RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
SANTA CLARA, CALIFORNIA, PROVIDING FOR AUTHORIZATION OF
ISSUANCE AND SALE OF SUNNYVALE SCHOOL DISTRICT GENERAL
OBLIGATION BONDS, ELECTION OF 2004, SERIES B, IN THE AGGREGATE
PRINCIPAL AMOUNT OF NOT TO EXCEED $30,000,000

WHEREAS, a duly called special municipal election was held in the Sunnyvale School District, Santa Clara County, California (the "District"), on November 2, 2004, at which a proposition was submitted to the electors of the District to authorize the District to issue and sell bonds of up to $120,000,000 in aggregate principal amount to provide financing for the following (collectively, the "Project"):  

Existing Elementary School and Middle School Sites. The primary use of bond proceeds will be to complete major facilities improvements and additions at the District's current school sites, including the eight elementary school sites and two middle school sites described below.

Bishop Elementary School  
Cherry Chase Elementary School  
Cumberland Elementary School  
Ellis Elementary School  
Fairwood Elementary School  
Lakewood Elementary School  
San Miguel Elementary School  
Vargas Elementary School  
Columbia Middle School  
Sunnyvale Middle School

Other District Sites. To a lesser degree, bond proceeds will also be used to complete facility improvements to the District Office and the District Operations Center and to complete repair and maintenance projects at three other sites currently owned by the District (the Adair, DeAnza, and Hollenbeck sites).

District-Wide Standards. The facilities improvements and additions are intended to bring all schools in the Sunnyvale School District to a common District-wide standard. The specific areas to be addressed in establishing such standard include infrastructure, educational program issues, and exterior appearance/landscape. Facilities improvements and additions will be designed to address each of these three areas.

Infrastructure. Infrastructure improvements will include the improvement, modernization, and expansion of core facilities (including restrooms), site utility improvements (water, sewer, and gas), roof replacement, the installation of energy management systems and other energy efficiency related projects, improvement and/or replacement of heating, ventilation, and air conditioning systems, window replacements (for energy efficiency), expansion of parking and drop-off areas (for student safety) and other paving related projects, installation or replacement of photo-voltaic panels (to reduce District-wide energy costs), and seismic upgrades.

Educational Program Issues. Improvements to address educational improvement issues will include the construction and/or acquisition and installation of new classrooms as needed.
acquisition of furniture and equipment for classrooms, the provision (through addition, expansion, or renovation) of expanded state-of-the-art library/media centers at all campuses, the replacement of selected relocatable classrooms with permanent construction classrooms, the expansion of multi-use rooms to accommodate increased enrollments, the acquisition and/or construction of new restrooms, the expansion of student support services areas, conference rooms, staff work rooms, and small group instructional areas, repairs and replacements necessary to keep play areas safe, and the provision of covered walkways to remaining relocatable classrooms.

Exterior Appearance/Landscape. Exterior appearance/landscape improvements will include certain projects designed to provide architectural features and landscaping improvements to update the look of older facilities and to make the facilities more pleasing to the neighborhoods where they reside.

WHEREAS, at least 55% of the votes cast on said proposition were in favor of issuing said bonds, payable from the levy of an ad valorem tax against the taxable property in the District (the "Bonds");

WHEREAS, the Board of Supervisors ("Board") has previously issued, on behalf of the District, a first series of Bonds designated "Sunnyvale School District (Santa Clara County, California) General Obligation Bonds, Election of 2004, Series A" in the aggregate principal amount of $35,000,000, for the purpose of raising funds needed to finance a portion of the Project and other authorized costs;

WHEREAS, the Board has received a resolution of the Board of Education of the District requesting the issuance of the second series of Bonds in the aggregate principal amount of not to exceed thirty million dollars ($30,000,000), to be entitled "Sunnyvale School District (Santa Clara County, California) General Obligation Bonds, Election of 2004, Series B" (the "Series B Bonds"), to finance additional components of the Project and other authorized costs; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Clara, State of California, as follows:

Section 1. Purpose of Series B Bonds. That for the purpose of raising money for real property acquisition or improvements, namely: (a) for the purpose of raising funds needed for the Project, and (b) to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Series B Bonds.

Section 2. Series B Bond Terms. The Series B Bonds shall be issued as fully registered Bonds, without coupons, in the denominations of $5,000 each or any integral multiple thereof, and shall be dated as of their date of delivery.
The Series B Bonds shall bear interest from the date of the Series B Bonds to maturity of each of the Series B Bonds at a rate or rates not in excess of eight percent (8%) per annum. Interest shall be payable on March 1 and September 1 of each year (the "Interest Payment Dates"), commencing March 1, 2008, until the principal amount has been paid or provided for. Each Series B Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated as of a business day following the 15th day of the month immediately preceding any Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before February 15, 2007, in which event it shall bear interest the date of the Series B Bonds.

The Series B Bonds shall mature (or, alternatively, be subject to mandatory sinking fund redemption as hereinafter provided) and become payable on September 1 in the years and in the amounts as shall be determined upon the sale thereof in accordance with Section 12 hereof. The Series B Bonds shall bear interest at such rate or rates as shall be determined upon the sale thereof in accordance with Section 12 hereof. The term of the Series B Bonds shall not exceed twenty-five (25) years.

Section 3. Redemption of Series B Bonds.

(a) Optional Redemption. Unless provided for differently in the Bond Purchase Agreement (hereinafter defined), the Series B Bonds maturing on or before September 1, 2015, shall not be subject to redemption prior to their respective stated maturities. The Series B Bonds maturing on or after September 1, 2016, shall be subject to redemption prior to maturity, at the option of the District, from any available source of funds, on any date on or after September 1, 2015, at a redemption price equal to the principal amount thereof together with accrued interest thereon to the date fixed for redemption, without premium.

(b) Mandatory Sinking Fund Redemption. As provided in the Bond Purchase Agreement, any maturity of Series B Bonds shall be designated as “Term Bonds” and shall be subject to mandatory sinking fund redemption on September 1 in each of the years as shall be determined upon the sale thereof in accordance with Section 12 hereof, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If some but not all of such Term Bonds have been redeemed pursuant to the preceding subsection (a) of this Section 3, the aggregate principal amount of such Term Bonds to be redeemed in each year pursuant to this subsection (b) shall be reduced on a pro rata basis in integral multiples of $5,000, as shall be designated pursuant to written notice filed by the District with the Paying Agent.

