject to mandatory sinking fund redemption, in part, on September 1 in each year commencing September 1, 20__, at a redemption price equal to the principal amount of the 2016 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate principal amounts in the respective years as follows:

Bonds Maturing on September 1, 20__

Sinking Fund Redemption Date (September 1)	Principal Amount to be <u>Redeemed</u> \$
20__	
20__	
20__	
20__	
20__ (maturity)	

The amounts in the foregoing table will be reduced as a result of any prior partial redemption of the 2016 Bonds pursuant to an optional redemption or redemption from proceeds of Special Tax prepayments as specified in writing by the Community Facilities District to the Trustee.

Purchase In Lieu of Redemption. [In lieu of an optional, extraordinary mandatory or mandatory sinking fund redemption, the Community Facilities District may elect to purchase such 2016 Bonds at public or private sale at such prices as the Community Facilities District in its discretion may determine; *provided*, that, unless otherwise authorized by law, the purchase price (including brokerage and other charges) thereof will not exceed the principal amount thereof, plus accrued interest accrued to the purchase date and any premium which would otherwise be due if such 2016 Bonds were to be redeemed in accordance with the Indenture.

Notice of Redemption. The Trustee on behalf of the Community Facilities District will mail (by first-class mail) notice of any redemption to the respective Owners of any 2016 Bonds designated for redemption at their respective addresses appearing on the Registration Books at least 30 but not more than 60 days prior to the date fixed for redemption. Such notice will state the date of the notice, the redemption date, the redemption place and the Redemption Price and will designate the CUSIP numbers, the Bond numbers and the maturity or maturities of the 2016 Bonds to be redeemed (except in the event of redemption of all of the 2016 Bonds of such maturity or maturities in whole), and will require that such 2016 Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such 2016 Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, will affect the validity of the proceedings for the redemption of the 2016 Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

Conditional Notice of Optional Redemption. With respect to any notice of any optional redemption of 2016 Bonds, unless at the time such notice is given the 2016 Bonds to be redeemed will be deemed to have been paid within the meaning of the Indenture, such notice will state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the 2016 Bonds to be redeemed, and that if such moneys have not been so received said notice will be of no force and effect and the Community Facilities District will not be required to redeem such 2016 Bonds. In the event a notice of redemption of 2016 Bonds contains such a condition and such moneys are not so received, the redemption of 2016 Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of 2016 Bonds pursuant to such notice of redemption.

Effect of Redemption. Notice of redemption having been mailed as described above, and moneys for the redemption price, and the interest to the applicable date fixed for redemption, having been set aside in the Redemption Fund, the 2016 Bonds will become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said 2016 Bonds will be paid at the redemption price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the redemption price of all the 2016 Bonds to be redeemed, together with interest to said date, is held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof has been mailed as described above and not canceled, then, from and after said date, interest on said 2016 Bonds will cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of 2016 Bonds will be held in trust for the account of the Owners of the 2016 Bonds so to be redeemed without liability to such Owners for interest thereon.

Registration, Transfer and Exchange

Registration. Subject to the provision for book-entry registration of 2016 Bonds, the Trustee will keep sufficient books for the registration and transfer of the 2016 Bonds, and upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said register, the 2016 Bonds as hereinbefore provided. The Community Facilities District and the Trustee will treat the owner of any Bond whose name appears on the Bond Register as the holder and absolute Owner of such 2016 Bond for all purposes under the Indenture.

Transfer and Exchange of 2016 Bonds. Subject to the provision for book-entry registration of 2016 Bonds, any 2016 Bond may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2016 Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any 2016 Bond or 2016 Bonds are surrendered for transfer, the Community Facilities District will execute and the Trustee will authenticate and will deliver a new 2016 Bond or 2016 Bonds of the same maturity in a like aggregate principal amount, in any authorized denomination. The Trustee will require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Subject to the provision for book-entry registration of 2016 Bonds, the 2016 Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of 2016 Bonds of the same maturity of other authorized denominations. The Trustee will require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee will not be obligated to make any transfer or exchange of 2016 Bonds during the period established by the Trustee for the selection of 2016 Bonds for redemption, or with respect to any 2016 Bonds selected for redemption.

Book-Entry and DTC

DTC will act as securities depository for the 2016 Bonds. The 2016 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2016 Bond certificate will be issued for each maturity of the 2016 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See APPENDIX F – "Book-Entry System."

SECURITY FOR THE 2016 BONDS

General

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Net Special Tax Revenues and any other amounts (including proceeds of the sale of the 2016 Bonds) held in the Special Tax Fund, the Bond Fund and the Reserve Fund are pledged to secure the payment of the principal of, premium, if any, and interest on the 2016 Bonds and Parity Bonds in accordance with their terms, the provisions of the Indenture and the Act. Such pledge will constitute a first lien on such assets.

The Community Facilities District will fix and levy the amount of Special Taxes within the Community Facilities District in accordance with the Amended and Restated Rate and Method and, subject to the limitations in the Amended and Restated Rate and Method as to the maximum Special Tax that may be levied, in an amount sufficient to yield the amount required for the payment of principal of and interest on any Outstanding 2016 Bonds and Parity Bonds becoming due and payable during the Bond Year commencing in such Fiscal Year, the amount required for any necessary replenishment of the Reserve Fund and the amount estimated to be sufficient to pay the Administrative Expenses during such year, taking into account the balances in the funds and accounts established thereunder.

The scheduled payment of the principal of and interest on the 2016 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2016 Bonds by [INSURER]. See "BOND INSURANCE" herein and APPENDIX G hereto. Pursuant to the Indenture, [Insurer] will be deemed to be the sole owner of the 2016 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the 2016 Bonds are entitled to take pursuant to the Indenture.

Amounts in the Administrative Expense Fund, the Costs of Issuance Fund, and the Rebate Fund are not pledged to the repayment of the 2016 Bonds. The School District Facilities constructed and/or acquired with the proceeds of bonds previously issued by the Community Facilities District are not in any way pledged to pay the debt service on the 2016 Bonds and Parity Bonds. Any proceeds of condemnation or destruction of any facilities financed with the proceeds of the 2016 Bonds or Parity Bonds are not pledged to pay the debt service on the 2016 Bonds or Parity Bonds.

Special Taxes

The Community Facilities District has covenanted in the Indenture to comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes. The Amended and Restated Rate and Method provides that the Special Taxes will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, *provided, however*, that the Community Facilities District may directly bill the Special Tax and may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

Because the Special Tax levy is limited to the maximum Special Tax rates set forth in the Amended and Restated Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies, the receipt of Special Taxes will, in fact, be collected in sufficient amounts in any given year to pay debt service on the 2016 Bonds.

Although the Special Taxes, when levied, will constitute a lien on parcels subject to taxation, it does not constitute a personal indebtedness of the owners of property. There is no assurance that the owners of real property will be financially able to pay the annual Special Tax or that they will pay such tax even if financially able to do so. See "BONDOWNERS' RISKS" herein.

THE 2016 BONDS, THE INTEREST THEREON, AND ANY PREMIUMS PAYABLE ON THE REDEMPTION OF ANY OF THE 2016 BONDS, ARE NOT AN INDEBTEDNESS OF THE SCHOOL DISTRICT, THE STATE OF CALIFORNIA (THE "STATE") OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN), THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE ON THE 2016 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN) OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2016 BONDS. OTHER THAN THE SPECIAL TAXES LEVIED PURSUANT TO THE AMENDED AND RESTATED RATE AND METHOD, NO TAXES ARE PLEDGED TO THE PAYMENT OF THE 2016 BONDS AND MONEYS RECEIVED UNDER THE INSURANCE POLICY AND THE RESERVE POLICY. THE 2016 BONDS ARE NOT A GENERAL OBLIGATION OF THE COMMUNITY FACILITIES DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM THE SPECIAL TAXES LEVIED PURSUANT TO THE AMENDED AND RESTATED RATE AND METHOD [AND MONEYS RECEIVED UNDER THE INSURANCE POLICY AND THE RESERVE POLICY], AS MORE FULLY DESCRIBED HEREIN.

Amended and Restated Rate and Method

The Special Taxes will be levied and collected according to the Amended and Restated Rate and Method, which provides the means by which the Legislative Body may annually levy the Special Taxes within the Community Facilities District, up to the maximum Special Tax rates, and to determine the amount of the Special Taxes that will need to be collected each Fiscal Year from the "Taxable Property" within the Community Facilities District.

The following is a synopsis of the provisions of the Amended and Restated Rate and Method, which should be read in conjunction with the complete text of the Amended and Restated Rate and Method which is included in APPENDIX B. Capitalized terms used but not defined in this section have the meanings given them in the Amended and Restated Rate and Method. This section provides only a summary of the Amended and Restated Rate and Method, and is qualified by more complete and detailed information contained in the entire Amended and Restated Rate and Method included in Appendix B.

Under the Amended and Restated Rate and Method, all Taxable Property in the Community Facilities District will be classified as Developed Property, Taxable Golf Course Property, Taxable Property Owner Association Property, Taxable Religious Property, Taxable Senior Housing Property, Taxable Public Property or Undeveloped Property and will be subject to a Special Tax levy at the maximum rates described in Section C of the Amended and Restated Rate and Method.

A parcel will be classified as Developed Property if it is Taxable Property (other than Taxable Golf Course Property, Taxable Property Owner Association Property, Taxable Religious Property, Taxable Senior Housing Property or Taxable Public Property) for which a building permit for new construction was issued prior to March 1 of the previous Fiscal Year. Developed Property will be further assigned to land use classes for Residential Property (Land Use Class 1), and Non-Residential Property (Land Use Class 3). The Maximum Annual Special Tax for Developed Property and Taxable Senior Housing Property will be the greater of the Assigned Special Tax or the Backup Special Tax. The Fiscal Year 2016-17 Assigned Special Tax rates for each Assessor's Parcel of Developed Property is shown in the table below:

**ASSIGNED SPECIAL TAXES FOR DEVELOPED PROPERTY
PROJECTED FOR FISCAL YEAR 2016-17
COMMUNITY FACILITIES DISTRICT NO. 90-2**

<i>Land Use Class</i>	<i>Description</i>	<i>Assigned Special Tax</i>
1	Residential Property	\$0.4613 per square foot of Residential Floor Area
2	Taxable Senior Housing Property	\$0.4613 per square foot of Residential Floor Area
3	Non-Residential Property	\$0.0837 per square foot of Non-Residential Floor Area

The Assigned Special Tax in the table above is applicable for Fiscal Year 2016-17. On July 1 of each Fiscal Year the Assigned Special Tax will be increased by an amount equal to two percent (2%) of the Assigned Special Tax in effect for the previous Fiscal Year.

For Fiscal Year 2016-17, the Backup Special Tax for an Assessor's Parcel of Developed Property and Taxable Senior Housing Property is projected to be \$0.2338 per square foot of the Assessor's Parcel, provided however, that the Backup Special Tax will not apply to the first 100 Acres of Non-Residential Property. On July 1 of each Fiscal Year the Backup Special Tax will be increased by an amount equal to two percent (2%) of the Backup Special Tax in effect for the previous Fiscal Year.

The Maximum Special Tax for Undeveloped Property, Undeveloped Non-Residential Property, Taxable Property Owner Association Property, Taxable Public Property and Taxable Religious Property is equal to \$8,649.29 per acre for Fiscal Year 2016-17, and will increase thereafter on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Maximum Special Tax for the previous Fiscal Year. The Fiscal Year 2016-17 Expected Special Tax for Undeveloped Non-Residential Property is \$1,572.47 per acre.

The Amended and Restated Rate and Method expressly exempts up to 1,230.74 acres of Property Owner Association Property, Public Property and/or Religious Property and 206.6 acres of Golf Course Property. In addition, no Special Tax will be levied on up to 66.02 acres of Senior Housing Property. See APPENDIX B – "AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES."

The School District will determine the Special Tax Requirement for the Fiscal Year pursuant to the Indenture. "Special Tax Requirement" is defined in the Amended and Restated Rate and Method as the amount required in any Fiscal Year to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the 2016 Bonds, including, but not limited to, credit enhancement and rebate payments on the 2016 Bonds; (iii) pay reasonable Administrative Expenses; (iv) pay any amounts required to establish or

replenish any reserve funds for all Outstanding Bonds; (v) pay directly for construction of Community Facilities District facilities eligible under the Act to the extent that the inclusion of such amount does not increase the Special Tax on Undeveloped Property or Undeveloped Non-Residential Property; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; (vii) less a credit for funds available to reduce the annual Special Tax levy, as determined by the School District pursuant to the Indenture.

The Special Tax will be levied each Fiscal Year as follows:

First: The Special Tax will be levied proportionately on each Assessor's Parcel of Developed Property and Taxable Senior Housing Property at up to 100% of the applicable Assigned Special Tax as needed to satisfy the Special Tax Requirement.

Second: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax will be levied Proportionately on each Assessor's parcel of Undeveloped Property and Undeveloped Non-Residential Property at up to 100% of the Maximum Special Tax for Undeveloped Property and up to 100% of the Special Tax for each Acre of Undeveloped Non-Residential Property Undeveloped Non-Residential Property, respectively;

Third: If additional moneys are needed to satisfy the Special tax requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor's parcel of Undeveloped Non-Residential Property will be increased Proportionately from the Expected Special Tax up to 100% of the Maximum Special Tax for Undeveloped Non-Residential Property;

Fourth: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property or Taxable Senior Housing Property whose Maximum Special Tax is determined through the application of the Backup Special Tax will be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fifth: If additional moneys are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax will be levied Proportionately on each Assessor's Parcel of Taxable Golf Course Property, Taxable Property Owner Association Property, Taxable Public Property or Taxable Religious Property at up to the Maximum Special Tax for Taxable Golf Course Property, Taxable Property Owner Association Property, Taxable Public Property or Taxable Religious Property. See APPENDIX B – "AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES."

Special Tax Levy

Special Taxes in the amount of \$2,967,351 are estimated to be levied on Residential Property and Non-Residential Property within the Community Facilities District for Fiscal Year 2016-17. No Special Tax is expected to be levied on other categories of property within the Community Facilities District.

Table 3 below summarizes the projected Fiscal Year 2016-17 Special Tax levy to be made in accordance with the Amended and Restated Rate and Method:

Table 3
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)
Projected Fiscal Year 2016-17 Special Tax Levy

Land Use	Number of Residential Units	Number of Building Sq. Ft./ Acres	Fiscal Year 2016-17 Assigned/Maximum Special Tax ⁽¹⁾		Estimated Fiscal Year 2016-17 Actual Special Tax		Percent of Assigned/ Maximum Special Tax
Residential Property	3,218	8,858,694 Sq. Ft.	\$0.4613	Sq. Ft.	\$0.3289	per unit	71.30%
Taxable Senior Housing Property	0	0 Sq. Ft.	0.4613	Sq. Ft.	0.3289	per unit	71.30
Non-Residential Property	NA	901,436 Sq. Ft.	0.0837	Sq. Ft.	0.0597	per unit	71.30
Undeveloped Property	NA	0.00 Acres	\$8,649.29	per Acre	\$0.00	per Acre	0.00%
Undeveloped Non-Residential Property (Expected)	NA	17.41 Acres	1,572.47	per Acre	0.00	per Acre	0.00
Backup Special Tax	NA	NA	0.2338	per Sq. Ft.	0.00	per Acre	0.00
Total Assigned/Maximum Special Taxes			\$4,189,335		\$2,967,351		

⁽¹⁾ Based on the Assigned Special Tax rates for Residential and Non-Residential Property and the Maximum Special Tax rate for Undeveloped Property. The assigned and maximum rates increase by 2.00% per year.

