SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT

BOARD OF EDUCATION

CSBA Professional Governance Standards

Adopted by the Santa Maria Joint Union High School District April 11, 2001

THE BOARD

School districts and county offices of education are governed by boards, not by individual trustees. While understanding their separate roles, the board and superintendent work together as a “governance team.” This team assumes collective responsibility for building unity and creating a positive organizational culture in order to govern effectively.

To operate effectively, the board must have a unity of purpose and:

- Keep the district focused on learning and achievement for all students.
- Communicate a common vision.
- Operate openly, with trust and integrity.
- Govern in a dignified and professional manner, treating everyone with civility and respect.
- Govern within board-adopted policies and procedures.
- Take collective responsibility for the board’s performance.
- Periodically evaluate its own effectiveness.
- Ensure opportunities for the diverse range of views in the community to inform board deliberations.

THE INDIVIDUAL TRUSTEE

In California’s public education system, a trustee is a person elected or appointed to serve on a school district or county board of education. Individual trustees bring unique skills, values and beliefs to their board. In order to govern effectively, individual trustees must work with each other and the superintendent to ensure that a high quality education is provided to each student.

To be effective, an individual trustee:

- Keeps learning and achievement for *all* students as the primary focus.
- Values, supports and advocates for public education.
- Recognizes and respects differences of perspective and style on the board and among staff, students, parents and the community.
- Acts with dignity, and understands the implications of demeanor and behavior.
- Keeps confidential matters confidential.
- Participates in professional development and commits the time and energy necessary to be an informed and effective leader.
- Understands the distinctions between board and staff roles, and refrains from performing management functions that are the responsibility of the superintendent and staff.
- Understands that authority rests with the board as a whole and not with individuals.

Board of Trustees Action Plans
Santa Maria Joint Union High School District

- **Maximize Student Success**
- **Develop and Maintain a Districtwide Accountability System**
- **Enhance Student Support Services: Facilities, Technology, Safe, Clean, Nurturing Environment; Expand Food Services**
- **Foster Partnerships**
- **Manage Rapid District Growth**

RESPONSIBILITIES OF THE BOARD

The primary responsibilities of the board are to set a direction for the district, provide a structure by establishing policies, ensure accountability and provide community leadership on behalf of the district and public education. To fulfill these responsibilities, there are a number of specific jobs that effective boards must carry out.

Effective boards:

- Involve the community, parents, students and staff in developing a common vision for the district focused on learning and achievement and responsive to the needs of all students.
- Adopt, evaluate and update policies consistent with the law and the district's vision and goals.
- Maintain accountability for student learning by adopting the district curriculum and monitoring student progress.
- Hire and support the superintendent so that the vision, goals and policies of the district can be implemented.
- Conduct regular and timely evaluations of the superintendent based on the vision, goals and performance of the district, and ensure that the superintendent holds district personnel accountable.
- Adopt a fiscally responsible budget based on the district's vision and goals, and regularly monitor the fiscal health of the district.
- Ensure that a safe and appropriate educational environment is provided to all students.
- Establish a framework for the district's collective bargaining process and adopt responsible agreements.
- Provide community leadership on educational issues and advocate on behalf of students and public education at the local, state and federal levels.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
BOARD OF EDUCATION

Regular Meeting
November 12, 2014

Santa Maria High School (Cafeteria)
901 South Broadway, Santa Maria, California 93454

5:30 p.m. Closed Session/6:30 p.m. General Session

The Santa Maria Joint Union High School District mission is to provide all students with an enriching high school experience that strives to enhance students' natural abilities, to promote the development of new capabilities, and to encourage the lifelong pursuit of wisdom and harmony as productive individuals in their community.

Any materials required by law to be made available to the public prior to a meeting of the Board of Education of the District can be inspected at the above address during normal business hours.

Individuals who require special accommodation including, but not limited to, American Sign Language Interpreter, accessible seating or documentation in accessible formats should contact the superintendent or designee within a reasonable amount of time before the meeting date.

I. Open Session

Call to Order

II. Adjourn to Closed Session

Note: The Board will consider and may act upon any of the following items in closed session. They will report any action taken publicly at the end of the closed session as required by law.

A. Certificated and Classified Personnel Actions – Government Code Section 54957. The Board will be asked to review and approve hiring, transfers, promotions, evaluations, terminations, and resignations as reported by the Assistant Superintendent, Human Resources. ***Appendix A***

B. Student Matters – Education Code Sections 35146 & 48918. The Board will review proposed expulsions/suspended expulsion(s) and/or requests for re-admission. *NOTE: The education code requires closed sessions in these cases to prevent disclosure of confidential student record information.*

C. Conference with Labor Negotiators. The Board will be provided a review of negotiations with the Faculty Association (California Teachers Association) and the California School Employees Association (CSEA).

III. Reconvene in Open Session

Call to Order/Flag Salute

IV. Announce Closed Session Actions

V. Presentation

A. Positive Behavior Intervention System (PBIS) – Shanda Herrera, PVHS

VI. Reports

A. Superintendent's Report

B. Principal Reports

C. Student Reports

Gerardo Nevarez/SMHS; Jhaicelle Laron/ERHS; David Torres/PVHS; Carlos Alvarado/Delta

D. Board Member Reports

VII. Items Scheduled for Action

A. General

1. Board Policies/Administrative Regulations – ***Appendix C***

The administration has reviewed the following amended or new Board Policies/Administrative Regulations, aligned with California School Boards Association updates, which are provided as education code and laws change. A summary of revisions/changes made is presented in Appendix D of the agenda. The complete revised policies and regulations are part of the agenda which is posted on the district's website at www.smjuhsd.k12.ca.us.

Personnel

Beginning Teacher Support/Induction	BP 4131.1
Mentor Teachers	BP/AR 4138
Peer Assistance and Review	BP/AR 4139
Staff Evaluating Teachers	BP 4315.1

Certification	BP/AR 4112.2
Interns	BP/AR 4112.21
Evaluation/Supervision	BP/AR 4115
Personnel Reduction	BP 4117.3
Teacher Support and Guidance	BP/AR 4131.1
Evaluation/Supervision	BP 4315
Professional Standards	E 4319.21
Intradistrict Open Enrollment	BP 5116.1
High School Graduation Requirements	AR 6146.1

Resource Person: Tracy Marsh, Assistant Superintendent of Human Resources; John Davis, Assistant Superintendent of Curriculum & Instruction

*** **IT IS RECOMMENDED THAT the Board of Education approve the Board Policies and Administrative Regulations as presented.**

Moved _____ Second ______ Vote ______

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2. Naming of the Santa Maria High School Saints Press Box

Santa Maria High School would like to name the Saints Press Box “William Yanez Saints Press Box”. Mr. Yanez was a teacher at Santa Maria High School and announced SMHS football games for over 27 years.

A PUBLIC HEARING IS REQUIRED.