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

(d) **Notice of Redemption.** The Paying Agent shall give notice of the redemption of the Series B Bonds at the expense of the District. Such notice shall specify: (a) that the Series B Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Series B Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Series B Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Series B Bond to be redeemed, the portion of the principal amount of such Series B Bond to be redeemed, together with interest accrued to said date, and redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Series B Bonds, or if the registered owner is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices, and by first class mail, postage prepaid, to the District and County and the respective owners of any registered Series B Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least thirty (30) days, but not more than sixty (60) days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series B Bonds.

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

(f) **Effect of Redemption.** Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside with the County for such purpose, the Series B Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Series B Bonds to be redeemed as provided in this Section 3, together with interest to such redemption date, shall be held by the County Director of Finance so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Series B Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the County Director of Finance
for the redemption of Series B Bonds shall be held in trust for the account of the registered owners of the Series B Bonds so to be redeemed.

All Series B Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 3 shall be canceled upon surrender thereof and be delivered to or upon the order of the County and the District. All or any portion of a Series B Bond purchased by the County or the District shall be canceled by the Paying Agent.

Series B Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the County Director of Finance irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, all as provided in this Resolution, then such Series B Bonds shall no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

Section 4. Execution of Bonds. The Series B Bonds shall be signed by the manual or facsimile signatures of the Chair of the Board of Supervisors, the Clerk of the Board and the County Director of Finance, and the seal of the County shall be reproduced thereon. No Series B Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Series B Bond is signed by the Paying Agent as authenticating agent, that the Series B Bond as authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

Section 5. Appointment of Paying Agent. The Board hereby appoints U.S. Bank National Association, San Francisco, California, to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the “Paying Agent”) for the Series B Bonds. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District.

(a) The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the District and the County Director of Finance. The Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the County Director of Finance and signed by the District. A successor Paying Agent shall be appointed by the District with the written consent of the County Director of Finance, which consent shall not be unreasonably withheld, and shall be a bank or trust company organized under the laws of the state or any state of the United States, a national banking association or any other financial institution, having capital stock and surplus aggregating at least $50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Such Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District and the County Director of Finance, a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

Resolution Authorizing Issuance of General Obligation Bonds for Sunnyvale School District (2004 Election, Series B) In amount Not to Exceed $30,000,000
(b) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or, if there is no successor, to the County Director of Finance. In the event that for any reason there shall be a vacancy in the office of the Paying Agent, the County Director of Finance shall act as the Paying Agent. The County shall promptly cause to be published at District expense in an Authorized Newspaper the name and principal corporate trust office address of the Paying Agent appointed to replace any resigned or removed Paying Agent.

Section 6. Payment of Principal and Interest. The principal of and interest on the Series B Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Paying Agent. Principal shall be payable when due upon presentation and surrender of the Series B Bonds at the principal corporate trust office of the Paying Agent. Interest on a Series B Bond shall be paid on each Interest Payment Date by check or draft mailed by first class mail to the person in whose name the Series B Bond was registered, and to that person’s address appearing on the Bond Register (as defined in Section 7 below) at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (a “Record Date”).

Section 7. Bond Registration and Transfer. If the book entry system is no longer in effect as provided in Section 9, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Series B Bonds as provided in this Section 7 (the “Bond Register”). While such book entry system is in effect, such books need not be kept, as the Series B Bonds will be represented by one Bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

The person in whose name a Series B Bond is registered on the Bond Register shall be regarded as the absolute owner of that Series B Bond for all purposes of this Resolution. Payment of, or on account of, the principal of and interest on any Series B Bond shall be made only to or upon the order of that person, neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section 7. All such payments shall be valid and effectual to satisfy and discharge the District’s liability upon the Series B Bonds, including interest, to the extent of the amount or amounts so paid.

Any Series B Bond may be exchanged for Series B Bonds of a like maturity in any authorized denomination, upon presentation and surrender at the office of the Paying Agent designated for such purpose, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Any Bond may, in accordance with its terms, but only if the District determines to no longer maintain the book entry only status of the Series B Bonds or if DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of this Section 7, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such

Resolution Authorizing Issuance of General Obligation Bonds for Sunnyvale School District (2004 Election, Series B) Issue Amount Not to Exceed $30,000,000 Page 6 of 11
Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

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

Section 8. Form of Bond. The Series B Bonds shall be in substantially the form set forth in Exhibit A attached hereto and incorporated herein, allowing those officials executing the Series B Bonds to make the insertions and deletions necessary to conform the Series B Bonds to this Resolution and the winning bid for the Series B Bonds.

Section 9. Book-Entry System. Except as provided below, the owner of all of the Series B Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Series B Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Series B Bonds shall be initially executed and delivered in the form of a single fully registered Series B Bond for each maturity date of the Series B Bonds in the full aggregate principal amount of the Series B Bonds maturing on such date. The County, the Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Series B Bonds registered in its name for all purposes of this Resolution, and neither the County, the Paying Agent nor the District shall be affected by any notice to the contrary. The County, the Paying Agent and the District shall not have any responsibility or obligation to any participant of DTC (a "Participant"), any person claiming a beneficial ownership interest in the Series B Bonds under or through DTC or a Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Participant or the payment by DTC or any Participant by DTC or any Participant of any amount in respect of the principal or interest with respect to the Series B Bonds. The County and the District shall cause to be paid all principal and interest with respect to the Series B Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Series B Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Series B Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the District determines that it is in the best interest of the beneficial owners that they be able to obtain Series B Bonds and delivers a written certificate to DTC and the County to that effect, DTC shall notify the Participants of the availability through DTC of Series B Bonds. In such event, the County shall issue, transfer and exchange Series B Bonds as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series B Bonds at any time by giving notice to the District and the County and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the County shall be
obligated to deliver Series B Bonds as described in this Resolution. Whenever DTC requests the District and the County to do so, the District and the County will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Series B Bonds evidencing the Series B Bonds to any DTC Participant having Series B Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the Series B Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Series B Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such Series B Bond and all notices with respect to such Series B Bond shall be made and given, respectively, to DTC as provided as in the representation letter delivered on the date of issuance of the Series B Bonds.

Section 10. Establishment of Funds and Accounts; Delivery of Series B Bonds; Disposition of Proceeds of the Series B Bonds.