⁽²⁾ Does not include 362 units which prepaid its special tax obligation in February 2015 and will not be levied.

Source: David Taussig & Associates, Inc.

As indicated above, under the Amended and Restated Rate and Method, the Community Facilities District levies on Developed Property in an amount less than the Assigned Special Tax. A portion of the Special Tax Requirement may be utilized for acquisition and/or construction of facilities eligible under the Act. In the event the Community Facilities District were to levy Special Taxes on Developed Property at less than the Assigned Special Tax, pursuant to Section 53321 of the Act and the Amended and Restated Rate and Method, a resolution adopted by the Community Facilities District and the Amended and Restated Rate and Method, under no circumstances will the Special Tax levied against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than 10% as a consequence of delinquency or default by the owner of any other parcel or parcels within the Community Facilities District. For such purposes, a parcel will be considered used for private residential purposes not later than the date on which an occupancy permit for private residential use is issued.

Proceeds of Foreclosure Sales

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of the Special Tax, the Community Facilities District may order the institution of a superior court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory.

Under the Indenture, on or about June 15 of each year, the Community Facilities District will determine or cause to be determined, on or about June 15 of each year, whether or not any owners of property within the Community Facilities District are delinquent in the payment of Special Taxes and, if such delinquencies exist, the Community Facilities District will send or cause to be sent a notice of delinquency and demand for payment thereof to the property owner within 45 days of such determination and if such delinquency remains uncured, order and cause to be commenced within 90 days of such determination of delinquency, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of any Special Taxes or installment thereof not paid when due.

Notwithstanding the foregoing, however, the Community Facilities District is not required to order the commencement of foreclosure proceedings under subsections (a) or (b) above, if (i) the total Special Tax delinquency in the Community Facilities District for such Fiscal Year is less than 5% of the total Special Tax levied in such Fiscal Year, and (ii) no draw has been made on the Reserve Fund that has not been replenished. However, if the Community Facilities District determines that any single property owner in the Community Facilities District is delinquent in excess of \$10,000 in the payment of the Special Tax, then the Community Facilities District will diligently institute, prosecute and pursue foreclosure proceedings against such property owner, notwithstanding the first sentence of this paragraph.

It should be noted that any foreclosure proceedings commenced as described above could be stayed by the commencement of bankruptcy proceedings by or against the owner of the delinquent property. See "BONDOWNERS' RISKS – Bankruptcy and Foreclosure Delay."

No assurances can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. See "BONDOWNERS' RISKS – Potential Delay and Limitations in Foreclosure Proceedings." If a judgment of foreclosure and order of sale is obtained, the judgment creditor (the Community Facilities District) must cause a Notice of Levy to be issued. Under current law, a judgment debtor (property owner) has 120 days from the date of service of the Notice of Levy and 20 days from the subsequent notice of sale in which to redeem the property to be sold. If a judgment debtor fails to so redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the

revived judgment as if the sale had not been made. The constitutionality of the aforementioned legislation, which repeals the former one-year redemption period, has not been tested; and there can be no assurance that, if tested, such legislation will be upheld. Any parcel subject to foreclosure sale must be sold at the minimum bid price unless a lesser minimum bid price is authorized by the Owners of 75% of the principal amount of the 2016 Bonds Outstanding.

No assurances can be given that the real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the School District or the Community Facilities District to purchase or otherwise acquire any lot or parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale. The Act does specify that the Special Tax will have the same lien priority in the case of delinquency as for *ad valorem* property taxes.

If the Reserve Fund is depleted and delinquencies in the payment of Special Taxes exist, there could be a default or delay in payments to the Bondowners pending prosecution of foreclosure proceedings and receipt by the Community Facilities District of foreclosure sale proceeds, if any. However, within the limits of the Amended and Restated Rate and Method and the Act, the Community Facilities District may adjust the Special Taxes levied on all property in future Fiscal Years to provide an amount, taking into account such delinquencies, required to pay debt service on the 2016 Bonds and Parity Bonds, if any, and to replenish the Reserve Fund. There is, however, no assurance that the maximum Special Tax rates will be at all times sufficient to pay the amounts required to be paid on the 2016 Bonds and Parity Bonds, if any, by the Indenture. The levy of Special Taxes is subject to the maximum annual amount of Special Taxes authorized by the qualified voters of and the limitation imposed by Section 53321 of the Act which limits Special Tax levied against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued being increased by more than 10% as a consequence of delinquency or default by the owner of any other parcel or parcels within the Community Facilities District. See "SECURITY FOR THE 2016 BONDS – Special Tax Levy."

Special Tax Fund

Pursuant to the Indenture, the Special Tax Revenues received by the Community Facilities District will be deposited in the Special Tax Fund, which will be held by the Trustee on behalf of the Community Facilities District. Any portion of any such Special Tax Revenues that represents prepaid Special Taxes that are to be applied to the payment of the redemption price of 2016 Bonds or Parity Bonds in accordance with the provisions of the Indenture will be identified to the Trustee as such by the Community Facilities District and will be deposited in the Redemption Fund.

Pending disbursement, moneys in the Special Tax Fund will be subject to a lien in favor of the Bondowners of the 2016 Bonds as established under the Indenture.

Upon receipt of a Written Request of the Community Facilities District, the Trustee will withdraw from the Special Tax Fund and transfer to the Administrative Expense Fund the amount specified in such Written Request of the Community Facilities District as the amount necessary to be transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses.

On the Business Day immediately preceding each Interest Payment Date, after having made any requested transfer to the Administrative Expense Fund, the Trustee will withdraw from the Special Tax Fund and transfer, first, to the Bond Fund, Net Special Tax Revenues in the amount, if any, necessary to cause the amount on deposit in the Bond Fund to be equal to the principal and interest due on the 2016 Bonds on such Interest Payment Date, and, second, to the Reserve Fund, Net Special Tax Revenues in the

amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement [(or necessary to reimburse [Insurer] (“[INSURER]” or the “Bond Insurer”) for any draw on the Reserve Policy)].

On or after September 2 of each year, after having made any requested transfer to the Administrative Expense Fund, the Bond Fund and the Reserve Fund, the Trustee will withdraw from the Special Tax Fund and transfer to the Surplus Fund all or a portion of any moneys remaining in the Special Tax Fund upon receipt of a Written Request delivered to the Trustee by the Community Facilities District.

Investment. Moneys in the Special Tax Fund will be invested and deposited by the Community Facilities District as described in “Investment of Moneys in Funds” below. Interest earnings and profits resulting from such investment and deposit will be retained in the Special Tax Fund to be used for the purposes thereof.

Bond Fund

The Trustee will establish and maintain the Bond Fund in trust for the benefit of the Bondowners. On each Interest Payment Date, the Trustee will withdraw from the Bond Fund for payment to the Owners of the 2016 Bonds and Parity Bonds, if any, the principal, if any, of and interest on the 2016 Bonds and Parity Bonds, if any, then due and payable, including principal due and payable by reason of mandatory sinking fund redemption of [such 2016 Bonds and] Parity Bonds, if any.

In the event that, on the Business Day prior to an Interest Payment Date, amounts in the Bond Fund are insufficient to pay the principal, if any, of and interest on the 2016 Bonds and Parity Bonds, if any, due and payable on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such 2016 Bonds and Parity Bonds, if any, the Trustee will withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and will transfer any amounts so withdrawn to the Bond Fund.

Redemption Fund

Moneys in the Redemption Fund will be set aside and used solely for the purpose of redeeming Bonds in accordance with the Indenture.

Reserve Fund

In order to further secure the payment of principal of and interest on the 2016 Bonds, certain proceeds of the 2016 Bonds will be deposited into the Reserve Fund in an amount such that the total amount in the Reserve Fund will be equal to the Reserve Requirement (see “ESTIMATED SOURCES AND USES OF FUNDS” herein). The Indenture defines Reserve Requirement, with respect to the 2016 Bonds and any Parity Bonds, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the 2016 Bonds and any Parity Bonds (excluding 2016 Bonds and Parity Bonds refunded with the proceeds of subsequently issued Parity Bonds), (b) the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made (“Maximum Annual Debt Service,”) or (c) 125% of the average of the Average Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

On the date of issuance of the 2016 Bonds, the Trustee will deposit in the Reserve Fund the amount of \$ _____, which is equal to the Reserve Requirement as of the date of issuance of the 2016 Bonds. There will additionally be deposited in the Reserve Fund, in connection with the issuance of

Parity Bonds, the amount required to be deposited therein under the Supplemental Indenture pursuant to which such Parity Bonds are issued.

Except as otherwise provided below, all amounts deposited in the Reserve Fund will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of and interest on the 2016 Bonds and Parity Bonds, if any, (or to reimburse the Bond Insurer for draws on the Reserve Policy) or, in accordance with the provisions described below, for the purpose of redeeming 2016 Bonds and/or Parity Bonds.

So long as no Event of Default has occurred and is continuing, any amount in the Reserve Fund in excess of the Reserve Requirement on September 2 of each year will be withdrawn from the Reserve Fund by the Trustee and deposited in the Bond Fund. Notwithstanding the foregoing, before any such deposit is made, such amount will be available for the payment of any rebate that may be owed under the Code, as specified in a Written Request of the Community Facilities District delivered to the Trustee on or before September 2 of each year.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay all the Outstanding 2016 Bonds and Parity Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee will, upon receipt of a Written Request of the Community Facilities District, transfer the amount in the Reserve Fund to the Bond Fund or Redemption Fund, as applicable, to be applied, on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding 2016 Bonds and Parity Bonds.

Whenever 2016 Bonds and/or Parity Bonds are to be redeemed pursuant to optional redemption or mandatory redemption from Special Tax prepayments or the corresponding provisions of a Supplemental Indenture, a proportionate share, determined as described below, of the amount on deposit in the Reserve Fund will, on the Business Day prior to the date on which such 2016 Bonds and/or Parity Bonds are to be redeemed, be transferred by the Trustee from the Reserve Fund to the Redemption Fund and will be applied to the redemption of said 2016 Bonds and/or Parity Bonds; provided, however, that such amount will be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least equal to the Reserve Requirement (excluding from the calculation thereof said 2016 Bonds and/or Parity Bonds to be redeemed). Such proportionate share will be equal to the largest integral multiple of \$5,000 that is not larger than the amount equal to the product of (a) the amount on deposit in the Reserve Fund on the date five Business Days prior to the date notice of redemption of such 2016 Bonds and/or Parity Bonds is required to be given pursuant to the provisions hereof, times (b) a fraction, the numerator of which is the principal amount of 2016 Bonds and/or Parity Bonds to be so redeemed and the denominator of which is the principal amount of 2016 Bonds and/or Parity Bonds to be Outstanding on the day prior to the date on which such 2016 Bonds and/or Parity Bonds are to be so redeemed.

Moneys in the Reserve Fund will be invested and deposited as described in “Investment of Moneys in Funds” below.

See APPENDIX C – “Summary of Certain Provisions of the Indenture” for a description of the timing, purpose and manner of disbursements from the Reserve Fund.

Administrative Expense Fund

The Trustee will receive the transfer of Special Taxes from the Community Facilities District from the Special Tax Fund and deposit in the Administrative Expense Fund an amount to pay Administrative Expenses.

Pursuant to the Indenture, moneys in the Administrative Expense Fund will not be construed as a trust fund held for the benefit of the Owners of the 2016 Bonds and will not be available for the payment of debt service on the 2016 Bonds.

Investment of Moneys in Funds

Moneys in any fund or account created or established by the Indenture and held by the Trustee will be invested by the Trustee in Permitted Investments, as directed by the Community Facilities District, that mature not later than the date on which it is estimated that such moneys will be required for the purposes specified in the Indenture; *provided, however*, that Permitted Investments in which moneys in the Reserve Fund are so invested will mature no later than the earlier of five years from the date of investment or the final maturity date of the 2016 Bonds or Parity Bonds; *provided, further*, that if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the 2016 Bonds or Parity Bonds. Absent timely written direction from the Community Facilities District, the Trustee will invest any funds held by it in Permitted Investments consisting of money market funds which are rated Am or better by S&P, including money market funds so rated for which the Trustee and its affiliates provide investment advisory or other management services. See APPENDIX C – “Summary of Certain Provisions of the Indenture” for a definition of “Permitted Investments.”

Payment of Rebate Obligation

The Community Facilities District is required to calculate excess investment earnings in accordance with the requirements set forth in the Indenture. If necessary, the Community Facilities District may use amounts in the Special Tax Fund, amounts on deposit in the Administrative Expense Fund and other funds available to the Community Facilities District (except amounts required to pay debt service on the 2016 Bonds) to satisfy rebate obligations.

Parity Bonds for Refunding Purposes Only

Bonds issued on a parity with the 2016 Bonds (“Parity Bonds”) may be issued for refunding purposes only and subject to specific conditions including that the Community Facilities District must be in compliance with all covenants set forth in the Indenture and any Supplement then in effect and a certificate of the Community Facilities District to that effect will be filed with the Trustee. See APPENDIX C – “Summary of Certain Provisions of the Indenture.”

Special Taxes Are Within Teeter Plan

The County has adopted a Teeter Plan as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code, under which a tax distribution procedure is implemented and secured roll taxes are distributed to taxing agencies within the County on the basis of the tax levy, rather than on the basis of actual tax collections. However, by policy, the County does include special taxes of the School District in its Teeter program.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the 2016 Bonds, [Insurer] (“INSURER”) will issue its Municipal Bond Insurance Policy for the 2016 Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the 2016 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

[Insurer]

[INSERT NEIGHBORHOOD MAP]

THE COMMUNITY FACILITIES DISTRICT

General Information

The Community Facilities District was formed in 1990. The Community Facilities District comprises approximately 2,176 gross acres within the southwesterly portion of the County, and all of such property is within the City of San Clemente. The land within the Community Facilities District is part of the approximately 3,510 acre Talega Valley Planned Development (the “Talega Project”). The Community Facilities District contains 3,559 residential units, of which 362 units have prepaid the Special Tax, and approximately 62 acres of commercial. The Community Facilities District also includes an 18-hole public golf course on approximately 195 acres, [discuss: approximately 2,012 acres of natural open space and public support uses, including parks and an elementary school].

Pursuant to the Amended and Restated Rate and Method, 1,230.74 acres of public property (including streets and public parks), religious property and property that is or will be owned by the property owners’ homeowners association (including private streets and open space) are exempt from Special Taxes. The Community Facilities District estimates that there are currently approximately 1,231 exempt acres.

The Community Facilities District was first established in 1990 and Improvement Area No. 2002-1 was added to the Community Facilities District in 2002. The Community Facilities District includes [] single-family detached homes subject to the levy of Special Taxes by the Community Facilities District which have been built. See “Authority for Issuance,” below, for additional information regarding the proceedings of the Legislative Body with respect to the Community Facilities District. The Community Facilities District includes a neighborhood park.

Authority for Issuance

As required by the Act, the Board has taken the following actions with respect to establishing the Community Facilities District and authorizing issuance of the 2016 Bonds:

Resolutions of Intention: On April 16, 1990, the Board adopted Resolution No. 90-32 stating its intention to establish the Community Facilities District and to authorize the levy of a special tax therein pursuant to a Rate and Method of Apportionment of Special Tax and Resolution No. 9033 stating its intention to incur bonded indebtedness.