Resource Person: Mark Richardson, Superintendent

*** **IT IS RECOMMENDED THAT the Board of Education approve the naming of the SMHS Saints Press Box to “William Yanez Saints Press Box.”**

Moved _____ Second _____ Vote _____

B. Business

1. <u>Authorization to Piggyback on Santa Monica Malibu Unified School District for Flooring Materials and Installation District-Wide for the Length of the Contract through July 18, 2015.</u>

Section 20118 of the Public Contract Code provides an alternative for obtaining supplies, furniture, and equipment, commonly referred to as “piggybacking”, where notwithstanding Section 20111 and 20112 of the Public Contract Code, the governing Board of any school district without advertising for bids and if the Board of Education has determined it to be in the best interest of the district may authorize the purchase of such supplies, furniture and equipment.

Santa Monica Malibu Unified School District has awarded their flooring materials and installation bid to Tandus Flooring, Inc. (Piggyback Bid #9.10-Amendment #4, expires July 18, 2015, and with Board approval the district may "piggyback" on their bid.

Resource Person: Yolanda Ortiz, Assistant Superintendent of Business Services

*** **IT IS RECOMMENDED THAT** notwithstanding Sections 20111 and 20112 of the Public Contract Code, the Governing Board has determined it to be in the best interest of the district to grant approval to obtain flooring materials and installation pursuant to a "piggyback" clause in the Santa Monica Malibu Unified School District bid for which the originating district has complied with all competitive bidding requirements; pursuant to Piggyback Bid #B- 9.10-Amendment 4, Term Dates: July 19, 2014 – July 18, 2015.

Moved ______ **Second ______** **Vote ______**

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2. Attendance Boundary Realignment Criteria, Process and Timeline – ***Appendix D***

The administration is presenting a draft of the Attendance Boundary Realignment Criteria, Process and Timeline for approval. There is currently a pronounced imbalance in the enrollment of the districts three comprehensive high schools. The guidelines set forth seek to develop a proposal for adjusting attendance boundaries to create balance of enrollment at the three comprehensive high schools within our district.

The recommendation for adoption of a proposal from the Boundary Committee will require board approval and is scheduled to be brought forward next spring.

Resource Person: Yolanda Ortiz, Assistant Superintendent of Business Services

*** **IT IS RECOMMENDED THAT** the Board of Education approve the Attendance Boundary Realignment Criteria, Process and Timeline, presented as Appendix D.

Moved ______ **Second ______** **Vote ______**

INFORMATIONAL ITEM/NON-ACTION – *Appendix E*

3. The following resolution will be considered for vote by the Board on the December 10, 2014 Agenda: "RESOLUTION OF THE BOARD OF EDUCATION OF THE SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES 2014, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $29,001,905; APPROVING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS; AND AUTHORIZING RELATED ACTIONS."

Background: On November 2, 2004, a general obligation bond election was held within the boundaries of the District, and the District obtained more than 55% of the votes cast at said election to issue bonds in a principal amount of up to $79,000,000 to finance the projects identified in the ballot measure (the "2004 Authorization").

The District subsequently issued or caused to be issued two series of bonds pursuant to the 2004 Authorization, as follows: the District's (i) General Obligation Bonds, Election of 2004, Series 2005, originally issued in the aggregate amount of $34,998,221.95 (the "Series 2005 Bonds") and (ii) General Obligation Bonds, Election of 2004, Series 2013 (the "2013 Bonds"), originally issued in the aggregate amount of $14,999,872.60, leaving $29,001,905.45 in principal amount authorized but unissued.

On April 23, 2013, the Board issued $26,820,000 aggregate principal amount of its 2013 General Obligation Refunding Bonds (the "2013 Refunding Bonds"), the proceeds of which were used to establish an escrow fund to refund all of the District's then outstanding General Obligation Bonds Election of 2000, Series A, and Series B. A portion of the proceeds of the 2013 Refunding Bonds were deposited into an escrow fund to refund a portion of the District's then outstanding Series 2005 Bonds, leaving approximately $4,530,000 of the Series 2005 Bonds outstanding.

The District has determined that it is necessary at this time to issue an additional series of Bonds to fund projects authorized by the voters pursuant to the 2004 Authorization. The Resolution authorizing the issuance of the additional series of general obligation bonds (the "Series 2014 Bonds") is presented only as an informational item at this meeting. The Series 2014 Bonds are proposed to be issued as Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, or any combination thereof, on a tax-exempt basis. Capital Appreciation Bonds and Convertible Capital Appreciation Bonds are bonds which allow for the compounding of interest.

Assembly Bill 182, which became effective January 1, 2014, provides that a resolution authorizing bonds which allow for the compounding of interest must appear on at least two consecutive meeting agendas, first as an information item and second as an action item. In compliance with said requirements, the proposed Resolution is being presented to the Board on November 12, 2014 as an information item, and will appear on the next consecutive agenda, December 10, 2014, as an action item, at which time members of the Board will vote on the Resolution.

Assembly Bill 182 also requires that the Board be presented with certain items relating to the financing at the informational meeting. The required items have been attached to the Resolution as Appendix B and include:

- An analysis containing the total overall cost of the Series 2014 Bonds that allow for the compounding of interest,
- A comparison to the overall cost of issuing only current interest bonds,
- The reasons bonds that allow for the compounding of interest are being recommended,
- A copy of the disclosure made by the Underwriter in compliance with Municipal Securities Rulemaking Board Rule G-17 (if an underwriter has been selected as of the informational meeting date), and
- Annual assessed value growth assumptions used in connection with the issuance of the bonds.

Bonds Authorized. The Resolution authorizes the issuance of the Series 2014 Bonds, as tax-exempt bonds, pursuant to the 2004 Authorization in the form of Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, or any combination thereof. The Resolution incorporates the terms of AB 182, including the following:

- Interest rate not to exceed 6%;
- Term of Current Interest Bonds not to exceed 30 years;
- Term of no more than 25 years for Capital Appreciation Bonds or Convertible Capital Appreciation Bonds;
- Debt service to principal ratio of not to exceed 4:1; and
- Capital Appreciation Bonds and Convertible Capital Appreciation Bonds may be refunded beginning no later

than 10 years following issuance.

Additional Documents Authorized. The Resolution also authorizes District officials to finalize and execute the following documents:

(1) Official Statement: The Preliminary Official Statement (the "POS") is the document that will be printed and circulated to potential investors in the Bonds. The POS describes to investors the terms of the bonds (principal maturity amounts and dates, interest payment dates), and the security for the bonds (*ad valorem* taxes levied and collected in the District in a sufficient amount to pay debt service coming due in each fiscal year on the Bonds), describes the District's tax base, and also presents District financial information to provide an investor with information regarding the District's overall financial health. The securities laws require that a POS (i) not contain any misleading information and (ii) not omit any material information. In authorizing the issuance of securities and related disclosure documents, a public official may not authorize disclosure that the official knows to be false; nor may a public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading. If a Board member is aware of something that should be considered and disclosed in the Preliminary Official Statement relating to the District's ability to pay the Bonds from *ad valorem* taxes, that member should advise the financing team so it can be considered and possibly disclosed to investors. The Resolution delegates authority to the District's staff to make changes to the POS following approval but before the Preliminary Official Statement is printed and distributed to investors.