(a) Establishment of Funds and Accounts.

(i) Building Fund. A fund, to be known as the “Sunnyvale School District, General Obligation Bonds, Election of 2004 Building Fund” (the “Building Fund”), is hereby created and established within the County Treasury. Moneys deposited therein shall be used solely for the purpose for which the Series B Bonds are being issued and shall be applied solely to authorized purposes which relate to the acquisition or improvement of real property. The interest earned on the moneys deposited to the Building Fund shall be retained in the Building Fund and used for the purposes thereof.

(ii) Interest and Sinking Fund. A fund, to be known as the “Sunnyvale School District, General Obligation Bonds, Election of 2004 Interest and Sinking Fund” (the “Interest and Sinking Fund”), is hereby created and established within the County Treasury, which fund shall be accounted for separate and distinct from all other District and County funds. Moneys deposited therein shall be used only for payment of principal and interest on the Series B Bonds. Any excess proceeds of the Series B Bonds not needed for the authorized purposes set forth herein for which the Series B Bonds are being issued shall be transferred to the Interest and Sinking Fund and applied to the payment of principal and interest on the Series B Bonds at the direction of the District. If, after payment in full of the Series B Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Notwithstanding the foregoing provisions of this Section 10, any excess proceeds of the Series B Bonds not needed for the authorized purposes set forth herein for which the Series B Bonds are being issued shall be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law, including but not limited to the requirements of federal tax law (if any) relating to the yield at which such proceeds are permitted to be invested.

(b) Delivery of Series B Bonds. The proper officials of the District shall cause the Series B Bonds to be prepared and, following their sale, shall have the Series B Bonds signed and

Resolution Authorizing Issuance of General Obligation Bonds for Sunnyvale School District (2004 Election, Series B) in amount Not to Exceed $30,000,000
delivered, together with a true transcript of proceedings with reference to the issuance of the Series B Bonds, to the Underwriter (hereinafter defined) upon payment of the purchase price in funds which are immediately available to the Paying Agent.

(c) Disposition of Proceeds of the Series B Bonds. On the date of delivery of the Series B Bonds (the "Closing Date"), the proceeds of sale of the Series B Bonds shall be paid by the Underwriter to the County Director of Finance. The County Director of Finance shall deposit or transfer all of such amounts as follows:

(i) To the Interest and Sinking Fund, an amount equal to the accrued interest on the Series B Bonds, if any, paid by the Underwriter; and

(ii) To the Building Fund, the remaining proceeds of the Series B Bonds.

The Underwriter, as a condition of its purchase of the Series B Bonds, has agreed to pay costs of issuance in an amount up to $150,000. To the extent that costs of issuance result in an amount less than $150,000 but the Underwriter nonetheless elects to pay to the District the difference between $150,000 and the actual amount of costs of issuance, such excess amount shall constitute premium received from the Underwriter and shall be paid to the County Director of Finance for deposit in the Interest and Sinking Fund.

(d) Investment of Moneys in the Building Fund and the Interest and Sinking Fund. Moneys held in the Building Fund and the Interest and Sinking Fund shall be invested by the County in any one or more investments generally permitted to school districts under the laws of the State of California, consistent with the investment policy of the County and this Resolution (the "Permitted Investments"). The Permitted Investments shall specifically include: (a) the County Pooled Investment Fund maintained by the County Treasurer, and (b) at the request of the District, (i) the Local Agency Investment Fund maintained by the Treasurer of the State of California; (ii) other investments permitted under section 53601 of the California Government Code; and (iii) investment agreements with financial institutions with senior unsecured credit ratings at least double-A from one or more nationally recognized statistical rating organization. In regard to any investments requested by the District specified in clauses (b)(i), (b)(ii) or (b)(iii) above, the County may decline the request of the District upon any reasonable basis, including, specifically, any concerns of the County regarding the legality, structure or appropriateness of the investment vehicle generally or the process proposed for the bidding or the execution of the investment. Consent by the County to a request by the District to use any investments requested by the District specified in clauses (b)(i), (b)(ii) or (b)(iii) above shall in no way imply any endorsement by the County of such investment and the County assumes no liability for the results of such investment or of the provider thereof.

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

Section 11. Source of Payment. There shall be levied by the County on all the taxable property in the District, in addition to all other taxes, a continuing direct and ad valorem tax annually during the period the Series B Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series B Bonds when due, which moneys when collected will be placed in the Interest and Sinking Fund of the District, which fund is irrevocably pledged for the payment of the principal of and interest on the Series B Bonds when and as the same fall due. The moneys in the Interest and Sinking Fund, to the extent necessary to pay the principal of and interest on the Series B Bonds as the same become due and payable, shall be transferred by the County to the Paying Agent, as paying agent for the Series B Bonds, as necessary to pay the principal of and interest on the Series B Bonds.

Section 12. Sale of the Series B Bonds. A bond purchase agreement, by and among the County, the District and Citigroup Global Markets Inc. (the "Underwriter"), for the purchase by the Underwriter of the Series B Bonds (the "Bond Purchase Agreement"), substantially in the form attached hereto as Exhibit B, is hereby approved and the County Director of Finance, or a designee thereof, is hereby authorized to execute and deliver the Bond Purchase Agreement, with such changes therein, deletions therefrom and modifications thereto as the County Director of Finance, or a designee thereof, may approve, such approval to be conclusively evidenced by his execution and delivery thereof; provided, however, that the maximum true interest cost on the Series B Bonds shall not exceed 8% per annum and the Underwriter's discount, excluding original issue discount and reimbursable expenses, thereon shall not exceed 1% of the aggregate of principal amount of Series B Bonds issued. The County Director of Finance, or a designee thereof, is further authorized to enter into and execute the Bond Purchase Agreement with the Underwriter, if the conditions set forth in this Resolution are satisfied.

Section 13. Necessary Acts and Conditions. This Board determines that all acts and conditions necessary to be performed by the Board precedent to and in the issuing of the Series B Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series B Bonds have been performed and have been met, in regular and due form as required by law; that the full faith, credit and revenues of the District are pledged for the timely payment of the principal of and interest on the Series B Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have exceeded in the issuance of the Series B Bonds.