Resolutions Relating to Formation: Immediately following a noticed public hearing on May 21, 1990, the Board of Trustees adopted Resolution No. 90-50 (the “Resolution of Formation”), which approved the financing of the authorized School District facilities and approved the original rate and method of apportionment and authorized the levy of the Special Taxes pursuant to the original rate and method of apportionment, subject to the approval of such levy by the qualified voters. On May 21, 1990, the Board of Trustees also adopted Resolution No. 90-51 which determined the necessity to incur bonded indebtedness in an amount not to exceed \$10,000,000.

Landowner Election and Declaration of Results: On June 19, 1990, an election was held within the Community Facilities District, in which the landowners eligible to vote, being the qualified electors, approved the ballot proposition authorizing the issuance of up to \$30,000,000 in bonds to finance the acquisition and construction of the School District facilities. The qualified electors within the Community Facilities District also approved the levy of a special tax in accordance with the rate and method and the establishment of an appropriations limit. On July 2, 1990, the Board adopted Resolution

No. 90-69 pursuant to which the Board approved the canvass of the votes. The Amended and Restated Rate and Method is set forth in Appendix B hereto.

Ordinance Levying Special Taxes: On July 2, 1990, the Board adopted Ordinance No. 90-2-1 levying the Special Tax within the Community Facilities District.

Special Tax Lien and Levy: A Notice of Special Tax Lien was recorded in the real property records of Orange County on July 25, 1990, as Document No. 90-391206 (the "Original Notice of Special Tax Lien").

Resolution of Consideration. On April 26, 1999, the Legislative Body adopted Resolution No. 9899-112, regarding authorizing the Community Facilities District to incur a bonded indebtedness in an amount not to exceed \$50,000,000 (the "Authorization") and approved an amended and restated rate and method of apportionment of the Special Taxes to be levied to pay the principal of, and interest on, such bonded indebtedness.

On June 14, 1999, at a special election held pursuant to the Act, the owners of the property within the boundaries of the Community Facilities District, who were the qualified voters, authorized the Community Facilities District to incur a bonded indebtedness in an amount not to exceed \$50,000,000 (the "Authorization") and approved an amended and restated rate and method of apportionment of the Special Taxes to be levied to pay the principal of, and interest on, such bonded indebtedness.

An Amendment No. 1 to Notice of Special Tax Lien was filed with respect to the proceedings to amend and restate the Original Rate and Method and was recorded on June 15, 1999, as Document No. 19990443388.

Improvement Area No. 2002-1 Proceedings: In 2002, the Legislative Body conducted proceedings to designate portions of the then undeveloped property in the Community Facilities District as Improvement Area No. 2002-1. On June 24, 2002, the Legislative Body adopted resolutions confirming the establishment of Improvement Area No. 2002-1 and calling an election to authorize the issuance of bonds and levying of a special tax within Improvement Area 2002-1, which levy is in addition to the levy of the Special Taxes. Special taxes levied by the Community Facilities District with respect to Improvement Area No. 2002-1 are not available to pay debt service on the 2016 Bonds.

Improvement Area No. 2002-1 Election. On June 24, 2002, at a special election held pursuant to the Act, voters within the boundaries of Improvement Area No. 2002-1 authorized the issuance of up to \$50,000,000 principal amount of special tax bonds to finance certain road and related facilities of the City of San Clemente and certain school facilities within Improvement Area No. 2002-1.

A notice of special tax lien was filed with respect to the Improvement Area No. 2002-1 special taxes and recorded on _____, 2002, as Document No. 2002_____.

Resolution Authorizing Issuance of the Prior Bonds. On April 24, 2006, the Legislative Body adopted Resolution No. 0506-73 approving the issuance of the Prior Bonds. In connection therewith, the Legislative Body determined that the Community Facilities District had funded all projects intended to be funded with bond proceeds and reduced the Community Facilities District bond authorization by the unissued portion of the original \$50 million authorization and reduced the final term of the Special Tax levy to Fiscal Year 2036-37, so long as the special Tax is not needed to pay debt service on bonds of the Community Facilities District.

Resolution Authorizing Issuance of the 2016 Bonds: On [May 11], 2016, the Board adopted Resolution No. ____-2016, approving issuance of the 2016 Bonds.

Special Tax Collections

The Special Tax on Developed Property authorized for the 2015-16 Fiscal Year was \$3,037,359, which was levied against 3,197 parcels. For the 2014-15 Fiscal Year, [____] parcels remain delinquent in the amount of \$3,989 as of April 1, 2016.

Table 4 below sets forth the Special Tax collections for Fiscal Years 2011-12 through 2015-16 (first installment), all of which was levied on Developed Property.

Table 4
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)

Special Tax Delinquency History ⁽¹⁾

Fiscal Year	Total Tax Levy	No. of Parcels Levied	No. of Delinquent Parcels at Fiscal Year End ⁽²⁾	Fiscal Year Amount Delinquent ⁽²⁾	Fiscal Year Delinquency Rate ⁽²⁾	Amount Collected as of 4/1/2016 ⁽³⁾	Remaining Delinquency as of 4/1/2016 ⁽³⁾	Remaining Delinquency Rate as of 4/1/2016 ⁽³⁾
2011-12	\$3,782,710	3,507	90	\$71,610	1.89%	\$3,780,389	\$2,321	0.06%
2012-13	3,874,452	3,515	54	48,658	1.26	3,873,120	1,332	0.03
2013-14	3,951,684	3,515	10	7,985	0.20	3,947,729	3,955	0.10
2014-15	3,050,921	3,528	40	30,122	0.99	3,048,170	2,752	0.09
2015-16	3,037,359	3,197	NA	NA	NA	2,977,994	59,365	1.95

⁽¹⁾ School District is a participant in the County's Teeter Plan.

⁽²⁾ As of approximately June 30 of the fiscal year in which special taxes were levied.

⁽³⁾ Delinquency data as of April 26, 2016 provided by the Orange County Tax Collector.

Source: David Taussig & Associates, Inc.

Value-to-Lien Ratios

Table 5 below summaries the assessed values as of January 1 for the years indicated below. The assessed values as of January 1, 2016, will not be available until late July, 2016.

Table 5
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)

Summary of Assessed Values⁽¹⁾

As of January 1	No. of Developed Units ⁽²⁾	Developed Property Assessed Value ⁽³⁾	Undeveloped Property Assessed Value ⁽⁴⁾	Total Developed and Undeveloped Property Assessed Value	Percent Change
2002	1,473	\$491,342,350	\$39,508,221	\$530,850,571	NA
2003	1,770	710,314,179	92,091,357	802,405,536	51.15%
2004	2,348	1,041,019,116	96,818,148	1,137,837,264	41.80
2005	2,740	1,533,271,485	83,169,184	1,616,440,669	42.06
2006	3,150	2,034,773,478	34,790,333	2,069,563,811	28.03
2007	3,340	2,503,029,167	48,716,148	2,551,745,315	23.30
2008	3,443	2,596,867,934	38,162,856	2,635,030,790	3.26
2009	3,469	2,357,692,916	31,802,164	2,389,495,080	-9.32
2010	3,496	2,319,392,623	17,053,407	2,336,446,030	-2.22
2011	3,507	2,280,886,103	15,973,135	2,296,859,238	-1.69
2012	3,515	2,261,703,843	13,822,593	2,275,526,436	-0.93
2013	3,515	2,279,142,011	14,098,996	2,293,241,007	0.78
2014	3,528	2,515,014,409	8,367,324	2,523,381,733	10.04
2015	3,197	2,602,059,497	5,490,361	2,607,549,858	3.34

⁽¹⁾ Reflects value for taxable property only.

⁽²⁾ Based on property for which a building permit has been issued as of March 1 of each year.

⁽³⁾ Based on land and improvement values as of January 1 provided by the Orange County Assessor for property for which a building permit has been issued as of March 1 of each year.

⁽⁴⁾ Based on land values as of January 1 provided by the Orange County Assessor for property for which a building permit has not been issued as of March 1 of each year.

Source: County of Orange; David Taussig & Associates, Inc.

Based on the County's Fiscal Year 2015-16 assessor's roll, the aggregate assessed value of taxable property within the Community Facilities District was \$2,607,549,858. The Fiscal Year 2016-17 Special Tax levy anticipated to be billed to the properties within the Community Facilities District and added to the Assessment Roll of the County is estimated to be \$2,967,352. Set forth in Table 3 above in "SECURITY FOR THE 2016 BONDS – Special Tax Levy" is a summary of the projected Fiscal Year 2016-17 Special Tax levy by tax classes.

Table 6A
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)

Value-to-Lien Analysis of Developed Property by Range (Does Not Include Undeveloped Property)

Value-to-Lien Range	Number of Parcels Taxed	Expected FY 2016-17 CUSD CFD No. 90-2 Levy ⁽¹⁾	Percentage of Estimated FY 2016-17 Levy	CUSD CFD No. 90-2 Bonds Outstanding ^{(2)*}	CUSD CFD No. 90-2, 1A Bonds Outstanding ^{(3)*}	SMWD CFD No. 99-1 Bonds Outstanding ^{(3)*}	MWD Bonds Outstanding ⁽³⁾	WRCOG CA HERO PACE Program	CSCDA California First PACE Program	Total Direct and Overlapping Debt*	Fiscal Year 2015-16 Assessed Value ⁽⁴⁾	Estimated Assessed Value-to- Lien Ratios [*]
0-0.99	27	\$41,164	1.39%	\$522,910	\$756,246	\$795,707	\$15	\$0	\$0	\$2,074,878	\$495,776	0.24 to 1
1.00-2.99	9	\$11,825	0.40	150,216	117,152	123,264	22	0	0	390,654	725,447	1.86 to 1
3.00-4.99	24	\$25,227	0.85	320,470	507,342	630,157	162	0	0	1,458,131	5,290,789	3.63 to 1
5.00-9.99	46	\$58,311	1.97	740,735	588,639	1,456,549	482	0	0	2,786,404	20,706,826	7.43 to 1
10.00-19.99	2,195	\$2,103,620	70.89	26,722,800	38,495,122	52,601,062	54,536	14,930	38,577	117,927,025	1,790,064,852	15.18 to 1
20.00 or Greater	830	\$727,205	24.51	9,237,870	440,500	21,167,799	24,175	0	0	30,870,344	788,207,856	25.53 to 1
Grand Total	3,131 ⁽⁵⁾	\$2,967,352	100.00%	\$37,695,000	\$40,905,000	\$76,774,538	\$79,391	\$14,930	\$38,577	\$155,507,436	\$2,605,491,546	16.75 to 1

⁽¹⁾ Includes property for which a building permit was issued as of January 1, 2016. Based on expected Fiscal Year 2016-17 levy for the School District.

⁽²⁾ Based on preliminary bond sizing dated April 1, 2016 provided by Government Financial Strategies inc. Allocated based on share of estimated Fiscal Year 2016-17 levy.

⁽³⁾ As of March 2, 2016. Allocated based on Fiscal Year 2015-16 levy.

⁽⁴⁾ Fiscal Year 2015-16 land and improvement values as of January 1, 2015 provided by the Orange County Assessor.

⁽⁵⁾ Does not include 362 units which prepaid in special tax obligation in February 2015 and will not be levied. Also, does not include 283 senior units and golf course property which are not taxed under the Community Facilities District.

*Preliminary, subject to change.

Source: David Taussig & Associates, Inc.

Table 6B
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)

Estimated Assessed Value-to-Lien Ratios

Property Classification / Owner ⁽¹⁾	Number of Units/ Acres	CUSD CFD No. 90-2 Expected Fiscal Year 2016-17 Levy	CUSD CFD No. 90-2 Bonds Outstanding ⁽²⁾	CUSD CFD No. 90-2 IA No. 2002-1 Bonds Outstanding ⁽³⁾	SMWD CFD No. 99-1 Bonds Outstanding ⁽³⁾	MWD GO Bonds Outstanding ⁽³⁾	WRCOG CA HERO PACE Program	CSCDA California FIRST PACE Program	Total Direct and Overlapping Debt*	Assessed Value ⁽⁴⁾	Estimated Assessed Value-to- Lien Ratio
Developed Property ⁽⁵⁾											
Residential Property											
Individual Owner	2,960 Units	\$2,745,904	\$34,881,893	\$39,034,704	\$68,590,239	\$73,260	\$14,930	\$38,577	\$142,633,603	\$2,375,639,259	16
Jamboree-Tal Housing II	62 Units	21,227	269,657	0	530,241	0	0	0	799,898	4,998,801	6
Jamboree-Tal Housing LP	124 Units	42,455	539,313	0	1,060,482	0	0	0	1,599,795	21,906,325	13
Ora Alora 36 LLC	32 Units	44,980	571,392	702,418	739,069	532	0	0	2,013,411	17,170,074	8
SP Talega LLC	40 Units	58,992	749,391	1,015,925	1,068,936	185	0	0	2,834,437	5,952,830	2
Subtotal	3,218 Units ⁽⁷⁾	\$2,913,558	\$37,011,647	\$40,753,047	\$71,988,967	\$73,977	\$14,930	\$38,577	\$149,881,144	\$2,425,667,289	16
Commercial Property											
Individual Owner	52.68 Acres	\$47,400	\$602,136	\$0	\$4,046,191	\$4,486	\$0	\$0	\$4,652,812	\$149,842,989	32
Talega Village Center LLC	9.63 Acres	6,393	81,218	151,953	739,380	930	0	0	973,480	29,981,268	30
Subtotal	62.30 Acres	\$53,794	\$683,353	\$151,953	\$4,785,571	\$5,415	\$0	\$0	\$5,626,293	\$179,824,257	31
Subtotal Developed Property		\$2,967,352	\$37,695,000	\$40,905,000	\$76,774,538	\$79,392	\$14,930	\$38,577	\$155,507,437	\$2,605,491,546	16
Undeveloped Property ⁽⁶⁾											
Batido I LLC	1.37 Acres	\$0	\$0	\$0	\$0	\$56	\$0	\$0	\$56	\$1,800,000	32,252
Talega Associates	16.03 Parcels	0	0	0	0	8	0	0	8	258,312	32,255
Subtotal	17.41 Parcels	\$0	\$0	\$0	\$0	\$64	\$0	\$0	\$64	\$2,058,312	32,252
GRAND TOTAL	NA	\$2,967,352	\$37,695,000	\$40,905,000	\$76,774,538	\$79,456	\$14,930	\$38,577	\$155,507,501	\$2,607,549,858	16

⁽¹⁾ Reflects ownership as of January 1, 2015, provided by the Orange County Assessor.

⁽²⁾ Based on preliminary bond sizing dated April 1, 2016, provided by Government Financial Strategies inc. Allocated based on share of estimated Fiscal Year 2016-17 levy.

⁽³⁾ As of March 2, 2016. Allocated based on Fiscal Year 2015-16 levy.

⁽⁴⁾ Fiscal Year 2015-16 land and improvement values as of January 1, 2015 provided by the Orange County Assessor.

⁽⁵⁾ Property for which a building permit was issued prior to March 1, 2016.

⁽⁶⁾ Property for which a building permit had not yet been issued as of March 1, 2016.

⁽⁷⁾ Does not include 362 units which prepaid its special tax obligation in February 2015 and will not be levied. Also, does not include 283 senior units and nine parcels of golf course property which are not taxed under the Community Facilities District.

* Preliminary, subject to change.

Source: David Taussig & Associates, Inc.