(2) Bond Purchase Agreement. This document sets forth all of the terms of the sale of the Bonds to an underwriter to be selected by the District Superintendent. Alternatively, if the District determines upon the advice of its financial advisor to sell the bonds on a competitive or semi-competitive basis, then District Officials are authorized to review, approve and execute documents governing such sale. The sale must occur within the parameters set forth in Section 3.01(a) of the Resolution.

(3) Continuing Disclosure Certificate. Under the Resolution, the District covenants to comply with all of the terms of the Continuing Disclosure Certificate, which is attached to the POS as Appendix E and will be signed by the Superintendent upon the delivery of the Bonds. Under this agreement, which is required under Federal securities laws, the District must (1) annually (by March 31 of each year) file certain information with the Securi-

ties Rulemaking Board, consisting generally of the District's annual financial statements, and (2) report certain significant events that might occur over the terms of the Bonds, such as a rating change or a delinquent payment. This reporting obligation extends during the life of the Bonds.

Resource Person: Yolanda Ortiz, Assistant Superintendent of Business Services

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VIII. Consent Items

*** **IT IS RECOMMENDED THAT the Board of Education approve the following consent items as presented.**

All items listed are considered to be routine and may be enacted by approval of a single motion. There will be no separate discussion of these items; however, any item may be removed from the consent agenda upon request of any member of the board and acted upon separately.

Moved _____ **Second** _____ **Vote**_____

A. Approval of Minutes

Regular Board Meeting – October 8, 2014

B. Approval of Warrants for the Month of October 2014

Payroll	$5,919,864.07
Warrants	2,052,679.96
Total	**$7,972,544.03**

C. Attendance Report

Mrs. Yolanda Ortiz, Assistant Superintendent of Business Services, will be available to answer questions regarding the 2014-2015 second monthly attendance report presented on the last page of this agenda.

D. Facility Report – ***Appendix B***

E. Acceptance of Gifts

Pioneer Valley High School		
Donor	**Recipient**	**Amount**
Dee Ringstead	PVHS Drama Dept.	$150.00
PVHS Boosters	Band	$469.00
PVHS Boosters	Baseball	$311.00
Church for Life	Boys Waterpolo	$100.00
Yvette M. Alcoser Sole Prop DBA-Kona Ice	Band	$220.00
O.R.G. Restaurants, LLC	Girls Volleyball	$320.00
Total Pioneer Valley High School		**$1570.00**

Santa Maria High School		
Donor	**Recipient**	**Amount**
Target	SMHS	$402.44
Jim Galvez	Auto Shop	$500.00
Sharon Walsh	Auto Shop	$500.00
Santa Maria FFA Boosters	FFA	$5,000.00
Santa Maria Chapter California Women for Agriculture	FFA	$1,000.00
Wheels N Windmills	Automobile Club	$8,200.00
SMHS Basketball Boosters	SMHS Athletics	$500.00
Lifetouch National School Studios	SMHS ASB	$500.00
Total Santa Maria High School		**$16,602.44**

F. Approval/Ratification of Purchase Orders

P.O. #	Vendor	Amount	Description & Funding
15-0624	Dell Computers	$216,657.06	Computers/Common Core
15-0697	CIO Solutions	$177,822.76	Phone System/Technology

G. Textbook Discard

1. Santa Maria High School is requesting permission to discard the obsolete/damaged textbooks below:

Title	ISBN	Copyright	# to be discarded
Glencoe Health	007861211X	2005	375
Glencoe La salud	007862021X	2005	30
The Black Pearl	440908035	1967	21
The Bluest Eye	0452273056	1970	24
The Bronze Bow	0395137195	1961	38
Dicey's Song	0449702766	1982	25
Island of the Blue Dolphins	0606008772	1960	22
The Lexus and the Olive Tree	0385499345	1999	17
Maniac Magee	0316807222	1990	20
Nickel and Dimed	0805063897	2001	20
The Power and the Glory	0140017917	1940	26
Walk Two Moons	0060233346	1994	26
Wild Steps of Heaven	0385315694	1996	14

H. Student Teaching Agreements for 2014/15 School Year

California Polytechnic University/San Luis Obispo, Brandman University, National University, University of Phoenix, Western Governors University, University of LaVerne, and University of Southern California Rossier have requested the District's participation in their teacher training programs for the 2014/15 school year, whereby the District would provide teaching experience through practice teaching to their students. The District's participation in these programs benefit both the new teachers that are training for the teacher credentialing program and also allows the District firsthand experience with prospective teaching candidates for future teaching vacancies.

I. Textbook Approval (second reading and approval)

The following textbook was presented to the Board of Education for preview at the October 8, 2014 Board meeting. It is presented for second reading and approval.

Pioneer Valley High School
International Languages, J. Zambrano

- Allons au-delá, Pearson, Richard Ladd, © 2012 for AP French

J. Request for Travel

SCHOOL	**INSTRUCTOR IN CHARGE**	**EVENT/ LOCATION**	**DATES**
ERHS	Kevin Barbarick Basketball Coach	2014 Tarkanian Classic Basketball Tournament Las Vegas, NV	12/16/14 – 12/20/14
SMHS	Richard Guiremand Amy Hennings	Close Up Washington D.C. (Civics Education Program) Washington, D.C.	2/7/15 – 2/14/15

K. Amended Common Core State Standards Implementation Funding Plan

- Revision to the spending plan previously approved for the fiscal years 2013-14 and 2014-15.

L. Student Discipline Matters

- Administrative Recommendation to suspend the order of expulsion: Student # 343711
- Administrative Recommendation to order expulsion: Student # 340234

IX. Reports from Employee Organizations

X. Open Session Public Comments

The public may address the Board on any matter (except personnel) concerning the District and not on the agenda. Note: The time limit to address the Board may not exceed two minutes. The Board is not required to respond to the Public Comment. The public may also address the Board on each item on the Agenda as the Board takes up those items. Persons wishing to speak should complete a blue request form and hand it to the Board secretary.

XI. Items Not on the Agenda

Note: The law generally prohibits the Board from discussing items not on the agenda. Under limited circumstances, the Board may discuss and act on items not on the agenda if they involve an emergency affecting safety of persons or property, or a work stoppage, or if the need to act came to the attention of the District too late to include on the posted agenda.

XII. Next Meeting Date

Unless otherwise announced, the next regular meeting of the Board of Education will be held on December 10, 2014. Closed session begins at 5:30 p.m. Open session begins at 6:30 p.m.

XIII. Future Regular Board Meetings for 2015

The meeting dates for 2015 will be decided at the December 10, 2014 Board Meeting.