Section 14. Approval of Actions. Officers of the Board and County officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Series B Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.
Section 15. Limited Liability. Notwithstanding anything to the contrary contained herein, in the Series B Bonds or in any other document related to the Series B Bonds, neither the County, the Board or any officers, officials or employees of the County shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby and the Series B Bonds shall be payable solely from the moneys of the District available therefor as set forth in Section 11 hereof.

Section 16. Certified Copy to Auditor-Controller. The Clerk of the Board is hereby directed to provide a certified copy of this Resolution to the Auditor-Controller of Santa Clara County.

Section 17. Effective Date. This Resolution shall take effect immediately upon its passage.

**********

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Clara, State of California, on the 24th day of April, 2007, by the following vote:

AYES:

NOES:

ABSENT:

Donald F. Gage, Chairperson
Board of Supervisors

ATTEST:

Phyllis A. Perez
Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY:

Lizanne Reynolds
Deputy County Counsel

Resolution: Authorizing issuance of General Obligation Bonds for Sunnyvale School District (2004 Election, Series B) in amount Not to Exceed $30,000,000
EXHIBIT A

FORM OF SERIES B BONDS

SUNNYVALE SCHOOL DISTRICT
(Santa Clara County, California)

GENERAL OBLIGATION BONDS
ELECTION OF 2004, SERIES B

<table>
<thead>
<tr>
<th>INTEREST RATE</th>
<th>MATURITY DATE</th>
<th>DATED AS OF</th>
</tr>
</thead>
<tbody>
<tr>
<td>% per annum</td>
<td>September 1</td>
<td>May 31, 2007</td>
</tr>
</tbody>
</table>

REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT: _______________ DOLLARS

The Sunnyvale School District (the "District") in Santa Clara County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon, calculated on a 30/360 day basis, until the Principal Amount is paid or provided for at the Interest Rate stated above, such interest to be paid on March 1 and September 1 of each year (the "Interest Payment Dates"), commencing March 1, 2008. This Bond will bear interest from the Interest Payment Date next preceding the date of authentication hereof, unless (a) it is authenticated as of a business day following the 15th day of the month immediately preceding any Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before February 15, 2006, in which event it shall bear interest from April 24, 2007. Principal, interest and redemption premium (if any) are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this Bond is registered (the "Registered Owner") on the Register maintained by U.S. Bank National Association, San Francisco, California (the "Paying Agent"). Principal and any redemption premium is payable upon presentation and surrender of this Bond at the principal corporate trust office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Interest Payment Date to the registered owner of this Bond by first-class mail at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date (the "Record Date").

This Bond is one of a series of $____________ of Bonds issued for the purpose of raising money for real property acquisition or improvements, primarily to complete major facilities improvements and additions at the District's current school sites, including the eight elementary school sites and two middle school sites, to finance other capital projects and to pay all necessary legal, financial, engineering and contingent costs in connection therewith. The Bonds of this issue were authorized by the requisite fifty-five percent vote of the electors of the
District cast at a special election held on November 2, 2004, upon the question of issuing bonds in the amount of $120,000,000 (the "Authorization"), and pursuant to the resolution of the Board of Education of the District adopted on April 5, 2007 (the "District Resolution") and the resolution of the County Board of Supervisors adopted on April 24, 2007 (the "Bond Resolution"). The Bonds of this issue represent the second issue under the Authorization. This Bond and the issue of which this Bond is a part are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of $5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District, the County and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before September 1, 20xx, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after September 1, 20xx, are subject to redemption prior to maturity, at the option of the District, from any available source of funds, on any date on and after September 1, 20xx, at a redemption price equal to the principal amount thereof together with accrued interest thereon to the date fixed for redemption, without premium.

[If applicable] The Bonds maturing on September 1, 20xx (the "Term Bonds") are also subject to mandatory sinking fund redemption on September 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that if some but not all of the Term Bonds have been redeemed pursuant to the preceding paragraph, the aggregate principal amount of Term Bonds to be redeemed under this paragraph shall be reduced on a pro rata basis in integral multiples of $5,000, as shall be designated pursuant to written notice filed by the District with the County and the Paying Agent.

<table>
<thead>
<tr>
<th>Redemption Date</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 1</td>
<td></td>
</tr>
</tbody>
</table>

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot.
The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date these shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the District, the County and the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 30 days, but not more than 60 days, prior to the redemption date, provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

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

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the County, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

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

This Bond shall be not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution (described on the reverse hereof) until the Certificate of Authentication below has been manually signed by the Paying Agent.

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of 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 Sunnyvale School District, Santa Clara County, California, has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chair of the Board of Supervisors of Santa Clara County, the Clerk of said Board of Supervisors and the County Director of Finance of Santa Clara County, and has caused the seal of the County to be affixed hereon, all as of the date stated above.

[SEAL]

SANTA CLARA COUNTY

By ________________________________
Chair of the Board of Supervisors

By ________________________________
Clerk of the Board of Supervisors

By ________________________________
County Director of Finance
CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Bond Resolution referred to herein.

Date of Authentication:

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By ____________________________
Authorized Signatory
FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

______________________________________
(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint

______________________________________
attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Dated: __________________

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor.

NOTICE: 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.
EXHIBIT B

$30,000,000
SUNNYVALE SCHOOL DISTRICT
General Obligation Bonds,
Election of 2004, Series B

BOND PURCHASE AGREEMENT

May 15, 2007

Santa Clara County
70 West Hedding Street-2nd Floor
San Jose, CA 95110

Sunnyvale School District
830 West Iowa Street
Sunnyvale, CA 94086

Ladies and Gentlemen:

Citigroup Global Markets Inc. (the "Underwriter") offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the County of Santa Clara, California (the "County"), and the Sunnyvale School District (the "District") which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriter. This offer is made subject to the written acceptance of this Bond Purchase Agreement by the County and the District and delivery of such acceptance to us at or prior to 11:59 P.M., California time, on the date hereof.

1. Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of $30,000,000 in aggregate principal amount of the District's General Obligation Bonds, Election of 2004, Series B (the "Bonds"). The purchase price of the Bonds shall be $__________ (being equal to the aggregate principal amount of the Bonds ($30,000,000), plus net original issue premium ($__________), less net original issue premium retained by the Underwriter in the total amount of $__________ to pay an Underwriter's discount ($__________) costs of issuance ($__________) and the premium for the municipal bond insurance for the Bonds ($__________). The Bonds shall bear interest at the rates and shall mature in the years shown on Appendix A hereto, which is incorporated herein by this reference. The Bonds shall bear interest payable from the date thereof as specified in Section 2 herein on each March 1 and September 1, commencing March 1, 2008.