Table 6C
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)

Estimated Fiscal Year 2016-17 Top Taxpayers

Owner ⁽¹⁾	Parcels Taxed	Land Use	Estimated Fiscal Year 2016-17 Special Tax Levy ⁽²⁾	Percent of Total Levy
Individual Owners	3,050	Residential	\$2,793,304	94.13%
SP Talega LLC	40	Residential	58,992	1.99
Jamboree-Tal Housing LP	1	Residential	42,455	1.43
Ora Alora 36 LLC	32	Residential	44,980	1.52
Jamboree-Tal Housing II	1	Residential	21,227	0.72
Talega Village Center LLC	7	Commercial	6,393	0.22
Total	3,131 ⁽³⁾	NA	\$2,967,352	100.00%

⁽¹⁾ Reflects ownership as of January 1, 2015 provided by the Orange County Assessor.

⁽²⁾ Based on building permits issued as of January 1, 2016.

⁽³⁾ Does not include 362 units which prepaid in special tax obligation in February 2015 and will not be levied. Also, does not include 283 senior units and nine parcels of golf course property which are not taxed under the Community Facilities District.

Source: David Taussig & Associates, Inc.

Direct and Overlapping Debt

Table 7 below sets forth the existing authorized indebtedness payable from taxes and assessments that may be levied within the Community Facilities District, prepared by David Taussig & Associates, Inc., and prepared April 4, 2016 (the “Debt Report”). The Debt Report is included for general information purposes only. In certain cases, the percentages of debt calculations are based on assessed values, which will change significantly as sales occur and assessed values increase to reflect housing values. The Community Facilities District believes the information is current as of its date, but makes no representation as to its completeness or accuracy. Other public agencies, such as the County, may issue additional indebtedness at any time, without the consent or approval of the School District or the Community Facilities District. See “ – Overlapping Direct Assessments” below.

The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the Community Facilities District in whole or in part. Such long term obligations are those payable from property taxes or special taxes on land in the Community Facilities District. [Discuss: There may be other long term obligations which are not payable directly from property taxes, assessment or special taxes on land in the Community Facilities District but which may be issued by a public agency and payable only from the general fund or other revenues of such public agency.] Additional indebtedness could be authorized by the Community Facilities District, the School District, the County or other public agencies at any time.

The Community Facilities District has not undertaken to commission annual appraisals of the market value of property in the Community Facilities District for purposes of its Annual Reports pursuant to the Continuing Disclosure Agreement, and information regarding property values for purposes of a direct and overlapping debt analysis which may be contained in such reports will be based on assessed values as determined by the County Assessor. See APPENDIX D hereto for the form of the Community Facilities District Continuing Disclosure Agreement.

Table 7
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)

Detailed Direct and Overlapping Debt
as of April 4, 2016

Overlapping District	Actual Fiscal Year 2015-16 Total Levy	Amount of Levy on Parcels in District ⁽¹⁾	Percent of Levy on Parcels in District	Total Debt Outstanding ⁽²⁾	District Share of Total Debt Outstanding
Capistrano Unified School District CFD No. 90-2 IA No. 2002-1	\$3,481,683	\$3,481,683	100.0000%	\$40,905,000	\$40,905,000
Santa Margarita Water District CFD No. 99-1	6,951,096	6,497,835	93.4793	82,130,000	76,774,538
Metropolitan Water District	104,828,829	89,692	0.0856	92,865,000	79,456
WRCOG CA HERO PACE Program	NA	NA	NA	NA	14,930
CSCDA CaliforniaFIRST PACE Program	NA	NA	NA	NA	38,577
Estimated Share of Overlapping Debt Allocable to the District					\$117,812,501
Plus the 2016 Bonds					\$37,695,000 ^{(3) *}
Estimated Share of Direct and Overlapping Debt Allocable to the District					\$155,507,501

⁽¹⁾ Based on School District's share of total levy for Fiscal Year 2015-16.

⁽²⁾ Based on outstanding principal as of March 2, 2016.

⁽³⁾ Based on preliminary bond sizing dated April 1, 2016 provided by Government Financial Strategies inc.

* Preliminary, subject to change.

Source: David Taussig & Associates, Inc.

Tables 8A through 8D below set forth Fiscal Year 2015-16 overall tax rates estimated to be applicable to a Detached or Attached Unit, as applicable.

Table 8A
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)
Fiscal Year 2015-16 Tax Rates
Residential Property – Single Family Detached
Within boundaries of Improvement Area No. 2002-1

Assessed Valuation and Property Taxes			Percent of Net AV	Expected Amount	Maximum Amount
TOTAL ASSESSED VALUE ⁽¹⁾					
NET ASSESSED VALUE ⁽¹⁾					
Unit Size for Single Family Detached Property ⁽²⁾					
Lot Size for Single Family Detached Property ⁽³⁾					
AD VALOREM PROPERTY TAXES ⁽⁴⁾					
Basic Levy			1.00000%	\$9,797.51	
Metropolitan Water District G.O. Bonds			0.00350	34.29	
Total General Property Taxes and Overrides			1.00350%	\$9,831.80	
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES					
Mosquito & Fire Ant Assessment ⁽⁵⁾				\$6.02	
Vector Control Charge ⁽⁶⁾				1.92	
Metropolitan Water District West Standby Charge ⁽⁷⁾				10.08	
Santa Margarita Water District ID No. 4 D/S Charge ⁽⁸⁾				16.70	
Santa Margarita Water District CFD No. 99-1 ⁽⁹⁾				2,332.25	\$2,897.11
Capistrano Unified School District CFD No. 90-2 ⁽¹⁰⁾				1,081.57	1,716.70
Capistrano Unified School District CFD No. 90-2, IA No. 2002-1 ⁽¹¹⁾				2,229.27	3,137.83
Total Assessments and Parcel Charges				\$5,677.81	\$7,786.36
<u>PROJECTED TOTAL PROPERTY TAXES</u>				<u>\$15,509.61</u>	<u>\$17,618.16</u>
Projected Total Effective Tax Rate (as % of Assessed Value)				1.57179%	1.78547%

⁽¹⁾ Based on average assessed value for 1,313 individually-owned single family detached units sold to individuals as of January 1, 2015, provided by the Orange County Assessor. Net Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on the average unit size for 1,313 individually-owned single family detached units.

⁽³⁾ Based on the average lot size for 1,313 individually-owned single family detached units.

⁽⁴⁾ Estimated based on actual Fiscal Year 2015-16 *ad valorem* rates.

⁽⁵⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$6.02 per benefit unit. Detached residential parcels are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$1.92 per benefit unit. Residential units are assessed at 1 benefit unit.

⁽⁷⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁸⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$16.70 per parcel.

⁽⁹⁾ Expected amount based on the Santa Margarita Water District CFD No. 99-1 estimated Fiscal Year 2016-17 Special Tax levy of \$0.7092 per SF for Developed Property, which is approximately 80.50% of the Fiscal Year 2016-17 Assigned Special Tax. Maximum amount based on the greater of the Assigned Special Tax or the Backup Special Tax, where the Backup Special Tax rate is \$0.3216 per parcel SF. The Assigned and Backup Special Tax rates escalate at 2% per year.

⁽¹⁰⁾ Expected amount based on the Community Facilities District's estimated Fiscal Year 2016-17 Special Tax levy of \$0.3289 per SF for Developed Property, which is approximately 71.30% of the Fiscal Year 2016-17 Assigned Special Tax. Maximum amount based on the greater of the Assigned Special Tax or the Backup Special Tax, where the Backup Special Tax rate is approximately \$0.2338 per parcel SF. The Assigned and Backup Special Tax rates escalate at 2% per year.

⁽¹¹⁾ Expected amount based on the Community Facilities District, IA No. 2002-1 estimated Fiscal Year 2015-16 Special Tax levy of \$0.6779 per SF for Developed Property, which is approximately 83.31% of the Fiscal Year 2016-17 Assigned Special Tax. Maximum amount based on the greater of the Assigned Special Tax or the Backup Special Tax, where the Assigned Special Tax rate is approximately \$0.8137 per unit SF and the Backup Special Tax rate is approximately \$18,615.21 per parcel acre. The Assigned and Backup Special Tax rates escalate at 2% per year.

Source: David Taussig & Associates, Inc.

Table 8B
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)

Fiscal Year 2015-16 Tax Rates
Residential Property – Single Family Detached
Not within boundaries of Improvement Area No. 2002-1

Assessed Valuation and Property Taxes			Percent of Net AV	Expected Amount	Maximum Amount
TOTAL ASSESSED VALUE ⁽¹⁾	\$789,386				
NET ASSESSED VALUE ⁽¹⁾	\$782,386				
Unit Size for Single Family Detached Property ⁽²⁾	2,962	Square Feet			
Lot Size for Single Family Detached Property ⁽³⁾	6,980	Square Feet			
AD VALOREM PROPERTY TAXES ⁽⁴⁾					
Basic Levy			1.00000%	\$7,823.86	
<u>Metropolitan Water District G.O. Bonds</u>			<u>0.00350</u>	<u>27.38</u>	
Total General Property Taxes and Overrides			1.00350%	\$7,851.24	
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES					
Mosquito & Fire Ant Assessment ⁽⁵⁾				\$6.02	
Vector Control Charge ⁽⁶⁾				1.92	
Metropolitan Water District West Standby Charge ⁽⁷⁾				10.08	
Santa Margarita Water District ID No. 4 D/S Charge ⁽⁸⁾				16.70	
Santa Margarita Water District CFD No. 99-1 ⁽⁹⁾				2,100.65	\$2,609.42
<u>Capistrano Unified School District CFD No. 90-2 ⁽¹⁰⁾</u>				<u>974.17</u>	<u>1,631.95</u>
Total Assessments and Parcel Charges				\$3,109.54	\$4,276.10
<u>PROJECTED TOTAL PROPERTY TAXES</u>				<u>\$10,960.79</u>	<u>\$12,127.34</u>
Projected Total Effective Tax Rate (as % of Assessed Value)				1.38852%	1.53630%

⁽¹⁾ Based on average assessed value for 1,012 individually-owned single family detached units sold to individuals as of January 1, 2015, provided by the Orange County Assessor. Net Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on the average unit size for 1,012 individually-owned single family detached units.

⁽³⁾ Based on the average lot size for 1,012 individually-owned single family detached units.

⁽⁴⁾ Estimated based on actual Fiscal Year 2015-16 *ad valorem* rates.

⁽⁵⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$6.02 per benefit unit. Detached residential parcels are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$1.92 per benefit unit. Residential units are assessed at 1 benefit unit.

⁽⁷⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁸⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$16.70 per parcel.

⁽⁹⁾ Expected amount based on the Santa Margarita Water District CFD No. 99-1 estimated Fiscal Year 2016-17 Special Tax levy of \$0.7092 per SF for Developed Property, which is approximately 80.50% of the Fiscal Year 2016-17 Assigned Special Tax. Maximum amount based on the greater of the Assigned Special Tax or the Backup Special Tax, where the Backup Special Tax rate is \$0.3216 per parcel SF. The Assigned and Backup Special Tax rates escalate at 2% per year.

⁽¹⁰⁾ Expected amount based on the Community Facilities District's estimated Fiscal Year 2016-17 Special Tax levy of \$0.3289 per SF for Developed Property, which is approximately 71.30% of the Fiscal Year 2016-17 Assigned Special Tax. Maximum amount based on the greater of the Assigned Special Tax or the Backup Special Tax, where the Backup Special Tax rate is approximately \$0.2338 per parcel SF. The Assigned and Backup Special Tax rates escalate at 2% per year.

Source: David Taussig & Associates, Inc.

Table 8C
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)

Fiscal Year 2015-16 Tax Rates
Residential Property – Single Family Attached
Within boundaries of Improvement Area No. 2002-1

Assessed Valuation and Property Taxes		Percent of Net AV	Expected Amount	Maximum Amount
TOTAL ASSESSED VALUE ⁽¹⁾	\$456,630			
NET ASSESSED VALUE ⁽¹⁾	\$449,630			
Unit Size for Single Family Attached Property ⁽²⁾	1,528 Square Feet			
Lot Size for Single Family Attached Property ⁽³⁾	2,849 Square Feet			
AD VALOREM PROPERTY TAXES ⁽⁴⁾				
Basic Levy		1.00000%	\$4,496.30	
<u>Metropolitan Water District G.O. Bonds</u>		<u>0.00350</u>	<u>15.74</u>	
Total General Property Taxes and Overrides		1.00350%	\$4,512.04	
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES				
Mosquito & Fire Ant Assessment ⁽⁵⁾			\$6.02	
Vector Control Charge ⁽⁶⁾			1.92	
Metropolitan Water District West Standby Charge ⁽⁷⁾			10.08	
Santa Margarita Water District ID No. 4 D/S Charge ⁽⁸⁾			16.70	
Santa Margarita Water District CFD No. 99-1 ⁽⁹⁾			1,083.63	\$1,346.08
Capistrano Unified School District CFD No. 90-2 ⁽¹⁰⁾			502.53	666.03
Capistrano Unified School District CFD No. 90-2, IA No. 2002-1 ⁽¹¹⁾			<u>1,035.79</u>	<u>1,243.22</u>
Total Assessments and Parcel Charges			\$2,656.67	\$3,290.06
<u>PROJECTED TOTAL PROPERTY TAXES</u>			<u>\$7,168.70</u>	<u>\$7,802.10</u>
Projected Total Effective Tax Rate (as % of Assessed Value)			1.56992%	1.70863%

⁽¹⁾ Based on average assessed value for 446 individually-owned single family attached units sold to individuals as of January 1, 2015, provided by the Orange County Assessor. Net Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on the average unit size for 446 individually-owned single family attached units.

⁽³⁾ Based on the average lot size for 446 individually-owned single family attached units.

⁽⁴⁾ Estimated based on actual Fiscal Year 2015-16 *ad valorem* rates.

⁽⁵⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$6.02 per benefit unit. Attached residential parcels are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$1.92 per benefit unit. Residential units are assessed at 1 benefit unit.

⁽⁷⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁸⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$16.70 per parcel.

⁽⁹⁾ Expected amount based on the Santa Margarita Water District CFD No. 99-1 estimated Fiscal Year 2016-17 Special Tax levy of \$0.7092 per SF for Developed Property, which is approximately 80.50% of the Fiscal Year 2016-17 Assigned Special Tax. Maximum amount based on the greater of the Assigned Special Tax or the Backup Special Tax, where the Backup Special Tax rate is \$0.3216 per parcel SF. The Assigned and Backup Special Tax rates escalate at 2% per year.

⁽¹⁰⁾ Expected amount based on the Community Facilities District's estimated Fiscal Year 2016-17 Special Tax levy of \$0.3289 per SF for Developed Property, which is approximately 71.30% of the Fiscal Year 2016-17 Assigned Special Tax. Maximum amount based on the greater of the Assigned Special Tax or the Backup Special Tax, where the Backup Special Tax rate is approximately \$0.2338 per parcel SF. The Assigned and Backup Special Tax rates escalate at 2% per year.

⁽¹¹⁾ Expected amount based on the Community Facilities District, IA No. 2002-1 estimated Fiscal Year 2015-16 Special Tax levy of \$0.6779 per SF for Developed Property, which is approximately 83.31% of the Fiscal Year 2016-17 Assigned Special Tax. Maximum amount based on the greater of the Assigned Special Tax or the Backup Special Tax, where the Assigned Special Tax rate is approximately \$0.8137 per unit SF and the Backup Special Tax rate is approximately \$18,615.21 per parcel acre. The Assigned and Backup Special Tax rates escalate at 2% per year.