XIV. Adjourn

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
MONTHLY REPORT OF ATTENDANCE
SECOND MONTH OF 2014-15

September 8, 2014 through October 3, 2014

	Second Month 2013-14			Second Month 2014-15			Cumulative ADA			
							Prior Year		Current Year	
	Ending Enrollment	ADA	ADA % of Poss. Enroll.	Ending Enrollment	ADA	ADA % of Poss. Enroll.	ADA %	ADA	ADA %	ADA
ERNEST RIGHETTI HIGH										
Regular	1889	1827.40	96.5%	1913	1849.55	96.3%		1832.79		1860.71
Special Education	99	92.95	93.4%	82	77.20	93.0%		92.63		81.03
Independent Study	37	22.25	69.5%	26	21.15	95.9%		18.55		16.34
Independent Study 12 + 12	0	0.00	---	1	1.00	100.0%		0.00		1.11
CTE Program	12	9.80	81.7%	8	7.15	86.1%		9.63		7.26
Home and Hospital Reg Ed	4	3.15	---	2	1.15	60.5%		2.32		1.03
Home and Hospital Spec Ed	0	0.00	---	1	1.00	100.0%		0.00		0.63
TOTAL RIGHETTI	2041	1955.55	96.3%	2033	1958.20	96.1%		1955.92		1968.11
SANTA MARIA HIGH										
Regular	2153	2066.80	95.9%	2389	2308.10	96.4%		2073.71		2305.79
Special Education	89	84.00	92.8%	94	87.45	92.0%		84.66		90.37
Independent Study	67	49.70	81.3%	41	26.30	67.6%		38.55		23.18
Independent Study 12 + 12	0	0.00	---	1	0.85	85.0%		0.00		0.45
Independent Study Spec Ed	1	1.05	100.0%	1	0.45	45.0%		0.55		0.47
CTE Program	8	5.30	66.3%	6	5.70	89.1%		5.16		5.92
Home and Hospital Reg Ed	5	3.75	---	10	8.20	93.2%		3.74		6.03
Home and Hospital Spec Ed	3	1.95	---	0	0.00	---		1.58		0.00
TOTAL SANTA MARIA	2326	2212.55	95.8%	2542	2437.05	96.3%		2207.95		2432.21
PIONEER VALLEY HIGH										
Regular	2492	2452.75	97.8%	2565	2502.50	97.1%		2460.13		2516.89
Special Education	129	122.90	94.8%	124	119.20	94.8%		121.63		117.92
Independent Study	34	22.60	76.0%	27	12.25	48.2%		17.32		10.08
Independent Study Spec Ed	5	2.65	55.8%	5	4.90	98.0%		2.24		6.03
Home and Hospital Reg Ed	3	2.25	---	7	6.65	88.1%		2.13		5.03
Home and Hospital Spec Ed	1	0.15	---	0	0.00	---		0.08		0.00
TOTAL PIONEER VALLEY	2664	2603.30	97.7%	2728	2645.50	97.0%		2603.53		2655.95
DAY TREATMENT @ LINCOLN STREET	4	3.50	87.5%	6	4.65	71.5%		3.82		5.05
DISTRICT SPECIAL ED TRANSITION	10	9.40	94.5%	11	9.80	89.5%		9.11		7.53
DISTRICT SPECIAL ED TRANS/VOC M/M	5	4.85	97.0%	15	12.50	89.3%		4.58		8.71
ALTERNATIVE EDUCATION										
Delta Continuation	333	274.51	81.3%	328	245.33	74.9%		276.38		243.83
Delta 12+	0	0.00	0.0%	1	1.00	100.0%		0.00		1.23
Delta Independent Study	42	36.89	87.3%	27	24.20	93.2%		30.93		19.95
Delta Independent Study 12+	43	39.09	91.3%	31	29.93	82.8%		31.00		30.73
Delta Independent Study Spec Ed	4	1.17	26.8%	2	0.00	0.0%		1.20		0.00
Home & Hospital Reg Ed	0	0.00	---	2	0.45	31.0%		0.00		0.24
Freshman & Sophomore Prep	150	142.15	97.9%	0	0.00	---		132.26		0.00
Reach Program--SMHS	9	6.85	82.5%	3	3.20	90.1%		7.03		2.87
Reach Program--PVHS	8	5.75	95.0%	6	2.05	66.1%		4.21		1.97
Home School @ Library Program	50	44.45	89.9%	36	32.10	87.3%		43.87		31.53
TOTAL ALTERNATIVE EDUCATION	639	550.86	86.2%	436	338.25	77.6%		526.88		332.35
TOTAL HIGH SCHOOL DISTRICT	**7689**	**7340.01**	**95.5%**	**7771**	**7405.95**	**95.3%**		**7311.78**		**7409.90**

Santa Maria Joint Union High School District

APPENDIX A

November 12, 2014

CLASSIFIED PERSONNEL ACTIONS

Name	Action	Assignment	Site	Effective	Pay Rate	Hours
	Resign	Food Service Worker I	PVHS	11/01/14	9/E	6
	Reduce Hours	Bus Driver	DO	01/03/15	18/B	4.5 to 4.25
	Reassign	Instructional Asst/Spec Ed II	RHS	10/21/14	15/A	6.5
	Out of Class	Grounds Maintenance I	SMHS	10/20/14	16/A	8
	Decline Employment	Migrant Ed Recruiter-Statistician	LC	10/12/14	22/A	8
	Out of Class	Instructional Asst/Spec Ed II	SMHS	08/12/14	15/D	6
	Increase Hours	Food Service Worker I	PVHS	11/06/14	9/E	3.5 to 6
	Reduce Hours	Bus Driver	DO	01/02/15	18/E	7.25 to 6.5
	Employ	Food Service Worker I	PVHS	11/03/14	9/A	2
	Employ	Instructional Asst/Spec Ed II	RHS	10/28/14	15/A	6.5
	Reduce Hours	Bus Driver	DO	01/02/15	18/E	5 to 4.5
	Employ	Instructional Asst/Spec Ed II	RHS	10/22/14	15/A	4.5
	Resign	Library Assistant	RHS	10/22/14	14/E	6
	Out of Class	Attendance Technician	RHS	10/09/14	18/E	8
	Transfer	Food Service Worker I	PV to RHS	11/03/14	9/E	2
	Employ	Migrant Ed Recruiter-Statistician	LC	10/27/14	22/A	8
	Contract	Psychologist Intern	DO	01/12/15	$25/hr	16/wk

CERTIFICATED PERSONNEL ACTIONS

Name	Action	Status	Subject	Site	Effective	Salary	FTE
	Prep Per Tch Assign	Perm	English	SMHS	10/6/14-6/11/15	V, 9	0.2
	Transfer	Perm	EL Coordinator	LC	11/3/14-6/11/15	V, 6	1.0
	Prep Per Tch Assign	Prob 2	English	SMHS	10/6/14-6/11/15	III, 4	0.2
	Employ	Temp	PE/OCS	RHS	9/25/14-6/11/15	V, 5	0.8

COACHING PERSONNEL ACTIONS

Assignment	Name	Action	Site	Effective	District	**A**=ASB *B=Boosters*
Football, Asst JV		Revised Stipend	SMHS	Fall	$ 2,087.00	
Waterpolo, Head Varsity		Revised Stipend	SMHS	Fall	$ 2,883.00	

Appendix B

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
FACILITIES REPORT
October 2014

1. Santa Maria High School Construction Projects

C2004 SMHS New Classroom Building at Broadway – Rachlin Partners (Photos)

- Work completed this period includes continued installation of metal exterior framing, 1st and 2nd floor interior framing, rough plumbing, rough electrical, Heating and Air Conditioning ducting, window frames, roofing, and exterior insulation.
- Construction remains on schedule for April 2015 completion.