2. The Bonds. The Bonds shall be dated their date of delivery. The Bonds shall mature on September 1 in the years shown in Appendix A hereto and shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of the resolution of
the District adopted on April 5, 2007 (the "District Resolution"), the resolution of the Board of Supervisors of the County adopted on April 24, 2007 (the "County Resolution" and, with the District Resolution, the "Resolutions"), and section 15100 et seq. of the California Education Code (the "Act") and other applicable provisions of law.

Certain provisions for the optional and mandatory redemption of the Bonds not otherwise specified in the Resolutions are shown in Appendix A hereto, all as provided in the County Resolution. The Bonds shall be issued, authenticated and delivered under and in accordance with the provisions of this Bond Purchase Agreement and the Resolutions.

3. Use of Documents. The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Bond Purchase Agreement, the Official Statement (defined below) and the District Resolution, and the County hereby authorizes the Underwriter to use this Bond Purchase Agreement and the County Resolution, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District or the County to the Underwriter in connection with the transactions contemplated by this Bond Purchase Agreement.

4. Public Offering of the Bonds. The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering price or yield to be set forth on the cover page of the Official Statement and Appendix A hereto. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering price or yield as it deems necessary in connection with the marketing of the Bonds.

5. Review of Official Statement. The Underwriter hereby represents that it has received and reviewed the preliminary official statement with respect to the Bonds, dated April 19, 2007 (the Preliminary Official Statement). The District represents that it deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), yield(s) to maturity, selling compensation, aggregate principal amount, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule").

The Underwriter agrees that prior to the time a final Official Statement relating to the Bonds (hereinafter defined) is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which such request is received.

6. Closing. At 8:00 A.M., California time, on May 31, 2007, or at such other time or on such other date as shall have been mutually agreed upon by you and us (the "Closing"), you will deliver to us (except as otherwise provided in the Resolutions), at the offices of The Depository Trust Company ("DTC") in New York, New York, or at such other place as we may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and in San Francisco, California, the other documents hereinafter mentioned; and we will accept such delivery and pay the purchase price thereof in immediately available funds by check, draft or wire transfer to or upon the order of U.S. Bank National Association, as paying agent (the "Paying Agent"), on behalf of the District.
7. Representations, Warranties and Agreements of the District. The District hereby
represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is a school district duly organized and validly
existing under the laws of the State of California, with the power to request the issuance of
the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all
action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the
District has full legal right, power and authority to enter into this Bond Purchase
Agreement, to adopt the District Resolution, to perform its obligations under each such
document or instrument, and to carry out and effectuate the transactions contemplated by
this Bond Purchase Agreement and the District Resolution; (iii) the execution and delivery
or adoption of, and the performance by the District of the obligations contained in the
Bonds, the District Resolution and this Bond Purchase Agreement have been duly
authorized and such authorization shall be in full force and effect at the time of the Closing;
(iv) this Bond Purchase Agreement constitutes the valid and legally binding obligation
of the District; and (v) the District has duly authorized the consummation by it of all
transactions contemplated by this Bond Purchase Agreement. The District will not amend,
terminate or rescind, and will not agree to any amendment, termination or rescission of the
District Resolution or this Bond Purchase Agreement without the prior written consent of
the Underwriter prior to the Closing Date.

(c) Consents. Other than the approving vote of the electorate of the District and
adoption of the Resolutions, no consent, approval, authorization, order, filing, registration,
qualification, election or referendum of or by any court or governmental agency or public
body whatsoever is required in connection with the issuance, delivery or sale of the Bonds
or the consummation of the other transactions effected or contemplated herein or hereby,
extcept for such actions as may be necessary to qualify the Bonds for offer and sale under the
Blue Sky or other securities laws and regulations of such states and jurisdictions of the
United States as the Underwriter may reasonably request, or which have not been taken or
obtained; provided, however, that the District shall not be required to subject itself to service
of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) Internal Revenue Code. The District has covenanted to comply with the Internal
Revenue Code of 1986, as amended, with respect to the Bonds.

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and
the execution, delivery and performance of this Bond Purchase Agreement, the Resolutions,
and the Bonds, and the compliance with the provisions hereof do not conflict with or
constitute on the part of the District a violation of or default under, the Constitution of the
State of California or any existing law, charter, ordinance, regulation, decree, order or
resolution and do not conflict with or result in a violation or breach of, or constitute a
default under, any agreement, indenture, mortgage, lease or other instrument to which the
District is a party or by which it is bound or to which it is subject.

(f) Litigation. As of the time of acceptance hereof, based on the advice of counsel to
the District, No action, suit, proceeding, hearing or investigation is pending or, to the best
knowledge of the District, threatened against the District: (i) in any way affecting the
existence of the District or in any way challenging the respective powers of the several
offices or of the titles of the officials of the District to such offices; or (ii) seeking to restrain
or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds
of the sale of the Bonds, or the collection of taxes of the District pledged or to be pledged or
available to pay the principal of and interest on the Bonds, or the pledge thereof, or, the
levy of any taxes contemplated by the Resolutions, or in any way contesting or affecting the validity or enforceability of the Bonds, this Bond Purchase Agreement or the Resolutions or contesting the powers of the District or its authority with respect to the Bonds, the Resolutions or this Bond Purchase Agreement; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Bond Purchase Agreement or the Resolutions, (b) declare this Bond Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District directly, nor the County on behalf of the District, will have issued in the name and on behalf of the District any bonds, notes or certificates of participation except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Arbitrage Certificate. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon.