Source: David Taussig & Associates, Inc.

Table 8D
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)

Fiscal Year 2015-16 Tax Rates
Residential Property – Single Family Attached
Not within boundaries of Improvement Area No. 2002-1

Assessed Valuation and Property Taxes			Percent of Net AV	Expected Amount	Maximum Amount
TOTAL ASSESSED VALUE ⁽¹⁾	\$451,439				
NET ASSESSED VALUE ⁽¹⁾	\$444,439				
Unit Size for Single Family Attached Property ⁽²⁾	1,863	Square Feet			
Lot Size for Single Family Attached Property ⁽³⁾	4,403	Square Feet			
AD VALOREM PROPERTY TAXES ⁽⁴⁾					
Basic Levy			1.00000%	\$4,444.39	
<u>Metropolitan Water District G.O. Bonds</u>			<u>0.00350</u>	<u>15.56</u>	-
Total General Property Taxes and Overrides			1.00350%	\$4,459.94	
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES					
Mosquito & Fire Ant Assessment ⁽⁵⁾				\$6.02	
Vector Control Charge ⁽⁶⁾				1.92	
Metropolitan Water District West Standby Charge ⁽⁷⁾				10.08	
Santa Margarita Water District ID No. 4 D/S Charge ⁽⁸⁾				16.70	
Santa Margarita Water District CFD No. 99-1 ⁽⁹⁾				1,321.27	\$1,641.28
<u>Capistrano Unified School District CFD No. 90-2 ⁽¹⁰⁾</u>				<u>612.74</u>	<u>1,029.32</u>
Total Assessments and Parcel Charges				\$1,968.72	\$2,705.32
<u>PROJECTED TOTAL PROPERTY TAXES</u>				<u>\$6,428.67</u>	<u>\$7,165.26</u>
-					
Projected Total Effective Tax Rate (as % of Assessed Value)				1.42404%	1.58721%

⁽¹⁾ Based on average assessed value for 189 individually-owned single family attached units sold to individuals as of January 1, 2015, provided by the Orange County Assessor. Net Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on the average unit size for 189 individually-owned single family attached units.

⁽³⁾ Based on the average lot size for 189 individually-owned single family attached units.

⁽⁴⁾ Estimated based on actual Fiscal Year 2015-16 *ad valorem* rates.

⁽⁵⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$6.02 per benefit unit. Attached residential parcels are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$1.92 per benefit unit. Residential units are assessed at 1 benefit unit.

⁽⁷⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁸⁾ Estimated based on actual Fiscal Year 2015-16 rate of \$16.70 per parcel.

⁽⁹⁾ Expected amount based on the Santa Margarita Water District CFD No. 99-1 estimated Fiscal Year 2016-17 Special Tax levy of \$0.7092 per SF for Developed Property, which is approximately 80.50% of the Fiscal Year 2016-17 Assigned Special Tax. Maximum amount based on the greater of the Assigned Special Tax or the Backup Special Tax, where the Backup Special Tax rate is \$0.3216 per parcel SF. The Assigned and Backup Special Tax rates escalate at 2% per year.

⁽¹⁰⁾ Expected amount based on the Community Facilities District's estimated Fiscal Year 2016-17 Special Tax levy of \$0.3289 per SF for Developed Property, which is approximately 71.30% of the Fiscal Year 2016-17 Assigned Special Tax. Maximum amount based on the greater of the Assigned Special Tax or the Backup Special Tax, where the Backup Special Tax rate is approximately \$0.2338 per parcel SF. The Assigned and Backup Special Tax rates escalate at 2% per year.

Source: David Taussig & Associates, Inc.

Overlapping Direct Assessments

As indicated in the tables above, properties within the Community Facilities District are subject to a variety of standby charges, direct assessments, maintenance assessments, special assessments and service charges. Most of these charges are in amounts less than \$200 per annum. Other than the Special Taxes levied with respect to the 2016 Bonds, special taxes levied with respect to Improvement Area No. 2002-1, and special taxes levied with respect to Santa Margarita Water District CFD No. 99-1, the Community Facilities District is not aware of whether the properties within the Community Facilities District are subject to sewer service charges or special taxes in excess of \$200 per year.

The Community Facilities District has no control over the amount of additional debt payable from taxes or assessments levied on all or a portion of the property within a special district which may be incurred in the future by other governmental agencies, including, but not limited to, the County or any other governmental agency having jurisdiction over all or a portion of the property within the Community Facilities District.

Accordingly, the debt on the property within the Community Facilities District could increase, without any corresponding increase in the value of the property therein, and thereby severely reduce the ratio that exists at the time the 2016 Bonds are issued between the value of the property and the debt secured by other taxes and assessments which may be levied on such property. The incurring of such additional indebtedness could also affect the ability and willingness of the property owners within the Community Facilities District to pay Special Taxes when due.

Moreover, in the event of a delinquency in the payment of Special Taxes, no assurance can be given that the proceeds of any foreclosure sale of the property with delinquent Special Taxes would be sufficient to pay the delinquent Special Taxes. See “BONDOWNERS’ RISKS – Assessed Values.”

BONDOWNERS’ RISKS

In addition to the other information contained in this Official Statement, the following risk factors should be carefully considered in evaluating the investment quality of the 2016 Bonds. The Community Facilities District and the Underwriter caution prospective investors that this discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the 2016 Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the Community Facilities District to pay their Special Taxes when due. Any such failure to pay Special Taxes could result in the inability of the Community Facilities District to make full and punctual payments of debt service on the 2016 Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the Community Facilities District.

Risks of Real Estate Secured Investments Generally

The Bondowners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Community Facilities District, the supply of or demand for competitive properties in such area, and the market value of residential property in the event of sale or foreclosure; (ii) changes in real estate tax rate and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes, landslides, wildfires, floods and droughts), which may result in uninsured losses.

Bond Insurance Risk Factors

The Community Facilities District has acquired a Policy to guarantee the scheduled payment of principal and interest on the Bonds. The following are risk factors relating to bond insurance.

In the event of default of the payment of principal or interest with respect to the 2016 Bonds when all or a portion becomes due, any Owner of the 2016 Bonds shall have a claim under the Policy for such payments. The Policy does not insure against redemption premium. The payment of principal and interest in connection with mandatory or optional redemption of the 2016 Bonds by the Community Facilities District which is recovered by the Community Facilities District from the Owner as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the 2016 Bond Insurer at such time and in such amounts as would have been due absent such redemption by the Community Facilities District [unless the Bond Insurer chooses to pay such amounts at an earlier date].

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable legal documents.

In the event the Bond Insurer is unable to make payment of principal and interest on the 2016 Bonds as such payments become due under the Policy, the 2016 Bonds are payable solely from the moneys received pursuant to the applicable legal documents. In the event the 2016 Bond Insurer becomes obligated to make payments with respect to the 2016 Bonds, no assurance is given that such event will not adversely affect the market price of the 2016 Bonds or the marketability (liquidity) for the 2016 Bonds.

The long-term ratings on the 2016 Bonds are dependent in part on the financial strength of the Bond Insurer and its claims-paying ability. The Bond Insurer's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the 2016 Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the 2016 Bonds or the marketability (liquidity) for the 2016 Bonds. See "RATINGS" herein.

The obligations of the Bond Insurer are contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

None of the Community Facilities District, the School District or the Underwriter has made independent investigation into the claims-paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Community Facilities District to pay principal and interest on the Bonds and the claims-paying ability of the Bond Insurer, particularly over the life of the investment. See "BOND INSURANCE" for further information provided by the Bond Insurer regarding the Bond Insurer and the Policy and for instructions for obtaining current financial information concerning the Bond Insurer.

Economic Uncertainty

In recent years, there have been local economic uncertainty and volatility within the region. Unemployment rates as of March 2016 have decreased to approximately 4.4% for the City of San Juan Capistrano (not seasonally adjusted) as compared to 5.0% for calendar year 2015, and approximately 4.0% (not seasonally adjusted) for Orange County as compared to 4.1% for calendar year 2015. The Community Facilities District cannot predict future economic conditions or whether or to what extent economic conditions may affect the ability of homeowners to pay Special Taxes or the marketability of the 2016 Bonds.

State Budget

As a result of the slow State and national economies, the State in recent years experienced serious budgetary shortfalls. The effect of the State revenue shortfalls on the local or State economy or on the demand for, or value of, the property within the Community Facilities District cannot be predicted.

Special Taxes Are Not Personal Obligations

The current and future owners of land within the Community Facilities District are not personally liable for the payment of the Special Taxes. Rather, the Special Tax is an obligation only of the land within the Community Facilities District. If the value of the land within the Community Facilities District is not sufficient to fully secure the Special Tax, then the Community Facilities District has no recourse against the landowner under the laws by which the Special Tax has been levied and the 2016 Bonds have been issued.

The 2016 Bonds Are Limited Obligations of the Community Facilities District

The Community Facilities District has no obligation to pay principal of and interest on the 2016 Bonds in the event Special Tax collections are delinquent, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent, nor is the Community Facilities District obligated to advance funds to pay such debt service on the 2016 Bonds.

Neither the faith and credit nor the taxing power of the School District, the State or any political subdivision thereof other than the Community Facilities District is pledged to the payment of the 2016 Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the 2016 Bonds. The 2016 Bonds are not general or special obligations of the School District, the State or any political subdivision thereof nor general obligations of the Community Facilities District, but are special obligations of the Community Facilities District, payable solely from Net Special Taxes and the other assets pledged therefor under the Indenture.

Assessed Values

Prospective purchasers of the 2016 Bonds should not assume that the land within the Community Facilities District could be sold for the assessed amount described in this Official Statement at a foreclosure sale for delinquent Special Taxes.

The assessed values summarized herein estimate the fee simple interest assessed value of the property within the Community Facilities District. This value is merely the amount of the assessed value in the records maintained by the County Assessor. The assessed value relates to sale by a willing seller to a willing buyer at a point in time, as adjusted by State law. Consequently, the assessed value is of limited

use in predicting the selling price at a foreclosure sale, because the sale is forced and the buyer may not have the benefit of full information.

No assurance can be given that if any of the Taxable Property in the Community Facilities District should become delinquent in the payment of the Special Taxes, and be foreclosed upon, that such property could be sold for the assessed value. See “Value-to-Lien Ratios,” below.

Value-to-Lien Ratios

Value-to-lien ratios have traditionally been used in land-secured bond issues as a measure of the “collateral” supporting the willingness of property owners to pay their special taxes and assessments (and, in effect, their general property taxes as well). The value-to-lien ratio is mathematically a fraction, the numerator of which is the value of the property (usually either the assessed value or a market value as determined by an appraiser) and the denominator of which is the “lien” of the assessments or special taxes as represented by the principal amount of bonds repaid by such assessment or special tax. A value-to-lien ratio should not, however, be viewed as a guarantee of credit-worthiness. Land values are especially sensitive to economic cycles. A downturn of the economy may depress land values and hence the value-to-lien ratios. Further, the value-to-lien ratio typically cited for a bond issue is an average. Individual parcels in a community facilities district may fall above or below the average, sometimes even below a 1:1 ratio. (With a 1:1 ratio, the land is worth less than the debt on it.) Although judicial foreclosure proceedings can be initiated rapidly, the process can take several years to complete, and the bankruptcy courts may impede the foreclosure action. Finally, local agencies may form overlapping community facilities districts or assessment districts. Such local agencies typically do not coordinate their bond issuances. Debt issuance by an entity other than the Community Facilities District can therefore dilute value-to-lien ratios. See “THE COMMUNITY FACILITIES DISTRICT – Direct and Overlapping Debt.”

Burden of Parity Liens, Taxes and Other Special Assessments on the Taxable Property

While the Special Taxes are secured by the Taxable Property, the security only extends to the value of such Taxable Property that is not subject to priority and parity liens and similar claims.

Table 7 in the section entitled “THE COMMUNITY FACILITIES DISTRICT – Direct and Overlapping Debt” sets forth the presently outstanding amount of governmental obligations (with stated exclusions), the tax or assessment for which is or may become an obligation of one or more of the parcels of Taxable Property. The table does not specifically identify which of the governmental obligations are secured by liens on one or more of the parcels of Taxable Property.

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of Taxable Property and may be secured by a lien on a parity with the lien of the Special Tax securing the 2016 Bonds.

In general, as long as the Special Tax is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Special Taxes securing the 2016 Bonds, the Special Tax will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro rata basis. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of Taxable Property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy.

While governmental taxes, assessments and charges are a common claim against the value of a parcel of Taxable Property, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to pay the Special Tax is a claim with regard to a hazardous substance. See “Factors Affecting Parcel Values and Aggregate Value – *Hazardous Substances*” below.

Disclosure to Future Purchasers

On June 15, 1999, the Community Facilities District recorded an Amendment No. 1 to Notice of Special Tax Lien for the territory included in the Community Facilities District in the Office of the Orange County Recorder, as Document No. 19990443388 with respect to the Amended and Restated Rate and Method. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a parcel of land or a home in the Community Facilities District or the lending of money thereon. The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers, other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Special Tax Delinquencies

In order to pay debt service on the 2016 Bonds, it is necessary that the Special Taxes be paid in a timely manner. Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the 2016 Bonds are derived, are customarily billed to the properties within the Community Facilities District, as applicable, on the regular ad valorem property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular *ad valorem* property tax installments. The unwillingness or inability of a property owner to pay *ad valorem* property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Tax installment payments in the future. If a substantial number of homeowners fail to pay the Special Taxes when due there could be significant special tax delinquencies.

Insufficiency of the Special Tax

The principal source of payment of principal of and interest on the 2016 Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the Community Facilities District. The annual levy of the Special Tax is subject to the maximum tax rates authorized. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the 2016 Bonds. Other funds which might be available include funds derived from the payment of penalties on delinquent Special Taxes and funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular Taxable Property and the amount of the levy of the Special Tax against such parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of such parcels and the proportionate share of debt service on the 2016 Bonds, and certainly not a direct relationship.

The Special Tax levied in any particular tax year on a Taxable Property is based upon the revenue needs and application of the Amended and Restated Rate and Method. Application of the Amended and Restated Rate and Method will, in turn, be dependent upon certain development factors with respect to each Taxable Property by comparison with similar development factors with respect to the other Taxable Property within the Community Facilities District. Thus, in addition to annual variations of the revenue needs from the Special Tax, the following are some of the factors which might cause the levy of the Special Tax on any particular Taxable Property to vary from the Special Tax that might otherwise be expected:

(1) Reduction in the amount of Taxable Property, for such reasons as acquisition of Taxable Property by a government and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.

(2) Failure of the owners of Taxable Property to pay the Special Tax and delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.

Except as set forth above under “SECURITY FOR THE 2016 BONDS – Special Taxes” and “ – Amended and Restated Rate and Method” herein, the Indenture provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in “SECURITY FOR THE 2016 BONDS – Proceeds of Foreclosure Sales” and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County. In situations where the County has paid to the Community Facilities District the amount of the Special Tax levied on a parcel, the all foreclosure proceeds, including penalties and interest, will be paid to the County. See “SECURITY FOR THE 2016 BONDS-Proceeds of Foreclosure Sales.”

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to owners of the 2016 Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the Community Facilities District of the proceeds of sale if the Reserve Fund is depleted. See “SECURITY FOR THE 2016 BONDS – Proceeds of Foreclosure Sales.”

In addition, the Amended and Restated Rate and Method limits the increase of Special Taxes levied on parcels of Developed Property to cure delinquencies of other property owners in the Community Facilities District. See “SECURITY FOR THE 2016 BONDS – Amended and Restated Rate and Method” herein.