SMHS Camino Colegio Parking Area – Rachlin Partners

- The architect is revising drawings to include additional ADA ramping and Santa Maria Fire Department (SMFD) vehicle access gates.
- Construction period estimates are pending final project scope, funding determination and schedule development.

2. Ernest Righetti High School Construction Projects

ERHS Window Coverings at Buildings 100, 200, and 300 Pilot Project – Support Services

- All project documentation has been received and the final payment application is complete. This project is closed.

3. Pioneer Valley High School Construction Projects

C2004 District Performing Arts Building – BCA Architects

- BCA has met with DSA regarding a standalone project alternative to gain plan approval pending the original construction closeout. DSA has provided comments including the need to eliminate all work in the existing structures including two new doorways. This will require the need to modify approximately 40 plan sheets. The doorways may be added in as a change order when the original project gains final approval. The architect is working on the adjustments and will meet with DSA again in November.
- Support Services is continuing to work with DSA, the original school architect, and CFW to complete original site certification (see Section 5, District Wide Project Closeout).

- Revised construction start estimates are pending receipt of final DSA approval.

PVHS Canopy Installation – Support Services

- All work is complete. Final closeout is pending receipt of project documentation. The final payment application is in process.

4. New Facility

C2004 New Facility School CTE Component – Architect to Be Determined

- Phase 1 Environmental Site Assessment (ESA): Work continues on the ESA, Title 5 Environmental Hazards Review, and Geological Hazards Report. The Department of Toxic Substances (DTSC) has approved a Preliminary Environmental Assessment Work Plan for the onsite testing. Padre Associates visited the site in October with the district representative and the lease holder to review the sample locations. A site visit to survey the bore hole locations, and to conduct an underground utility review occurred October 30. Field sampling activities are scheduled to occur November 11-13.
- California Environmental Quality Act (CEQA) and California Department of Education: School Site Solutions, Inc. and Urban Planning Concepts are continuing coordination efforts related to traffic, utilities, and site development issues.
- Educational Program and Funding Development: CFW is continuing to provide support with program development assessments, stakeholder meetings, funding, and land acquisition activities.
- The estimated 12 month escrow period remains on schedule to be complete April 14, 2015.

5. District Wide and Support Services Center

District Wide Energy Upgrade – Johnson Controls Inc.

- Final commissioning activities related to the Energy Management System at SMHS and ERHS continue.
- JCI is continuing preparation of project documentation (including DSA confirmation regarding the installation) and warranty information packages for submittal to the District in preparation of substantial completion.

District Wide Project Closeout – Support Services

- Review of project closeout issues continues. Projects under current review and their status are as follows:

- PVHS (High School 3): The original project architect, WLC, confirmed they are working on completing specific information requested by DSA: a mark-up of the original DSA approved plans for the 22 outstanding items. WLC plans to have a submittal ready for DSA review by November 7, 2014. The PVHS PAC architects are continuing their pursuit of alternative effort with DSA to revise plans so as to make the project a standalone from the original project. BCA visited DSA to review proposed changes. Additional changes were identified by DSA including elimination of proposed interior accesses between the new and adjacent building. BCA is modifying the plans to eliminate the accesses which may be added back in when the original project is closed. BCA is working on the changes and will reschedule a visit to DSA sometime in November.
- SMHS CHCCC: Collection of outstanding documents and original participant approvals continues.
- ERHS / SMHS: Westberg + White Architects continue reviews of documentation to close four projects; Greenhouse and Road, Administration Building Renovation, Industrial Arts Modernization, and the Lincoln Street 6 Portables (SMHS). The Greenhouse and Road project has received certification by DSA and is closed. The Lincoln Street project closeout is pending installation of security cabling by district forces. The architect representative is focusing on RHS Administration and Industrial Arts projects in anticipation of proposed future projects at the site. He has visited the site and will attempt to contact the original DSA Field Inspector over the two weeks to identify closeout issues and options.
- Support Services personnel are reviewing options to help expedite closeouts at all sites through the use of specialized consultative services.

SSC Wall Crack Assessment and Repair – Support Services

- Crack repair along with seismic code updates continue in the area of the new SSC Professional Development Center. Additional projects this fiscal year will depend on higher project priorities established during the District Annual Project Planning assessments currently underway, as well as available funding.

SSC District Professional Development Center (Multiple Purpose Room) – Westberg + White Architects (Photo)

- Work completed this period includes installation of interior framing, wallboard, rough fire system plumbing, rough electrical, steel framing, and concrete walk ways.
- Construction is now expected to be complete in early December due to plan adjustments related to egress, electrical, and natural gas line issues. Data cabling will be completed by district forces in mid-November. Carpet installation is scheduled to be coordinated separately by the district in mid-December.

SSC New West Parking Area – Flowers and Associates

- Preliminary review and assessments are being conducted related to the feasibility and cost of installing a parking area at the west (front) of the SSC.
- Construction start is yet to be determined.

District Wide Paving (Summer 2014): SMHS (Areas J & K) and SSC (Area B) Repairs and Slurry Seal – Flowers and Associates

- All project documentation was received and the final payment application is complete. A notice of completion was filed with the County. This project is closed.

District Wide Portable Roof Retrofits and Repairs: SMHS 641-645 Retrofit, SMHS Repair 635-640, and RHS Repair 626 - Support Services

- The final payment application is complete. Final retention release remains pending receipt of project documentation.

District Wide Paving (Summer 2015): Locations to be determined. – Flowers and Associates

- A kickoff meeting to discuss summer paving work occurred October 30. District administration reviewed potential projects and developed a list of priorities. An assessment of available funding compared to the list is underway. Upon completion, the final locations and number of projects will be determined.
- Construction is expected to occur during the summer of 2015.

6. Summer Activities

District Wide Summer Projects Planning

- The summer 2015 project needs assessments and implementation evaluation kick off meeting occurred in September. Other meetings will be held through the fall. Contract and bidding is expected to begin in January of 2015.

Gary Wuitschick
Director – Support Services

Maintenance & Operations

SMHS

- Pressure washed concrete walkways, concession stand, and administration entry.
- Repaired a 2 inch irrigation line in the softball field.
- Replaced the identifying signs at the Migrant Multilingual Center.
- Installed a replacement projector in room 522.
- Inspected and repaired fixtures in the Science Breezeway restrooms.
- Constructed new work benches for the art classroom.
- Painted building and classroom identification signs. **(Photo)**
- Installed a Safe School Sports banner in Wilson Gym.
- Tested emergency lights.
- Assembled new science tables for room 246 to accommodate classroom changes related to the new bell schedule.
- Repaired the Iron Worker metal punch & shear for the Agriculture Science Department. **(Photo)**
- Setup several events: Career College Day, PSAT testing, Un Cafecito/Coffee with the Principal, DELAC Meeting, District Board meeting, school sporting events, Orcutt Academy High School football game, Mercy Church service. **(Photos)**
- Preventive work order hours – 30
- Routine work order hours – 101
- Total work orders completed – 148
- Event setup hours – 180