(i) Continuing Disclosure. To assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) of the Rule, the District will undertake, pursuant to the Resolutions and a continuing disclosure certificate, to provide annual reports and notices of certain events (the "Continuing Disclosure Undertaking"). A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

(j) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(k) Official Statement. The District has reviewed the Preliminary Official Statement and, to the best of its knowledge, as of its date and as of the date hereof, the information set forth therein contains no untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading in any material respect. The District will provide to the Underwriter a certificate dated as of the Closing stating that it has reviewed the Official Statement and to the best of its knowledge, as of the Closing, the information set forth therein contains no untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(l) Financial Statements. The financial statements of the District contained in the Preliminary Official Statement and the Official Statement present fairly the financial position of the District as of the dates indicated and the results of its operations for the periods specified.
8. Representations, Warranties and Agreements of the County. The County hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The County is a political subdivision duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Bond Purchase Agreement, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Bond Purchase Agreement and the County Resolution; (iii) the execution and delivery or adoption of, and the performance by the County of the obligations contained in the Bonds, the County Resolution, and this Bond Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Bond Purchase Agreement constitutes a valid and legally binding obligation of the County; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Bond Purchase Agreement. The County will not amend, terminate or rescind, and will not agree to any amendment, termination or rescission of the County Resolution or this Bond Purchase Agreement without the prior written consent of the Underwriter prior to the Closing Date.

(c) Consent. No consent, approval, authorization, order, filing, registration, qualification, election or referendum of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the County shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) No Conflicts. To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Bond Purchase Agreement, the County Resolution, and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the County a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject.

(e) Litigation. As of the time of acceptance hereof, based on the advice of County Counsel, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the County, threatened against the County: (i) in any way affecting the existence of the County, or in any way challenging the respective powers of the several offices or of the titulars of the official of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of taxes of the District pledged or to be pledged or available to pay the principal of and interest on the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the Resolutions or in any way contesting or affecting the validity or enforceability of the Bonds, this Bond Purchase Agreement or the County Resolution or contesting the powers of the County or its authority with respect to the
Bonds, the County Resolution, or this Bond Purchase Agreement; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County with respect to the levy and collection of property taxes, the timely payment of debt service on the Bonds, the investment of the proceeds of the Bonds, or the consummation of the transactions contemplated by this Bond Purchase Agreement or the County Resolution, or (b) declare this Bond Purchase Agreement to be invalid or unenforceable in whole or in material part.

(f) Taxation. Pursuant to the County Resolution and California Education Code Section 15250, the County will levy ad valorem property taxes in sufficient amounts for the punctual payment of principal of and interest on the Bonds.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued in the name and on behalf of the District any bonds, notes or certificates of participation except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Official Statement. The County will provide to the Underwriter a certificate dated as of the Closing stating that it has reviewed the Official Statement and the Preliminary Official Statement and to the best of its knowledge, as of the Closing, the information set forth therein under the captions "THE BONDS—Security and Sources of Payment for the Bonds" and "APPLICATION OF PROCEEDS OF BONDS—Investment of Proceeds of Bonds" contains no untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(i) Certificates. Any certificates signed by any officer of the County and delivered to the Underwriter shall be deemed a representation by the County to the Underwriter, but not by the person signing the same, as to the statements made therein.

9. Covenants of the District. The District covenants and agrees with the Underwriter that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Resolutions;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Bond Purchase Agreement is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the "Official Statement") in such quantities as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the Municipal Securities Rulemaking Board. The District hereby authorizes the Underwriter to
use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District, respectively, until the date which is ninety (90) days following the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale;

(e) References. References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto; and

(f) Amendments to Official Statement. For a period of ninety (90) days after the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale, the District will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing or which shall be disapproved by the Underwriter; and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, the District shall forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of 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 the Official Statement is delivered to a purchaser, not misleading.

10. Conditions to Closing. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the County and the District contained herein, and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Bond Purchase Agreement are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the County and the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and each of the County and the District shall be in compliance with each of the agreements made by it in this Bond Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Bond Purchase Agreement, the District Resolution and the County Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Quint & Thimmig LLP ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect; and (iii) the County and the District shall perform or have performed all of their obligations required under or specified in the District Resolution, the County
Resolution, this Bond Purchase Agreement or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Bond Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, pending or threatened which has any of the effects described in Section 7(i) or 8(c) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, of the Bonds shall not have been materially adversely affected in the judgment of the Underwriter (evidenced by a written notice to the County and the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) legislation enacted by the legislature of the State of California (the "State"), or a decision rendered by a court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof, or

(3) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the reasonable judgment of the Underwriter, impractical or inadvisable to proceed with the offering or delivery of the Bonds as contemplated by the Official Statement (exclusive of any amendment or supplement thereto);

(4) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;
(5) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(6) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(7) the withdrawal or downgrading of any rating of the District’s outstanding indebtedness by a national rating agency; or

(8) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) Delivery of Documents. At or prior to the date of the Closing, Bond Counsel shall deliver sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the County and the District;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in (e)(1) above;

(3) Supplemental Opinion. A supplemental opinion of Bond Counsel, dated the Closing Date, addressed to the Underwriter to the effect that:

(i) this Bond Purchase Agreement has been duly executed and delivered by the District and the County and, assuming due authorization, execution and delivery by and validity against the Underwriter, is a valid and binding agreement of the District and the County, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance and other laws relating to or affecting creditors’ rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases;
(ii) the statements contained in the Official Statement under the captions "THE BONDS," "SECURITY FOR THE BONDS" and "Tax Matters," insofar as such statements purport to summarize certain provisions of the Bonds and the Resolutions and its opinion concerning certain federal tax matters relating to the Bonds are accurate in all material respects;

(iii) the Bonds are not subject to the registration requirements of the Securities Act and the Resolutions are exempt from qualification under the Trust Indenture Act; and

(iv) the Continuing Disclosure Undertaking satisfies section (b)(i) of the Rule, which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide certain annual financial information and event notices to various information repositories at the time and in the manner required by the Rule;

(4) **Additional Opinion.** An opinion of Bond Counsel, addressed to the County, the District and the Underwriter, to the effect that, based upon its review of the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements in the Official Statement, such counsel has no reason to believe that, as of the date of the Preliminary Official Statement, the date hereof and the Closing Date, the Official Statement (except for financial, statistical and numerical data included in the Official Statement, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(5) **Certificates.** Certificates signed by appropriate officials of the County and the District to the effect that (i) such officials are authorized to execute this Bond Purchase Agreement, (ii) the representations, agreements and warranties of the County and the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the District Resolution and this Bond Purchase Agreement, and the County has complied with all the terms of the County Resolution and this Bond Purchase Agreement, which are necessary to be complied with prior to or concurrently with the Closing and such documents are in full force and effect, (iv) the District has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Bond Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution;

(6) **Arbitrage.** A non-arbitrage certificate of the District in a form satisfactory to Bond Counsel;