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Amended and Restated Rate and Method (see “SECURITY FOR THE 2016 BONDS – Amended and Restated Rate and Method” herein). In addition, the Act provides that properties or entities of the state, federal or local government are exempt from the Special Tax; *provided, however*, that property within the Community Facilities District acquired by a public entity subsequent to adoption of the Resolution of Formation through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. It is possible that property acquired by a public entity following a tax sale or foreclosure based upon failure to pay taxes could become exempt from the Special Tax. In addition, although the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Tax. In the event that additional property is dedicated to the School District or other public entities, this additional property might become exempt from the Special Tax.

The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

Depletion of Reserve Fund

The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement (see “SECURITY FOR THE 2016 BONDS – Reserve Fund” herein). Funds in the Reserve Fund may be used to pay principal of and interest on the 2016 Bonds, in the event the proceeds of the levy and collection of the Special Tax against property within the Community Facilities District are insufficient. If funds in the Reserve Fund are depleted, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay all amounts to be paid to the Bondowners pursuant to the Indenture. However, no replenishment from the proceeds of a Special Tax levy can occur as long as the proceeds that are collected from the levy of the Special Tax against property within the Community Facilities District, at the maximum tax rates, together with other available funds, remains insufficient to pay all such amounts. Thus it is possible that the Reserve Fund will be depleted and not be replenished by the levy of the Special Tax.

Discontinuance of Advancement of the Special Tax

The County implemented its Teeter Plan as an alternate procedure for the distribution of certain property tax and assessment levies on the secured roll. Pursuant to its Teeter Plan, the County has elected to provide local agencies and taxing areas, including the Community Facilities District, with full tax and assessment levies instead of actual tax and assessment collections. In return the County is entitled to retain all delinquent tax and assessment payments, penalties and interest. Thus, the County’s Teeter Plan may help protect owners from the risk of delinquencies in the payment of special taxes. However, the County is entitled, and under certain circumstances could be required, to terminate its Teeter Plan with respect to all or part of the local agencies and taxing areas covered thereby. A termination of the Teeter Plan with respect to the Community Facilities District would eliminate such protection from delinquent Special Taxes for the Community Facilities District. See “SECURITY FOR THE 2015 BONDS - Alternative Method of Tax Apportionment.”

Potential Delay and Limitations in Foreclosure Proceedings

The payment of property owners’ taxes and the ability of the Community Facilities District to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings, may be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State relating to judicial foreclosure. See “SECURITY FOR THE 2016 BONDS – Proceeds of Foreclosure Sales” and “BONDOWNERS’ RISKS – Bankruptcy and Foreclosure Delay” herein. In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

The ability of the Community Facilities District to collect interest and penalties specified by State law and to foreclose against properties having delinquent Special Tax installments may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the “FDIC”), the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Drug Enforcement Agency, the Internal Revenue Service or other similar federal governmental agencies has or obtains an interest. See “BONDOWNERS’ RISKS – Payments by FDIC, Fannie Mae, Freddie Mac and Other Federal Agencies” herein.

Other laws generally affecting creditors’ rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of such military service to redeem property

sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

The Community Facilities District and the School District are unable to predict what effect the application of a policy statement by the FDIC regarding payment of state and local real property taxes would have in the event of a delinquency on a parcel within the Community Facilities District in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed at a judicial foreclosure sale would likely reduce or eliminate the persons willing to purchase a parcel at a foreclosure sale.

In addition, potential investors should be aware that judicial foreclosure proceedings are not summary remedies and can be subject to significant procedural and other delays caused by crowded court calendars and other factors beyond the control of the Community Facilities District or the School District. Potential investors should assume that, under current conditions, it is estimated that a judicial foreclosure of the lien of Special Taxes may take up to two or three years from initiation to the lien foreclosure sale. At a Special Tax lien foreclosure sale, each parcel will be sold for not less than the “minimum bid amount” which is equal to the sum of all delinquent Special Tax installments, penalties and interest thereon, costs of collection (including reasonable attorneys’ fees), post-judgment interest and costs of sale. Each parcel is sold at foreclosure for the amounts secured by the Special Tax lien on such parcel and multiple parcels may not be aggregated in a single “bulk” foreclosure sale. If any parcel fails to obtain a “minimum bid,” the Community Facilities District may, but is not obligated to, seek superior court approval to sell such parcel at an amount less than the minimum bid. Such superior court approval requires the consent of the owners of 75% of the aggregate principal amount of the outstanding Bonds.

Delays and uncertainties in the Special Tax lien foreclosure process create significant risks for Bondowners. High rates of special tax payment delinquencies which continue during the pendency of protracted Special Tax lien foreclosure proceedings, could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of property upon foreclosure. In that event, there could be a default in payment of the principal of, and interest on, the 2016 Bonds. See “Special Taxes Are Not Personal Obligations” above.

If a judgment of foreclosure and order of sale is obtained, the judgment creditor (the Community Facilities District) must cause a Notice of Levy to be issued. Under current law, a judgment debtor (property owner) has 120 days (or in some cases a shorter period) from the date of service of the Notice of Levy and 20 days from the subsequent notice of sale in which to redeem the property to be sold. If a judgment debtor fails to so redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made. The constitutionality of the aforementioned legislation, which repeals the former one-year redemption period, has not been tested; and there can be no assurance that, if tested, such legislation will be upheld. Any parcel subject to foreclosure sale must be sold at the minimum bid price unless a lesser minimum bid price is authorized by the Owners of 75% of the aggregate principal amount of the 2016 Bonds Outstanding.

No assurances can be given that the real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the School District or the Community Facilities District to purchase or otherwise acquire any lot or parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale. The Act does specify that the Special Tax will have the same lien priority in the case of delinquency as do ad valorem property taxes.

If the Reserve Fund is depleted and delinquencies in the payment of Special Taxes exist, there could be a default or delay in payments to the Bondowners pending prosecution of foreclosure proceedings and receipt by the Community Facilities District of foreclosure sale proceeds, if any. However, within the limits of the Amended and Restated Rate and Method and the Act, the Community Facilities District may adjust the Special Taxes levied on all property in the Community Facilities District in future Fiscal Years to provide an amount, taking into account such delinquencies, required to pay debt service on the 2016 Bonds and to replenish the Reserve Fund. There is, however, no assurance that the maximum Special Tax rates will be at all times sufficient to pay the amounts required to be paid on the 2016 Bonds by Indenture. The levy of Special Taxes is subject to the maximum annual amount of Special Taxes authorized by the qualified voters of the Community Facilities District and the limitation imposed by Section 53321 of the Act and the Amended and Restated Rate and Method pursuant to which the Special Tax levied against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued may not be increased by more than 10% as a consequence of delinquency or default by the owner of any other parcel or parcels within the Community Facilities District. See "SECURITY FOR THE 2016 BONDS – Special Tax Levy."

Bankruptcy and Foreclosure Delay

The payment of Special Taxes and the ability of the Community Facilities District to foreclose the lien of a delinquent Special Taxes as discussed in the section herein entitled "SECURITY FOR THE 2016 BONDS" may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a judicial foreclosure may be delayed due to congested local court calendars or procedural delays.

The various legal opinions to be delivered concurrently with the delivery of the 2016 Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although bankruptcy proceedings would not cause the obligation to pay the Special Tax to become extinguished, bankruptcy of a property owner or of a partner or other equity owner of a property owner, could result in a stay of enforcement of the lien for the Special Taxes, a delay in prosecuting superior court foreclosure proceedings or adversely affect the ability or willingness of a property owner to pay the Special Taxes and could result in the possibility of delinquent Special Taxes not being paid in full. In addition, the amount of any lien on property securing the payment of delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Special Tax, or any such delay or non-payment, would increase the likelihood of a delay or default in payment of the principal of and interest on the 2016 Bonds and the possibility of delinquent Special Taxes not being paid in full. Moreover, amounts received upon foreclosure sales may not be sufficient to fully discharge delinquent installments. To the extent that a significant percentage of the property in the Community Facilities District is owned any property owner, and Special Taxes have been levied on such property, and such owner is the subject of bankruptcy proceedings, the payment of the Special Tax and the ability of the Community Facilities District to foreclose the lien of a delinquent unpaid Special Tax could be extremely curtailed by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glaspy Marine Industries*. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien

on the property. The court upheld the priority of unpaid taxes imposed after the filing of the bankruptcy petition as “administrative expenses” of the bankruptcy estate, payable after all secured creditors. As a result, the secured creditor was able to foreclose on the property and retain all of the proceeds of the sale except the amount of the pre-petition taxes.

According to the court’s ruling, as administrative expenses, post-petition taxes would have to be paid, assuming that the debtor has sufficient assets to do so. In certain circumstances, payment of such administrative expenses may be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise) it would at that time become subject to current *ad valorem* taxes.

The Act provides that the Special Taxes are secured by a continuing lien, which is subject to the same lien priority in the case of delinquency as *ad valorem* taxes. No case law exists with respect to how a bankruptcy court would treat the lien for the Special Taxes levied after the filing of a petition in bankruptcy. *Glaspoly* is controlling precedent for bankruptcy courts in the State. If the *Glaspoly* precedent was applied to the levy of the Special Tax, the amount of Special Tax received from parcels whose owners declare bankruptcy could be reduced.

It should also be noted that on October 22, 1994, Congress enacted 11 U.S. C. Section 362(b)(18), which added a new exception to the automatic stay for *ad valorem* property taxes imposed by a political subdivision after the filing of a bankruptcy petition. Pursuant to this new provision of law, in the event of a bankruptcy petition filed on or after October 22, 1994, the lien for *ad valorem* taxes in subsequent fiscal years will attach even if the property is part of the bankruptcy estate. Bondowners should be aware that the potential effect of 11 U.S. C. Section 362(b)(18) on the Special Taxes depends upon whether a court were to determine that the Special Taxes should be treated like *ad valorem* taxes for this purpose.

Payments by FDIC, Fannie Mae, Freddie Mac and Other Federal Agencies

The ability of the Community Facilities District to collect interest and penalties specified by State law and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to properties in which the FDIC, Fannie Mae, Freddie Mac, the Federal National Mortgage Association, the Drug Enforcement Agency, the Internal Revenue Service or other similar federal governmental agencies has or obtains an interest.

FDIC. Specifically, with respect to the FDIC, on June 4, 1991, the FDIC issued a Statement of Policy Regarding the Payment of State and Local Property Taxes (the “1991 Policy Statement”). The 1991 Policy Statement was revised and superseded by new Policy Statement effective January 9, 1997 (the “Policy Statement”). The Policy Statement provides that real property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property’s value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution’s affairs, unless abandonment of the FDIC’s interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC’s consent. In addition, the FDIC will

not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non *ad valorem* taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Act and a special tax formula which determines the special tax due each year, are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity.

The Community Facilities District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the Community Facilities District in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Owners of the 2016 Bonds should assume that the Community Facilities District will be unable to collect Special Taxes or to foreclose on any parcel within the Community Facilities District owned by the FDIC. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, a default in payment on the 2016 Bonds. Based upon the secured tax roll as of January 1, 2015, the FDIC did not own any of the property in the Community Facilities District. The Community Facilities District expresses no view concerning the likelihood that the risks described above will materialize while the 2016 Bonds are outstanding.

Mortgage Interests. Similarly, in the event a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution ("This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding"), in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments. Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the Community Facilities District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. For a discussion of risks associated with taxable parcels within the Community Facilities District becoming owned by the federal government, federal government entities or federal government sponsored entities, see "– Exempt Properties" above.

Factors Affecting Parcel Values and Aggregate Value

Geologic, Topographic and Climatic Conditions. The value of the Taxable Property in the Community Facilities District in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on the parcels of Taxable Property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as

earthquakes and volcanic eruptions, topographic conditions such as earth movements, landslides, liquefaction, floods or fires, and climatic conditions such as tornadoes, droughts, and the possible reduction in water allocation or availability. It can be expected that one or more of such conditions may occur and may result in damage to improvements of varying seriousness, that the damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the Taxable Property may well depreciate or disappear.

Seismic Conditions. The Community Facilities District is located in a seismically active region in Southern California. In the event of a severe earthquake, there may be significant damage to both property and infrastructure in the Community Facilities District. As a result, the property owners may be unable or unwilling to pay the Special Taxes when due, and the Reserve Fund may eventually become depleted. In addition, the value of land in the Community Facilities District could be diminished in the aftermath of such natural events, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes. Development within the Community Facilities District has been built in accordance with applicable building codes, including requirements relating to seismic safety. No assurances can be given that any earthquake insurance will be obtained as to any of the improvements within the Community Facilities District.

January 17, 2014, Governor's State of Emergency Proclamation Regarding Drought. On January 17, 2014, with California facing water shortfalls in the then driest year in recorded state history, Governor Edmund G. Brown Jr. proclaimed a State of Emergency and directed state officials to take all necessary actions to prepare for these drought conditions. In the State of Emergency declaration, Governor Brown directed state officials to assist farmers and communities that are economically impacted by dry conditions and to ensure the State can respond if Californians face drinking water shortages. The Governor also directed state agencies to use less water and hire more firefighters and initiated a greatly expanded water conservation public awareness. In addition, the proclamation gave state water officials more flexibility to manage supply throughout California under drought conditions.

The Governor's State of Emergency Proclamation follows a series of actions the administration took to ensure that California is prepared for record dry conditions. In May 2013, Governor Brown issued an Executive Order to direct state water officials to expedite the review and processing of voluntary transfers of water and water rights. In December 2014, the Governor formed a Drought Task Force to review expected water allocations, California's preparedness for water scarcity and whether conditions merit a drought declaration.

On April 1, 2015, for the first time in state history, the Governor directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25%. California set a new "low water" mark on April 1, 2015, with its early-April snowpack measurement. The statewide electronic reading of the snowpack's water content stood at 5% of the April 1st average. April 1, 2015's content was only 1.4 inches, or 5% of the 28-inch average. The lowest previous reading since 1950 was 25% of average, so Water Year 2015 is the driest winter in California's written record. On November 13, 2015, the Governor issued an executive order which stated that if the drought conditions persist through January 2016, the Water Board will extend until October 31, 2016, restrictions to achieve a statewide reduction in urban potable water usage, that the Water Board consider modifying existing restrictions to address use of potable and non-potable water, and that the California Public Utilities Commission be requested to take similar action with respect to investor owned utilities providing water service. On April 21, 2016, the Department of Water Resources announced a revised 2016 allocation of 60% for most recipients of the State Water Project. Depending upon the amount of rain and snow that reaches California this winter, the allocation maybe increased or decreased.

The historic drought has lasted for years and will not be resolved by a single year's rainfall. The implementation of mandatory water reductions is ongoing. The Community Facilities District cannot predict how long the drought conditions will last, what effect drought conditions may have on property values or whether to what extent water reduction requirements may affect the homeowners or development in the Community Facilities District.

Hazardous Substances. One of the most serious risks in terms of the potential reduction in the value of Taxable Property is a claim with regard to a hazardous substance. In general, the owners and operators of Taxable Property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but State laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Taxable Property be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

Further, it is possible that liabilities may arise in the future with respect to any of the Taxable Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but that may in the future be so classified. Such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of Taxable Property that is realizable upon a delinquency and subsequent institution of foreclosure proceedings. See "SECURITY FOR THE 2016 BONDS" for more information.