ERHS

- Cleaned tennis courts.
- Abated weeds throughout campus.
- Removed and replaced hibiscus plants along Bradley Road.
- Completed repainting of the press box.
- Replaced deteriorated concrete in the quad near the science building.
- Repaired a broken irrigation water line near the maintenance shop. **(Photo)**
- Continued repainting exterior of campus. **(Photos)**
- Began modification of a classroom to demonstrate up to date classroom furniture and fixtures.
- Repainted evacuation assignment numbers at the outdoor volleyball courts.
- Repaired lockers in the freshman team locker room.
- Installed three whiteboards in Administration and one in room 331.
- Repaired the shower and lights in the boys' coach's office.
- Pressure washed the cafeteria kitchen hood filters.
- Repaired the pool scoreboard horn.
- Improved the public address speaker volume in the portable classrooms.
- Replaced the 6-foot rolling gate and fence in the west parking lot with an 8-foot ornamental iron gate and fence.
- Replaced the 6-foot gate and fence at the Berrywood Drive entrance with a 10-foot gate and fence. **(Photo)**
- DHS – Replaced locksets in all classrooms in preparation for installation of new key system.
- DHS – Repaired damaged wallboard (pinnable wall surface) in room 204.
- DHS - Repaired an inoperative irrigation valve and broken sprinkler heads in the playfield.
- DHS – Painted football lines in the playfield.
- DHS – abated weeds throughout campus.
- Setup several events: ASB Campus Cleanup Day, college boot camp, parent college night, AVID Walk-a-Thon, club rush, PSAT testing, volley, football, homecoming football game and dance, Allan Hancock College football, tennis, Eagles soccer, and Central Coast Church.
- Preventive work order hours – 30
- Routine work order hours – 270
- Total work orders completed – 175
- Event setup hours – 57

PVHS

- Repaired damaged interior walls in the gymnasium and room 622.
- Installed new computer cable in the following classrooms: 102,103,201, 205, 331, 335, 405,426,431, and 435.
- Replaced or installed new projectors in the following classrooms: 211, 217, 426, 606, 607, 612, 617, and 618.
- Installed a protective fence for the natural gas earthquake valve at the pool. **(Photo)**
- Repaired Home Economics water heater temperature controller.
- Installed new Smart Board connectors in rooms 301,303, and 618.
- Installed a new neon sign outside the cafeteria kitchen serving windows.
- Assembled 10 new computer desks for room 205.
- Installed solar powered gate operators at the student parking / football stadium entrances. **(Photo)**
- Revised the programming of the irrigation well master valve and variable frequency pump drive to improve the efficiency of the system. Also updated the Rain Bird Maxicom irrigation computer to manage the flow of the irrigation water and reduce watering time each night, reducing the time and energy used running the well pump.
- Installed bark around campus to improve the appearance and reduce water usage.
- Repaired sprinkler heads and control valves in athletic fields and pool area.
- Setup several events: youth soccer and football games, homecoming football game, truancy parent meeting, CSEA meetings, football, soccer, water polo, tennis, volleyball, Staff Appreciation Lunch, Automated External Defibrillator (AED) training, and The Parent Institute. **(Photos)**
- Preventive work order hours – 8
- Routine work order hours – 81
- Total work orders completed – 103
- Event setup hours – 41

Graffiti & Vandalism

- **ERHS** $ 0
- **DHS** $ 0
- **SMHS** $ 120
- **PVHS** $ 0

Reese Thompson
Director – Facilities and Operations

Photo Gallery

SMHS – 14 Classroom Building School Board Visit

SMHS – 14 Classroom Building Roof Installation Underway

Transportation – Typical Predawn School Bus Checking and Departure

Support Services Center – Professional Development Center Steel Supports for Doors and Windows Set in Place & Welded

SMHS – Improved Building Identification

SMHS – Scotsman Iron Worker Punch & Shear Refurbished and Ready for Metal Shop

SMHS – Preparing for Career Fair

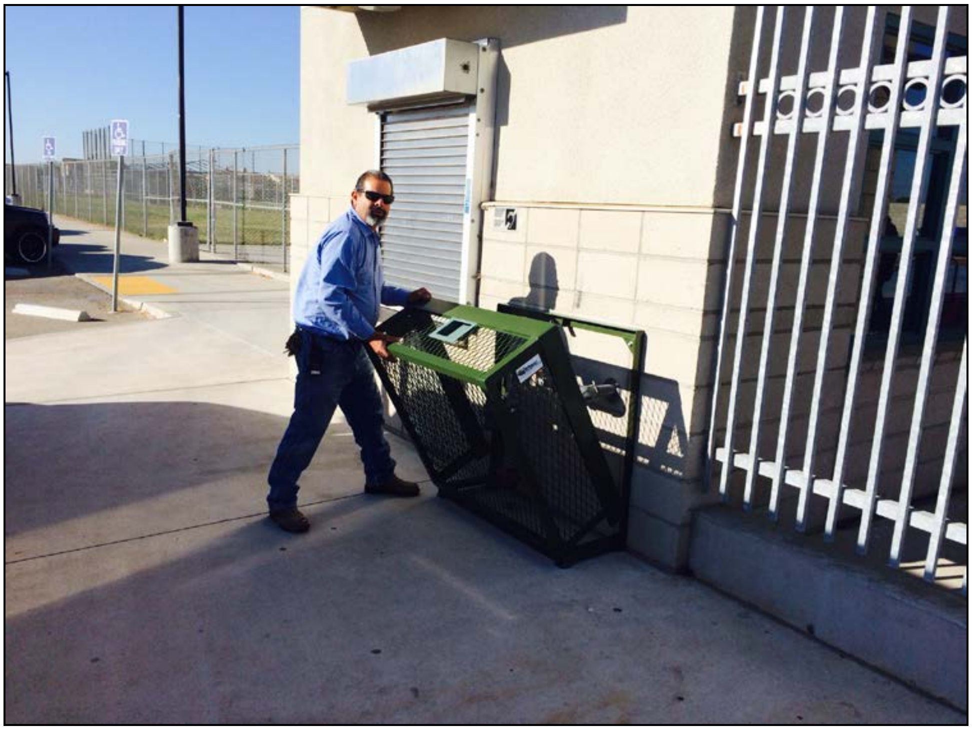
SMHS – Another Successful Career Fair on the Softball Field

ERHS – Richardo Elisario & Flavio Rodriguez Repair a Water Leak at the Maintenance Shop