(7) **Municipal Bond Insurance.** Evidence satisfactory to the Underwriter that the Bonds shall have received a policy of municipal bond insurance by Financial Security Assurance Inc. (the "Municipal Bond Insurer") that unconditionally guarantees the timely payments of all debt service on the Bonds.
(8) **Rating.** Evidence satisfactory to the Underwriter that the Bonds shall have been rated "AAA," by Standard & Poor’s Ratings Services as a result of municipal bond insurance provided by the Municipal Bond Insurer, and that such rating has not been revoked or downgraded;

(9) **District Resolution.** A certificate, together with fully executed copies of the District Resolution, of the Secretary of the District Board of Education to the effect that:

(i) such copies are true and correct copies of the District Resolution; and

(ii) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(10) **District Counsel Opinion.** An opinion of Counsel to the District in the form attached as Appendix B;

(11) **County Resolution.** A certificate, together with fully executed copies of the County Resolution, of the Clerk of the County Board of Supervisors to the effect that:

(i) such copies are true and correct copies of the County Resolution; and

(ii) that the County Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(12) **County Counsel Opinion.** An opinion of Counsel to the County in the form attached hereto as Appendix C;

(13) **Official Statement.** Certificates of the appropriate officials of the District evidencing their determinations respecting the Official Statement in accordance with the Rule;

(14) **Continuing Disclosure Certificate.** A continuing disclosure certificate of the District as summarized in the Official Statement and in a form satisfactory to the Underwriter which complies with S.B.C. Rule 15c2-12(b)(5).

(15) **Other Documents.** Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the County and the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained, and (iii) the due performance or satisfaction by the County and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District; and

(f) **Termination.** Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to
the Underwriter prior to the close of business, California Time, on __________, 2007, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 11 hereof.

If the County and/or the District shall be unable to satisfy the conditions to the Underwriter’s obligations contained in this Bond Purchase Agreement or if the Underwriter’s obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

11. Indemnification

(a) The District agrees, to the extent permitted by law, to indemnify and hold harmless the Underwriter, the directors, officers, employees and agents of the Underwriter and each person who controls the Underwriter within the meaning of either the Securities Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Official Statement, the Official Statement (or in any supplement or amendment thereto), or arise out of or are based upon the omission or alleged omission to state therein 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, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the District will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Official Statement or the Official Statement, or in any amendment thereof or supplement thereto, in reliance upon and in conformity with written information furnished to the District by or on behalf of the Underwriter specifically for inclusion therein. This indemnity agreement will be in addition to any liability which the District may otherwise have.

(b) The Underwriter agrees to indemnify and hold harmless the District and the County, each of their officials, directors, officers and employees, and each person who controls the District and the County within the meaning of either the Securities Act or the Exchange Act, to the same extent as the foregoing indemnity from the District to the Underwriter, but only with reference to written information relating to the Underwriter furnished to the District or the County by or on behalf of the Underwriter specifically for inclusion in the Preliminary Official Statement or the Official Statement (or in any amendment or supplement thereto). This indemnity agreement will be in addition to any liability which the Underwriter may otherwise have. The District and the County acknowledge that the statements set forth in the last paragraph of the cover page regarding the delivery of the Bonds, the legend in block capital letters and the related disclosure on page concerning stabilization, syndicate covering transactions and penalty bids and (i) the sentences related to concessions and re-allowances; and (ii) the paragraph related to
stabilization, syndicate covering transactions and penalty bids in the Preliminary Official Statement and the Official Statement, constitute the only information furnished in writing by or on behalf of the Underwriter for inclusion in the Preliminary Official Statement or the Official Statement (or in any amendment or supplement thereto).

(c) Promptly after receipt by an indemnified party under this Section 11 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 11, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses; and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party’s choice at the indemnifying party’s expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be satisfactory to the indemnified party. Notwithstanding the indemnifying party’s election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 11 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the District and the Underwriter agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively “Losses”) to which the District and the Underwriter may be subject in such proportion as is appropriate to reflect the relative benefits received by the District on the one hand and by the Underwriter on the other from the offering of the Bonds. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the District and the Underwriter shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the District on the one hand and of the Underwriter on the other in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. In no case shall the Underwriter be responsible for any amount in excess of the purchase discount or commission applicable to the Bonds purchased by the
Underwriter hereunder. Benefits received by the District shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriter shall be deemed to be equal to the total purchase discounts and commissions in each case set forth on the cover of the Official Statement. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the District on the one hand or the Underwriter on the other, the intent of the parties and their relative knowledge, information and opportunity to correct or prevent such untrue statement or omission. The District and the Underwriter agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 11, each person who controls the Underwriter within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of the Underwriter shall have the same rights to contribution as the Underwriter, and each person who controls the District within the meaning of either the Securities Act or the Exchange Act and each official, director, officer and employee of the District shall have the same rights to contribution as the District, subject in each case to the applicable terms and conditions of this paragraph (d).

(e) The District hereby agrees to indemnify and hold harmless, to the extent permitted by law, the County and its officials, officers and employees (“County Indemnified Parties”), against any and all losses, claims, damages or liabilities, joint or several, to which such County Indemnified Parties may become subject because of action or inaction related to the adoption of the County Resolution or the sale, award, issuance, and delivery of the Bonds in accordance therewith. The District shall also reimburse any such County Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

12. Conditions to Obligations of the County and the District. The performance by the County and the District of their obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the County and the District.

13. Costs and Expenses. The Underwriter shall pay all costs and expenses incurred in the issuance and sale of the Bonds, including, but not limited to the fees and expenses of Bond Counsel and the financial adviser, bond insurance premium, the cost of the printing and distribution of the Official Statement, Underwriter’s discount and initial fees and expenses of the Paying Agent from original issue premium retained by the Underwriter. The aggregate amount of such costs and expenses paid by the Underwriter (excluding underwriter’s discount) shall not exceed $__________. If such costs and expenses are less than $__________, the Underwriter shall reimburse the District such remainder, which amount shall be deposited in the Interest and Sinking Fund established and held by the County pursuant to the County Resolution. Except to the extent paid by the Underwriter pursuant to the preceding sentences, the District shall pay any expenses incident to the performance of its obligations hereunder from the proceeds of the Bonds. All out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, travel (except in connection with securing a rating on the Bonds) and other expenses (except as provided above), shall be paid by the Underwriter.
14. Notices. Any notice or other communication to be given under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Director of Finance, Santa Clara County, 70 West Hedding Street-2nd Floor, San Jose, CA 95110, or if to the District, to the Superintendent, Sunnyvale School District, 830 West Iowa Street, Sunnyvale, CA 94086, or if to the Underwriter, to Mr. Robert Barna, Director, Citigroup Global Markets Inc. Inc., 333 South Grand Avenue, 52nd Floor, Los Angeles, CA 90071.