Legal Requirements. Other events which may affect the value of a parcel of Taxable Property in the Community Facilities District include changes in the law or application of the law. Such changes may include, without limitation, and local application of statewide tax and governmental spending limitation measures.

No Acceleration Provisions

The 2016 Bonds do not contain a provision allowing for the acceleration of the 2016 Bonds in the event of a payment default or other default under the terms of the 2016 Bonds or the Indenture. Pursuant to the Indenture, a Bondowner is given the right for the equal benefit and protection of all Bondowners similarly situated to pursue certain remedies (see APPENDIX C – "Summary of Certain Provisions of the Indenture" herein). So long as the 2016 Bonds are in book-entry form, DTC will be the sole Bondowner. See APPENDIX F – "Book-Entry System."

Community Facilities District Formation

California voters, on June 6, 1978, approved an amendment (“Article XIII A”) to the California Constitution. Section 4 of Article XIII A, requires a vote of two-thirds of the qualified electorate to impose “special taxes,” or any additional *ad valorem*, sales or transaction taxes on real property. At an election held within the Community Facilities District pursuant to the Act, more than two-thirds of the qualified electors within the Community Facilities District, consisting of the landowners within the boundaries of the Community Facilities District, authorized the Community Facilities District to incur bonded indebtedness to finance School District facilities and approved the Amended and Restated Rate and Method. The Supreme Court of the State has not yet decided whether landowner elections (as opposed to resident elections) satisfy requirements of Section 4 of Article XIII A, nor has the Supreme Court decided whether the special taxes of a community facilities district constitute a “special tax” for purposes of Article XIII A.

Section 53341 of the Act requires that any action or proceeding to attack, review, set aside, void or annul the levy of a special tax or an increase in a special tax pursuant to the Act will be commenced within 30 days after the special tax is approved by the voters. No such action has been filed with respect to Special Tax.

Billing of Special Taxes

A special tax formula can result in a substantially heavier property tax burden being imposed upon properties within a community facilities district than elsewhere in a city or county, and this in turn can lead to problems in the collection of the special tax. In some community facilities districts the taxpayers have refused to pay the special tax and have commenced litigation challenging the special tax, the community facilities district and the bonds issued by the community facilities district.

Under provisions of the Act, the Special Taxes are billed to the properties within the Community Facilities District which were entered on the Assessment Roll of the County Assessor by January 1 of the previous fiscal year on the regular property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. These Special Tax installment payments cannot be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and installment payments of Special Taxes in the future. See “SECURITY FOR THE 2016 BONDS – Proceeds of Foreclosure Sales” for a discussion of the provisions which apply and procedures which the Community Facilities District is obligated to follow in the event of delinquency in the payment of installments of Special Taxes.

Inability to Collect Special Taxes

In order to pay debt service on the 2016 Bonds, it is necessary that the Special Tax levied against land within the Community Facilities District be paid in a timely manner. The Community Facilities District will covenant in the Indenture under certain conditions to institute foreclosure proceedings against property with delinquent Special Tax in order to obtain funds to pay debt service on the 2016 Bonds. If foreclosure proceedings were instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Tax to protect its security interest. In the event such superior court foreclosure is necessary, there could be a delay in principal and interest payments to the owners of the 2016 Bonds pending prosecution of the foreclosure proceedings and receipt of the proceeds of the foreclosure sale, if any. No assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. Although the Act authorizes the Board to

cause such an action to be commenced and diligently pursued to completion, the Act does not specify the obligations of the Board with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale if there is no other purchaser at such sale. See “SECURITY FOR THE 2016 BONDS – Proceeds of Foreclosure Sales.”

Right to Vote on Taxes Act

An initiative measure, Proposition 218, commonly referred to as the “Right to Vote on Taxes Act” (the “Initiative”) was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Article XIII C (“Article XIII C”) and Article XIII D to the California Constitution. According to the “Title and Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” The provisions of the Initiative as they may relate to community facilities districts are subject to interpretation by the courts.

Among other things, Section 3 of Article XIII C states that “. . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge.” The Act provides for a procedure, which includes notice hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

“Section 3 of Article XIII C of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution.”

Accordingly, although the matter is not free from doubt, it is likely that the Initiative has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the 2016 Bonds.

It may be possible, however, for voters of the Community Facilities District to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the 2016 Bonds but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the 2016 Bonds.

The Act also establishes time limits for initiating any challenge to the validity of special taxes levied pursuant to the Act and any challenge to the validity of bonds issued pursuant to the Act. Section 53341 of the Act provides that:

“Any action or proceeding to attack, review, set aside, void, or annul the levy of a special tax or an increase in a special tax pursuant to this chapter shall be commenced within 30 days after the special tax is approved by the voters. Any appeal from a final judgment in that action or proceeding shall be perfected within 30 days after the entry of judgment.”

Section 53359 of the Act provides that:

“An action to determine the validity of bonds issued pursuant to this chapter or the validity of any special taxes levied pursuant to this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure but shall, notwithstanding the time limits specified in Section 860 of the Code of Civil Procedure, be commenced within 30 days after the voters approve the issuance of the bonds or the special tax if the action is brought by an interested person pursuant to Section 863 of the Code of Civil Procedure. Any appeal from a judgment in that action or proceeding shall be commenced within 30 days after entry of judgment.”

Based on the forgoing, with respect to any challenge to the validity of the Special Tax or the 2016 Bonds or Parity Bonds, if any, the Community Facilities District believe that under current State law the time for initiating any such legal challenge has expired.

Like its antecedents, the Initiative is likely to undergo both judicial and legislative scrutiny before its impact on the Community Facilities District and its obligations can be determined. Certain provisions of the Initiative may be examined by the courts for their constitutionality under both State and federal constitutional law. The Community Facilities District is not able to predict the outcome of any such examination.

For example, on August 1, 2014, in *City of San Diego v. Shapiro*, an Appellate Court ruled that an election held by the City of San Diego to authorize the levying of special taxes on hotels City-wide pursuant to a City ordinance which created a convention center facilities district and which specifically defined the electorate to consist solely of (1) the owners of real property in the City on which a hotel is located, and (2) the lessees of real property owned by a governmental entity on which a hotel is located, was invalid under the California Constitution because such landowners and lessees are neither “qualified electors” of the City for purposes of Articles XIII A, Section 4 of the California Constitution nor do they comprise a proper “electorate” under Article XIII C, Section 2(d). The Court specifically noted that the decision did not require the Court to consider the distinct question of whether landowner voting to impose special taxes pursuant to Section 53326(b) of the Act is constitutional under Article XIII A, Section 4 and Article XIII C, Section 2(d) in districts that lack sufficient registered voters to conduct an election among registered voters, and thus does not affect the validity of the levy of the Special Taxes by the Community Facilities District. In addition, the provisions of the Act described above that establish time limits for initiating any challenge to the validity of the Special Taxes levied pursuant to the Act or the issuance of Bonds pursuant to the Act described above would provide obstacles to any party which sought to present a legal challenge to the validity of the Special Taxes or the 2016 Bonds and Parity Bonds, if any, based on the *City of San Diego v. Shapiro* case. The Community Facilities District is not able to predict the outcome of any such examination of the Initiative in relation to community facilities districts formed under the Act.

The Community Facilities District covenants in the Indenture that it will not initiate proceedings to reduce the Maximum Special Tax, unless, in connection therewith, (i) the Community Facilities District receives a certificate from one or more Special Tax Consultants which, when taken together, certify that, on the basis of the parcels of land and improvements existing in the Community Facilities District as of the July 1 preceding the reduction, the Maximum Special Tax which may be levied on all Assessor’s Parcels of Developed Property in each Fiscal Year will equal at least 110% of the gross debt service on all Bonds to remain Outstanding after the reduction is approved and will not reduce the Maximum Special Tax payable from Assessor’s Parcels of Developed Property to less than 110% of Maximum Annual Debt Service, and (ii) the Legislative Body finds pursuant to the Indenture that any reduction made under such conditions will not adversely affect the interests of the Owners of the 2016

Bonds and Parity Bonds. Any reduction in the Maximum Special Tax approved pursuant to the preceding sentence may be approved without the consent of the Owners of the 2016 Bonds and Parity Bonds, if any.

The Community Facilities District further covenants that in the event any initiative is adopted by the qualified electors which purports to reduce the maximum authorized Special Tax below the levels authorized pursuant to the Amended and Restated Rate and Method, the Community Facilities District will, from funds available under the Indenture, commence and pursue legal actions to preserve the authority and power of the Community Facilities District to levy Special Taxes pursuant to the Amended and Restated Rate and Method.

The foregoing discussion of the Initiative and related matters should not be considered an exhaustive or authoritative treatment of the issues. The Community Facilities District does not expect to be in a position to control the consideration or disposition of these issues and cannot predict the timing or outcome of any judicial or legislative activity in this regard. Interim rulings, final decisions, legislative proposals and legislative enactments may all affect the impact of the Initiative on the 2016 Bonds as well as the market for the 2016 Bonds. Legislative and court calendar delays and other factors may prolong any uncertainty regarding the effects of the Initiative.

Ballot Initiatives and Legislative Measures

The Initiative was adopted pursuant to a measure qualified for the ballot pursuant to California's constitutional initiative process and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the State Legislature. The adoption of any such initiative or enactment of legislation might place limitations on the ability of the State, the County, the School District or local districts to increase revenues or to increase appropriations or on the ability of a property owner to complete the development of the property.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the 2016 Bonds or, if a secondary market exists, that such 2016 Bonds can be sold for any particular price. Although the Community Facilities District has committed to provide certain statutorily-required financial and operating information, there can be no assurance that such information will be available to Bondowners on a timely basis. The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of credit rating for the 2016 Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Loss of Tax Exemption

As discussed under the caption "LEGAL MATTERS – Tax Exemption," the interest on the 2016 Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the 2016 Bonds as a result of future acts or omissions of the Community Facilities District and the School District in violation of certain provisions of the Code and the covenants of the Indenture. In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the 2016 Bonds, the Community Facilities District has covenanted in the Indenture not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion

from gross income of interest on the 2016 Bonds under Section 103 of the Internal Revenue Code of 1986, as amended. Interest on the 2016 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2016 Bonds were issued as a result of acts or omissions of the Community Facilities District in violation of the Code. Should such an event of taxability occur, the 2016 Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption or mandatory sinking fund redemption provisions of the Indenture. See “THE 2016 BONDS – Redemption.”

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing or examination of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2016 Bonds will be selected for audit or examination by the IRS. It is also possible that the market value of such 2016 Bonds might be affected as a result of such an audit of such 2016 Bonds (or by an audit of similar bonds or securities).

Impact of Legislative Proposals, Clarifications of the Code and Court Decisions on Tax Exemption

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2016 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners of the 2016 Bonds from realizing the full current benefit of the tax status of such interest.

The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, liquidity of or marketability of, the 2016 Bonds. In recent years, legislative changes were proposed in Congress, which, if enacted, would result in additional federal income tax being imposed on certain owners of tax-exempt state or local obligations, such as the 2016 Bonds. Prospective purchasers of the 2016 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation as to which Bond Counsel expresses no opinion. As discussed in this Official Statement, under the caption “LEGAL MATTERS,” interest on the 2016 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2016 Bonds were issued as a result of future acts or omissions of the Community Facilities District in violation of its covenants in the Indenture. Should such an event of taxability occur, the 2016 Bonds are not subject to special redemption or acceleration and will remain outstanding until maturity or until redeemed under one of the other redemption provisions contained in the Indenture.

Backup Withholding

Interest paid with respect to tax-exempt obligations such as the 2016 Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest with respect to the 2016 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Limitations on Remedies

Remedies available to the Bondowners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the 2016 Bonds or to preserve the tax-exempt status of the 2016 Bonds. See “Payments by FDIC, Fannie Mae, Freddie Mac and other Federal Agencies,” “No Acceleration Provisions” and “Billing of Special Taxes” herein.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Upon delivery of the 2016 Bonds, American Municipal Tax-Exempt Compliance Corporation, independent certified public accountants, will deliver a report stating that the firm has verified the mathematical accuracy of (a) certain computations relating to the adequacy of the Federal Securities (as defined in the Escrow Agreement) and the interest thereon to pay when due the redemption price, and interest due and to become due on the Prior Bonds on and prior to the redemption date thereof, and (b) the computations of yields of the 2016 Bonds and of investments in the Escrow Fund.

LEGAL MATTERS

Legal Opinion

The legal opinion of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel, approving the validity of the 2016 Bonds will be made available to purchasers at the time of original delivery and is attached hereto as Appendix E. A copy of the legal opinion will be printed on each 2016 Bond. James F. Anderson Law Firm A Professional Corporation, Laguna Hills, California, is serving as Disclosure Counsel. Burke, Williams & Sorensen, LLP, Santa Ana, California, will also pass upon certain legal matters for the School District and the Community Facilities District as counsel to these entities.

Tax Exemption

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the Community Facilities District ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2016 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the 2016 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

To the extent the issue price of any maturity of the 2016 Bonds is less than the amount to be paid at maturity of such 2016 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2016 Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2016 Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the 2016 Bonds is the first price at which a substantial amount of such maturity of the 2016 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2016 Bonds accrues daily over the term to maturity of such 2016 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2016 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2016 Bonds. Beneficial Owners of the 2016 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2016 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2016 Bonds in the original offering to the public at the first price at which a substantial amount of such 2016 Bonds is sold to the public.

The 2016 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2016 Bonds. The Community Facilities District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2016 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2016 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2016 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the 2016 Bonds may adversely affect the value of, or the tax status of interest on, the 2016 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2016 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2016 Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2016 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, the Obama Administration’s budget proposals in recent years have proposed legislation that would limit the exclusion from gross income of interest on the 2016 Bonds to some extent for high income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2016 Bonds. Prospective purchasers of the 2016 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which 2016 Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the 2016 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Community Facilities District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Community Facilities District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2016 Bonds ends with the issuance of the 2016 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Community Facilities District or the Beneficial Owners regarding the tax-exempt status of the 2016 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Community Facilities District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Community Facilities District legitimately disagree, may not be practicable. Any action of the IRS, including but not limited to selection of the 2016 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2016 Bonds, and may cause the Community Facilities District or the Beneficial Owners to incur significant expense.

Absence of Litigation

No litigation is pending or threatened concerning the validity of the 2016 Bonds. There is no action, suit or proceeding known by the Community Facilities District or the School District to be pending at the present time restraining or enjoining the delivery of the 2016 Bonds or in any way contesting or affecting the validity of the 2016 Bonds or any proceedings of the Community Facilities District or the School District taken with respect to the execution thereof. A no litigation certificate executed by the School District, on behalf of the Community Facilities District, will be delivered to the Underwriter simultaneously with the delivery of the 2016 Bonds.

No General Obligation of School District or Community Facilities District

The 2016 Bonds are not general obligations of the School District or the Community Facilities District, but are limited obligations of the Community Facilities District payable solely from proceeds of the Special Tax and proceeds of the 2016 Bonds, including amounts in the Reserve Fund, Special Tax Fund and Bond Fund and investment income on funds held pursuant to the Indenture (other than as necessary to be rebated to the United States of America pursuant to Section 148(f) of the Code and any applicable regulations promulgated pursuant thereto). Any tax levied for the payment of the 2016 Bonds will be limited to the Special Taxes to be collected within the Community Facilities District.