ERHS – Ernest Paz Prepares Walkway Columns for Paint

ERHS – Ray Segovia Updates the Door Colors on Campus

ERHS – New Gates and Fencing at the Berry Drive Entrance



PVHS – Seismic Gas Valve at the Pool Receives a Protective Cage

PVHS – New Gate Controls Installed & Programmed at Student Parking Lot

PVHS – Staff Appreciation Lunch was a Success

PVHS – Districtwide Training Opportunity for AEDs

POLICY NUMBER	DESCRIPTION
BP 4131.1	**BP 4131.1 Beginning Teacher Support/Induction** Policy deleted due to the elimination of the BTSA program pursuant to new law AB97. Key concepts incorporated into new BP 4131.1, Teacher Support and Guidance.
BP/AR 4138	**BP/AR 4138 Mentor Teachers** Policy and regulation deleted due to the elimination of the Certificated Staff Mentoring Program pursuant to new law AB 97. Key concepts incorporated into new BP 4131.1, Teacher Support and Guidance.
BP/AR 4139	**BP/AR 4139 Peer Assistance and Review** Policy and regulation deleted due to the elimination of the PAR program pursuant to new law AB 97. Key concepts incorporated into new BP 4131.1, Teacher Support and Guidance.
BP 4315.1	**BP 4315.1 Staff Evaluating Teachers** Policy deleted and key concepts incorporated into BP 4115, Evaluation/Supervision.
BP/AR 4112.2	**BP/AR 4112.2 Certification** Policy updated to add and clarify material on priorities for hiring when a teacher with a preliminary or clear credential is unavailable. Policy also reflects new Title 5 regulations which provide that the provisional internship permit is not renewable and changes the timelines for reissuance of emergency permits. Material on advanced certification through the National Board for Professional Teaching Standards (NBPTS) updated to reflect new law AB 97, which eliminated categorical funding for incentive awards to NBPTS-certificated teachers. Regulation updated to delete material on visiting faculty permits pursuant to the sunset date in Ed Code 44300.1. Regulation also reflects new Title 5 regulations which provide that the provisional internship permit is not renewable and changes the timelines for reissuance of emergency permits.

BP/AR 4112.21	**BP/AR 4112.21 Interns** Policy updated to reflect new law AB 97 which eliminated the enhanced intern program, the alternative certification program designed to address teacher shortages in geographic or subject matter areas, the Certificated Staff Mentoring Program, and the Beginning Teacher Support and Assessment program. Policy also clarifies that an intern program must be approved by the Commission on Teacher Credentialing, reflects new Title 5 regulations addressing the qualifications and support/supervision of interns, and reflects new Federal Law PL 113-46 which extends through 2015-16 the authority for districts to assign interns to teach core academic subjects if they meet the State Board of Education's definition of a "highly qualified teacher". Regulation reorganized to delete separate sections for university and district intern programs since all programs are subject to the same CTC program standards and new Title 5 regulations addressing support/supervision of interns. Regulation also deletes materials on the enhanced intern program as well as the alternative certification program designed to address teacher shortages in geographic or subject matter areas, as those programs were eliminated by new law AB 97.
BP/AR 4115	**BP/AR 4115 Evaluation/Supervision** Mandated policy updated to include evaluation criteria formerly in AR since establishing criteria is a responsibility of the Board. Policy also revised to clarify that evaluation procedures are subject to negotiation. Mandated regulation updated to reflect new law AB 97 which eliminated Peer Assistance and Review program. Regulation also adds section on qualifications of evaluators based on material formerly in BP 4315.1, Staff Evaluating Teachers.
BP 4117.3	**BP 4117.3 Personnel Reeducation** Policy updated to clarify requirements related to the determination of the order of layoffs when it is necessary to reduce the number of certificated employees for economic reasons specified in law. Section on "Reappointment" revised to address priority for offering a laid-off employee first opportunity for substitute service during the period of preferred right to reappointment.

Board Policies for Approval
November 12, 2014 Board Meeting *Appendix C*

BP/AR 4131.1	**BP/AR 4131.1 Teacher Support and Guidance** New policy addresses the provision of intensive support and guidance for individual teachers who are new to the profession and other teachers who need additional development in subject matter knowledge, instructional methods, and/or classroom management. Policy incorporates concepts formerly in BP 4131.1 and BP/AR 4138, and BP/AR 4139 for related categorical programs eliminated by AB 97. New regulation addresses the qualifications of mentors/support providers and applies consistent selection criteria for all district induction and support programs.
BP 4315	**BP 4315 Evaluation/Supervision** Mandated policy reorganized to delete separate sections for certificated and classified administrators/supervisors to provide consistency in evaluation purposes and procedures. Policy also revised to emphasize consistency of evaluation procedures with employee contracts and collective bargaining agreements, link staff evaluations to decisions about contract renewal as specified in AR 4312.1, add optional criteria specified in law, and reflect the revised California Professional Standards for Educational Leaders as adopted by the CTC.
E 4319.21	**E 4319.21 Professional Standards** Exhibit updated to reflect the revised California Professional Standards for Educational Leaders as adopted by the CTC in February 2014.
BP 5116.1	**BP 5116.1 Intradistrict Open Enrollment** **Policy revised to add the following statement:** "A student's intradistrict agreement may be revoked because of excessive truancy or continual disruption of the education program."
AR 6146.1	**AR 6146.1 High School Graduation Requirements** **Policy revised to add:** ROP Professional Business Communication course approved to count toward 4^{th} Year of English.

The complete revised policies and regulations are included in the agenda binder posted on the district's website at www.smjuhsd.k12.ca.us.

APPENDIX D
2014/2015

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
ATTENDANCE BOUNDARY REALIGNMENT
CRITERIA, PROCESS, AND TIMELINE

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
ATTENDANCE BOUNDARY REALIGNMENT CRITERIA, PROCESS, AND TIMELINE

Status

Currently there is a pronounced imbalance in the enrollment of the districts three comprehensive high schools. The approximate enrollments of these three high schools are as follows:

Pioneer Valley – 2,800 Santa Maria – 2,400 Righetti – 2,000

Charge to the Committee

Develop a new school boundary proposal that will balance the enrollment of the district's three existing comprehensive sites. The committee should take into consideration enrollment growth potential in each school's current attendance area and in the proposed "new" school boundaries.

Purpose of Criteria

The following Board-adopted criteria, taken as a whole, serve as a measure of the effectiveness of any revised boundary proposal. The criteria are not a formula, but a set of competing goals which will require compromise in order to achieve a proposal. The Superintendent is requested to develop a proposal which best considers all criteria simultaneously. Students in the following communities will not be affected: Guadalupe, Tanglewood, Los Alamos, Sisquoc, and Casmalia.

Criterion #1 - *Make the best possible use of existing facilities*

- Ensure that all schools will be utilized to capacity
- Utilize current and historic school enrollment data and patterns.
- Consider impact of future residential developments.

Criterion #2 - *Minimize new impacts*

- Limit transportation impacts.
- Consider student safety.
- Evaluate major traffic thoroughfares.
- Review consistency between municipal boundaries and high school boundaries.

Criterion #3 - Minimize *the movement of students from schools in close proximity to their neighborhoods*

- Identify feeder school boundaries and impact to continuity of student attendance to the extent practicable.

Transition

Beginning in the fall of 2015 all incoming 9th graders will be assigned a high school based on the "new" school boundaries with the exception of those students with siblings attending schools based on the "old" boundaries. 9th graders falling within this category would have the option to attend either school. 10th, 11th, and 12th graders may opt to voluntarily attend a school based on the "new" boundary or stay at their current school.