15. Parties in Interest; Survival of Representations and Warranties. This Bond Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriter. This Bond Purchase Agreement is made solely for the benefit of the County, the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the County and the District in this Bond Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Bond Purchase Agreement.

16. Execution in 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 but one and the same document.

17. Applicable Law. This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.

By __________________________

Director

The foregoing is hereby agreed to and accepted as of the date first above written:

SANTA CLARA COUNTY

By __________________________

Director, Finance Agency

SUNNYVALE SCHOOL DISTRICT

By __________________________

Deputy Superintendent
APPENDIX A

INTEREST RATES, REOFFERING PRICES, MATURITIES, DEBT SERVICE, AND OPTIONAL AND MANDATORY REDEMPTION PROVISIONS

Maturity Schedule

<table>
<thead>
<tr>
<th>Maturity (Sept.)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Yield</th>
<th>Price</th>
</tr>
</thead>
</table>

*Priced to 9/1/15 par call date.*

Appendix A
Redemption Provisions

Optional Redemption. The Bonds maturing on or before September 1, ____, are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after September 1, ____, may be redeemed before maturity at the option of the District, from any source of funds, on September 1, ____, or on any date thereafter as a whole, or in part in inverse order of maturity and by lot within a maturity, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, ____, are subject to mandatory redemption in part by lot on September 1, ____, and on September 1, ____, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount of Bonds to be Redeemed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(September 1 ____)</td>
<td></td>
</tr>
</tbody>
</table>

*Maturity.
APPENDIX B
FORM OF DISTRICT COUNSEL OPINION

Santa Clara County
70 West Hedding Street-2nd Floor
San Jose, California 95110

Sunnyvale School District
830 West Iowa Street
Sunnyvale, California 94086

Citigroup Global Markets Inc.
333 South Grand Avenue, 32nd Floor
Los Angeles, California 90071

Re: $30,000,000 Sunnyvale School District General Obligation Bonds, Election of 2004, Series B

Ladies and Gentlemen:

As counsel to the Sunnyvale School District (the "District"), I have reviewed the proceedings relating to the special election of the District held on November 2, 2004 (the "Election"), at which the above-described bonds (the "Bonds") were authorized, the Official Statement (the "Official Statement") for the Bonds, the Resolution of the Board of Education of the District adopted on April 5, 2007 (the "District Resolution"), the Bond Purchase Agreement, dated as of May 15, 2007, by and among the District, Santa Clara County, and Citigroup Global Markets Inc., as the underwriter (the "Bond Purchase Agreement").

Having reviewed these documents, it is my opinion that:

1. The District is a school district duly organized and existing under the Constitution and the laws of the State of California.

2. The District Resolution was duly adopted at a meeting of the governing body of the District which 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.

3. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the District which would adversely impact the District's ability to complete the transactions described in and contemplated by the Official Statement, to restrain or enjoin the levy or collection of tax revenues pledged for the Bonds or in any way contesting or affecting the validity of the Election, the Bond Purchase Agreement, the District Resolution or the Bonds or the transactions described in and contemplated by the Official Statement wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the Election, the Bond Purchase Agreement, the District Resolution or the Bonds or in which a final adverse decision could materially adversely affect the operations of the District.
4. To the best of my knowledge, the obligations of the District under the Bonds, and the approval of the Official Statement and compliance with the provisions thereof, and the execution of and performance of the provisions of the Bond Purchase Agreement, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the District a breach of or default under any agreement or other instrument to which the District is a party or by which it is bound or any existing law, regulation court order or consent decree to which the District is subject.

5. The Election was validly ordered and the proceedings relating thereto were conducted in compliance with all requirements of the Constitution and the laws of the State of California.

6. No authorization, approval, consent, or other order of the State of California, or other governmental authority or agency within the State of California, is required for the valid authorization of the Bonds, the execution of the Bond Purchase Agreement or the approval of the Official Statement.

Very truly yours,
APPENDIX C

OPINION OF COUNTY COUNSEL

Santa Clara County
70 West Hedding Street-2nd Floor
San Jose, California 95110

Sunnyvale School District
830 West Iowa Street
Sunnyvale, California 94086

Citigroup Global Markets Inc.
333 South Grand Avenue, 52nd Floor
Los Angeles, California 90071

Re: $30,000,000 Sunnyvale School District General Obligation Bonds, Election of 2004, Series B

Ladies and Gentlemen:

As counsel to the Board of Supervisors (the "Board") of Santa Clara County, California (the "County"), I have reviewed the Official Statement (the "Official Statement") for the above-described bonds (the "Bonds") and the Resolution of the Board adopted on April 24, 2007, with respect to the Bonds (the "County Resolution"), and the Bond Purchase Agreement, dated as of May 15, 2007, by and among the Sunnyvale School District (the "District"), the County and Citigroup Global Markets Inc., as underwriter (the "Bond Purchase Agreement").

Having reviewed these documents, it is my opinion that:

1. The County is a political subdivision duly organized and existing pursuant to the Constitution and the laws of the State of California.

2. The County Resolution was duly adopted at a meeting of the governing body of the County which 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.

3. To my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the County which would restrain or enjoin the levy or collection of tax revenues pledged for the Bonds or in any way contesting or affecting the validity of the County Resolution, the Bond Purchase Agreement or the Bonds wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the County Resolution, the Bond Purchase Agreement or the Bonds, or in which a final adverse decision could materially adversely affect the operations of the County.

4. To my knowledge, the issuance of the Bonds and the execution of and performance of the provisions of the Bond Purchase Agreement, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach of or default under any agreement or other instrument to
which the County is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the County is subject.

5. No authorization, approval, consent, or other order of the State of California, or other governmental authority or agency within the State of California, is required for the valid authorization of the Bonds or the execution of the Bond Purchase Agreement.

Very truly yours,