RATINGS

The 2016 Bonds are expected to be assigned a rating of “___” (Stable outlook) by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (“S&P”), based on the issuance of the Policy by [INSURER]. Additionally, S&P has assigned an underlying rating of “___” (Stable outlook) to the 2016 Bonds without consideration of the issuance of the Insurance Policy. The rating agency may have obtained and considered information and material which has not been included in this Official Statement. Generally, a rating agency bases its ratings on information and material so furnished and on investigations, studies and assumptions made by the rating agency. The rating is not a recommendation to buy, sell or hold the 2016 Bonds. The rating reflects only the view of the rating agency with respect to its rating and an explanation of the significance of such rating may be obtained from it. No assurance can be given that the rating of a rating agency will be maintained for any given period of time or that the rating may not be revised downward or withdrawn entirely by the rating agency, if in its own judgment, circumstances warrant. Any such downward change in or withdrawal may have an adverse effect on the market price of the 2016 Bonds. The Underwriter and the Community Facilities District have not undertaken any responsibility after the offering of the 2016 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

Rating Downgrades of Municipal Bond Insurers. In the past, Moody's Investors Service, S&P and Fitch Ratings (the "Rating Agencies") have each downgraded the claims-paying ability and financial strength of various bond insurance companies. Downgrades or negative changes in the rating outlook are possible. In addition, in the past events in the credit markets have had a substantial negative effect on the 2016 Bond insurance business. Should similar events, occur, such events could have a material adverse effect on the claims paying ability of the Bond Insurer. The Community Facilities District and the Underwriter have not made an independent investigation into the claims paying ability of Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength thereof can be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Community Facilities District to pay the principal of and interest on the 2016 Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

UNDERWRITING

The 2016 Bonds are being purchased by _____ (the "Underwriter") at a purchase price of \$ _____ (which represents the aggregate principal amount of the 2016 Bonds of \$[Principal Amount] ^{*}, plus a net original issue premium of \$ _____ and less an underwriter's discount of \$ _____).

The purchase agreement relating to the 2016 Bonds provides that the Underwriter will purchase all of the 2016 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriter may offer and sell the 2016 Bonds to certain dealers and others at prices lower than the offering price stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

PROFESSIONAL FEES

Fees payable to certain professionals, including the Underwriter, Nossaman LLP, as Underwriter's Counsel, James F. Anderson Law Firm, A Professional Corporation, as Disclosure Counsel, Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, and U.S. Bank National Association, as the Trustee, are contingent upon the issuance of the 2016 Bonds. The fees of Government Financial Strategies inc., as Financial Advisor, and David Taussig & Associates, Inc., as Special Tax Consultant, are in part contingent upon the issuance of the 2016 Bonds. From time to time, Disclosure Counsel represents the Underwriter on matters unrelated to the 2016 Bonds.

^{*} Preliminary, subject to change.

MISCELLANEOUS

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statement of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representatives of fact. This Official Statement is not to be construed as a contract or agreement between the Community Facilities District and the purchasers or owners of any of the 2016 Bonds.

The execution and delivery of the Official Statement by the Community Facilities District has been duly authorized by the Capistrano Unified School District on behalf of the Community Facilities District.

COMMUNITY FACILITIES DISTRICT NO. 90-2 OF
THE CAPISTRANO UNIFIED SCHOOL DISTRICT
(TALEGA)

By: _____
Clark Hampton, Deputy Superintendent,
Business & Support Services,
Capistrano Unified School District, on behalf of
Community Facilities District No. 90-2 of the
Capistrano Unified School District (Talega)

APPENDIX A

GENERAL INFORMATION ABOUT THE CAPISTRANO UNIFIED SCHOOL DISTRICT

The following information relating to the School District is included only for the purpose of supplying general information regarding the School District. Neither the faith and credit nor the taxing power of the School District has been pledged to payment of the 2016 Bonds, and the 2016 Bonds will not be payable from any of the School District's revenues or assets.

Introduction

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the School District. Additional information concerning the School District and copies of the most recent and subsequent audited financial reports of the School District may be obtained by contacting: Capistrano Unified School District, 33122 Valle Road, San Juan Capistrano, CA 92675 Attention: Deputy Superintendent, Business & Support Services. There may be a charge for copying, mailing and handling.

General Information

The Capistrano Unified School District (the "School District") is a political subdivision of the State of California (the "State") and is governed by a seven member Board of Trustees (the "Board"). Founded in 1965, the School District encompasses 195 square miles in seven cities and a portion of the unincorporated area of Orange County (the "County"). The jurisdiction of the School District includes all or part of the cities of San Clemente, Dana Point, San Juan Capistrano, Laguna Niguel, Aliso Viejo, Mission Viejo and Rancho Santa Margarita, and the communities of Las Flores, Coto de Caza, Dove Canyon, Ladera Ranch, Sendero/Rancho Mission Viejo and Wagon Wheel.

The School District provides kindergarten through 12th grade public education to more than 49,000 students on 55 campuses. The School District's second period report (P-2, the period from July 1 to April 15) of average daily attendance ("ADA"), computed in accordance with State law for the 2015-16 academic year, is estimated at 47,937. The estimated population within the School District's boundaries was approximately [] as of January 1, 2015. The School District reported 50,095 students enrolled at the California Basic Educational Data System ("CBEDS") for Fiscal Year 2013-14 and 49,838 students enrolled at the CBEDS during Fiscal Year 2014-15. The School District reports 49,117 students enrolled at the CBEDS during Fiscal Year 2015-16.

Administration and Enrollment

The School District is governed by the Board of Trustees (the "Board"). The seven Board members are elected to four-year terms in alternate slates of three and two in elections held every two years. If a vacancy arises during any term, the vacancy is filled by an appointment by a majority vote of the remaining Board members and, if there is no majority, by a special election.

The administrative staff of the School District includes Kirsten M. Vital, Superintendent, and Clark Hampton, Deputy Superintendent, Business & Support Services.

The Superintendent of the School District is responsible for administering the affairs of the School District in accordance with the policies of the Board. The School District also employs an Assistant Superintendent of Education Services, an Assistant Superintendent of Human Resource Services and an Assistant Superintendent of SLPA, Special Education.

Commencing with Fiscal Year 2013-14, the State budget restructures the manner in which the State allocates funding for K-12 education. In Fiscal Year 2013-14, State legislation replaced the majority of revenue limit and categorical funding formulas with a new set of funding formulas. The Governor refers to the proposals as the “Local Control Funding Formula.” The State budget provided funding in Fiscal Year 2013-14 to begin implementing the new formulas. Under the prior funding system, school districts received different per-pupil funding rates based on historical factors and varying participation in categorical programs. The new system provides a more uniform base per-pupil rate for each of several grade levels. The base rates are augmented by several funding supplements for (1) students needing additional services, defined as English learners, students from lower income families and foster youth; (2) school districts with high concentrations of English learners and lower income families; and (3) high school students. The new funding system requires school districts to develop local plans describing how the school district intends to educate its students.

From Fiscal Year 2011-12 through Fiscal Year 2015-16 the School District’s enrollment has been stable. The demographics of the School District reflect a slight decrease in elementary school population, stable trend in middle school population and slight increase in high school population. California voters approved Proposition 13 that not only limits the tax rate on property, but gives an incentive for owners to occupy longer resulting in slower turnover of homes to new families. Information concerning enrollment for these years is set forth below:

**Capistrano Unified School District
Student Enrollment**

Fiscal Year	CBEDS Enrollment	District Average Daily Attendance	District Base Revenue Limit
2011-12	50,538	48,708	6,492
2012-13	50,500	48,507	6,704
2013-14	50,095	48,212	6,810 ⁽²⁾
2014-15	49,838	47,773	6,848 ⁽²⁾
2015-16	49,117	47,937 ⁽¹⁾	N/A ⁽²⁾

⁽¹⁾ Estimated second period report (P-2, the period from July 1 to April 15).

⁽²⁾ Commencing with Fiscal Year 2013-14, the State restructured allocations for funding K-12 education and begins implementing the Local Control Funding Formula. See “ – Administration and Enrollment” above.

Source: California Department of Education and the School District.

Labor Relations

As of December 2015, the School District employed approximately 2,162 certificated professionals and approximately 1,456 classified employees. The professionals, except management and some part-time employees, are represented by the bargaining units as noted below

Capistrano Unified School District District Employees

Labor Organization	Approximate Number of Employees In Organization¹	Contract Expiration Date
Capistrano Unified Educators Association	1,655	6/30/17
California School Employees Association	1,570	6/30/18
Teamsters		

¹Excludes management and part-time employees who are not represented by any of the labor organizations.

Source: The School District.

Retirement Programs

The School District participates in the State of California Teachers' Retirement System ("STRS"). This plan covers certificated employees. The School District's contribution to STRS in Fiscal Year 2012-13 was \$14,727,500 and in Fiscal Year 2013-14 was \$15,679,891. The School District's contribution to STRS for Fiscal Year 2014-15 was \$17,782,182. The School District's contribution to STRS for Fiscal Year 2015-16 is estimated to be \$22,600,021. In order to receive STRS benefits, an employee must be at least 55 years old and have provided five years of service to California public schools.

The School District also participates in the State of California Public Employees' Retirement System ("PERS"). This plan covers certificated employees who elect and all classified personnel who are employed 1,000 or more hours per fiscal year. The School District's contribution to PERS in Fiscal Year 2012-13 was \$5,642,008 and in Fiscal Year 2013-14 was \$5,654,959. The School District's contribution to PERS for Fiscal Year 2014-15 was \$6,198,896. The School District's contribution to PERS for Fiscal Year 2015-16 is estimated to be \$6,753,618. In order to receive PERS benefits, an employee must be at least 55 years old and have provided five years of service to California public schools.

Contribution rates to these two retirement systems vary annually depending on changes in actuarial assumptions and other factors, such as changes in retirement benefits. The contribution rates are based on state-wide rates set by the STRS and PERS retirement boards. STRS has a substantial state-wide unfunded liability. Since this liability has not been broken down by each school district, it is impossible to determine the School District's share.

The School District offers post-retirement benefits for employees up to age 65. The School District's contribution for these benefits for the Fiscal Year ending June 30, 2013, was \$2,137,149, for the Fiscal Year ending June 30, 2014 was \$2,466,738 and for the Fiscal year ending June 30, 2015, was \$3,327,978. The School District's contribution for these benefits is estimated to be \$2,871,350 for Fiscal Year 2015-16. The program is operated on a pay-as-you go basis and budgets the current costs each year with an increase based on actual health and welfare increases.

Insurance

The School District operates workers' compensation and property and liability insurance programs that are accounted for in the Internal Service Fund. In addition, the School District's health and welfare benefit programs are accounted for in the Internal Service Fund.

In 1998, the State of California authorized the School District to operate a Self-Insured Workers' Compensation Plan to finance liabilities arising from employee industrial injuries. The School District responded by implementing such a plan on July 1, 1998. Beginning in 2009, the School District has established a fund to self-insure itself for workers' compensation coverage. The workers' compensation experience of the School District was calculated and applied to a premium rate, which was utilized to charge funds for the administration of the program. Excess liability coverage for workers' compensation claims is provided through the purchase of commercial insurance.

The School District operates a self-insurance program to cover general liability claim losses up to a limit of \$[50,000 per claim and for property losses up to \$[5,000 per claim. During fiscal year ending June 30, 2015, the School District contracted with Alliance of Schools Cooperative Insurance Programs (ASCIP) for property and liability insurance coverage. Excess liability coverage is obtained through participation in Schools Excess Liability Fund (SELF) (through ASCIP). Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. In addition, property and liability claims for which the School District retains the risk of loss (claims below the School District's retained limits), are administered by the Self Insurance Fund.

APPENDIX B

**AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT
CAPISTRANO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 90-2 (TALEGA)**

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX D

**FORM OF COMMUNITY FACILITIES DISTRICT
CONTINUING DISCLOSURE AGREEMENT**

APPENDIX E
FORM OF OPINION OF BOND COUNSEL

APPENDIX F

BOOK-ENTRY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the 2016 Bonds, payment of principal of and interest on the 2016 Bonds to Direct Participants, Indirect Participants or Beneficial Owners (as such terms are defined below) of the 2016 Bonds, confirmation and transfer of beneficial ownership interests in the 2016 Bonds and other bond-related transactions by and between DTC, Direct Participants, Indirect Participants and Beneficial Owners of the 2016 Bonds is based solely on information furnished by DTC to the Community Facilities District which the Community Facilities District believes to be reliable, but the Community Facilities District, the Community Facilities District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2016 Bonds. The 2016 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2016 Bond will be issued for each maturity of the 2016 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information on such website is not incorporated herein by such reference or otherwise.

Purchases of 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2016 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2016 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of

the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2016 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2016 Bonds, except in the event that use of the book-entry system for the 2016 Bonds is discontinued.

To facilitate subsequent transfers, all 2016 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2016 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2016 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2016 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2016 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2016 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2016 Bonds documents. For example, Beneficial Owners of the 2016 Bonds may wish to ascertain that the nominee holding the 2016 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2016 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Community Facilities District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the 2016 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Community Facilities District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Community Facilities District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Community Facilities District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2016 Bonds at any time by giving reasonable notice to the Community Facilities District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the 2016 Bond certificates are required to be printed and delivered.

The Community Facilities District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the 2016 Bond certificates will be printed and delivered to DTC.

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

Discontinuance of DTC Services

In the event that (a) DTC determines not to continue to act as securities depository for the 2016 Bonds, or (b) the Community Facilities District determines that DTC shall no longer act and delivers a written certificate to the Trustee to that effect, then the Community Facilities District will discontinue the Book-Entry System with DTC for the 2016 Bonds. If the Community Facilities District determines to replace DTC with another qualified securities depository, the Community Facilities District will prepare or direct the preparation of a new single separate, fully-registered 2016 Bond for each maturity of the 2016 Bonds registered in the name of such successor or substitute securities depository as are not inconsistent with the terms of the Indenture. If the Community Facilities District fails to identify another qualified securities depository to replace the incumbent securities depository for the 2016 Bonds, then the 2016 Bonds shall no longer be restricted to being registered in the 2016 Bond registration books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository or its nominee transferring or exchanging the 2016 Bonds shall designate.

In the event that the Book-Entry System is discontinued, the following provisions would also apply: (i) the 2016 Bonds will be made available in physical form, (ii) principal of, and redemption premiums if any, on the 2016 Bonds will be payable upon surrender thereof at the trust office of the Trustee identified in the Indenture, and (iii) the 2016 Bonds will be transferable and exchangeable as provided in the Indenture.

The Community Facilities District and the Trustee do not have any responsibility or obligation to DTC Participants, to the persons for whom they act as nominees, to Beneficial Owners, or to any other person who is not shown on the registration books as being an owner of the 2016 Bonds, with respect to (i) the accuracy of any records maintained by DTC or any DTC Participants; (ii) the payment by DTC or any DTC Participant of any amount in respect of the principal of, redemption price of or interest on the 2016 Bonds; (iii) the delivery of any notice which is permitted or required to be given to registered owners under the Indenture; (iv) the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the 2016 Bonds; (v) any consent given or other action taken by DTC as registered owner; or (vi) any other matter arising with respect to the 2016 Bonds or the Indenture. The Community Facilities District and the Trustee cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal of or interest on the 2016 Bonds paid to DTC or its nominee, as the registered owner, or any notices to the Beneficial Owners or that they will do so on a timely basis or will serve and act in a manner described in this Official Statement. The Community Facilities District and the Trustee are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner in respect to the 2016 Bonds or any error or delay relating thereto.

APPENDIX G
SPECIMEN MUNICIPAL BOND INSURANCE POLICY