Attendance Boundary Realignment Process and Timeline

Month/Date	Action	Responsible
October 1st-30th 2014	Develop draft boundary criteria, processes, and board presentation	Administration
October 30th-November 6th 2014	Review draft boundary criteria, processes, and board presentation with superintendent	Administration
November 12th 2014	Board approval of boundary criteria and process	Superintendent with administration support
November 13th - December 4th 2014	Data collection and analysis	Administration
November 18th 2014 (PAC)	Notify site principals explaining criteria and process	Superintendent with administration support
December 1st 2014	Begin process to establish District Boundary Committee (DBC)	Administration
December (TBD) 2014	Meets with DBC chair to select committee	Administration
January (TBD) 2015	1st DBC study session – Review draft proposals	Administration
January (TBD) 2015	Principals to present proposals to site for input and feedback	Administration
January (TBD) 2015	2nd DBC study session	Administration
January (TBD) 2015	Present plan to superintendent	Administration
February (TBD) 2015	Present plan to feeder school superintendents	Superintendent with administration support
February 11th 2015 (Tentative)	Board meeting/public hearing	Superintendent with administration support
February (TBD) 2015	Make plan adjustments based on Board recommendations	Administration
March 11th 2015 (Tentative)	Board meeting/approval of plan. Implementation for the (2015-16 school year)	Superintendent with administration support

APPENDIX E
2014/2015

INFORMATION ITEM
FOR NOVEMBER 12, 2014 BOARD MEETING
ACTION ITEM FOR NEXT CONSECUTIVE MEETING
ON DECEMBER 10, 2014

- "**RESOLUTION** of the Board of Education of the Santa Maria Joint Union High School District authorizing the issuance and sale of General Obligation Bonds, Election of 2004, Series 2014, in the aggregate principal amount of not to exceed $29,001,905; approving the execution and delivery of related documents; and authorizing related actions"**.**

- Preliminary Official Statement (**POS**) - Dated December 11, 2014 (draft of October 24, 2014)

- Bond Purchase Agreement (**BPA**) - (draft of October 24, 2014)

INFORMATION ITEM FOR NOVEMBER 12, 2014 BOARD MEETING
ACTION ITEM FOR NEXT CONSECUTIVE MEETING ON DECEMBER 10, 2014

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
RESOLUTION NUMBER __ 2014-2015

RESOLUTION OF THE BOARD OF EDUCATION OF THE SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES 2014, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $29,001,905; APPROVING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS; AND AUTHORIZING RELATED ACTIONS

The Santa Maria Joint Union High School District, located in the Counties of Santa Barbara and San Luis Obispo (the "District"), on November 2, 2004, in accordance with Section 1(b)(3) of Article XIIIA of the California Constitution, for the purpose of submitting a ballot measure (the "Bond Measure") to the qualified electors of the District, authorizing the issuance of general obligation bonds in the aggregate principal amount of $79,000,000 (the "Bond Authorization"), and more than 55% of the votes cast were in favor of the Bond Measure; and

WHEREAS, pursuant to the Bond Authorization, the District has issued or caused to be issued the following series of bonds:

- $34,998,221.95 aggregate principal amount of the District's General Obligation Bonds, Election of 2004, Series 2005 (the "Series 2005 Bonds") (a portion of which has subsequently been refunded with the proceeds of 2013 Refunding General Obligation Bonds), and
- $14,999,872.60 aggregate principal amount of the District's General Obligation Bonds, Election of 2004, Series 2013 (the "2013 Bonds")

WHEREAS, as of this date, $29,001,905.45 in principal amount of the Bond Authorization remains unissued; and

WHEREAS, the Board of Education of the District (the "Board") may authorize the issuance of the general obligation bonds previously unissued pursuant to the Bond Authorization under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, as such, the District wishes at this time to initiate proceedings for the issuance of a third series of bonds under the Bond Law in the aggregate principal amount of not to exceed $29,001,905 (the "2014 Bonds") as provided in this Resolution for the purpose of providing financing for projects authorized under the Bond Measure; and

WHEREAS, the Board of Education has determined that securing the timely payment of the principal of and interest on the 2014 Bonds by obtaining a municipal bond insurance policy with respect thereto could be economically advantageous to the District; and

WHEREAS, as required by Education Code Sections 15146(b)(2) and 15146(c), because it is anticipated that a portion of the 2014 Bonds will be issued as bonds which allow for the compounding of interest as provided herein, on November 12, 2014, this Resolution was publicly noticed as an information item on the agenda for such meeting, and the Board was presented with the following items, copies of which are attached hereto as **Appendix B**:

- An analysis prepared by the Financial Advisor to the District (defined below) containing the total overall cost of the 2014 Bonds that allow for the compounding of interest;
- A comparison to the overall cost of issuing only current interest bonds;
- The reasons bonds that allow for the compounding of interest are being recommended; and
- A copy of the disclosure made by the underwriter in compliance with Rule G-17 adopted by the federal Municipal Securities Rulemaking Board (to the extent the Underwriter has been selected prior to December 10, 2014).

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Santa Maria Joint Union High School District as follows:

ARTICLE I
DEFINITIONS; AUTHORITY

Section 1.01. ***Definitions***. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings given them below, unless the context clearly requires some other meaning.

"**Accreted Value**" means, with respect to any Capital Appreciation Bond and Convertible Capital Appreciation Bond prior to its Conversion Date, the total amount of principal thereof and interest payable thereon as of any Compounding Date determined solely by reference to the Table of Accreted Values set forth on such Capital Appreciation Bond or Convertible Capital Appreciation Bond. The Accreted Value of any Capital Appreciation Bond or Convertible Capital Appreciation Bond as of any date other than a Compounding Date will be the sum of (a) the Accreted Value as of the Compounding Date immediately preceding the date as of which the calculation is being made plus (b) interest on the Accreted Value determined under the preceding clause (a), computed to the date as of which the calculation is being made at the Accretion Rate set forth on such Capital Appreciation Bond (computed on the basis of a 360-day year of twelve 30-day months).

"**Accretion Rate**" means, unless otherwise provided by the Bond Purchase Agreement pursuant to Section 3.01, the rate which, when applied to the principal amount of any Capital Appreciation Bond or Convertible Capital Appreciation Bond and compounded semiannually on each Compounding Date, produces the Maturity Value of such Capital Appreciation Bond on the maturity date thereof or the Conversion Value of such Convertible Capital Appreciation Bond on the Conversion Date thereof.

"**Authorized Investments**" means the County Investment Pool, the Local Agency Investment Fund, any investments authorized pursuant to Sections 53601 and 53635 of the California Government Code, and investment agreements, including guaranteed investment contracts, float contracts or other investment products (provided that such agreements comply with the requirements of Section 148 of the Tax Code). The Treasurer Tax-Collector shall assume no responsibility in the reporting, reconciling and monitoring in the investment of proceeds related to the 2014 Bonds.

"**Board**" means the Board of Education of the District.

"**Bond Counsel**" means (a) the firm of Garcia, Hernández, Sawhney & Bermudez, LLP, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

"**Bond Law**" means Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 of said Code, as in effect on the date of adoption hereof and as amended hereafter.

"**Bond Purchase Agreement**" means the Bond Purchase Agreement between the District and the Underwriter, under which the Underwriter agrees to purchase the 2014 Bonds and pay the purchase price therefor.

"**Building Fund**" means the fund established and held by the County Treasurer under Section 3.03.

"**Capital Appreciation Bonds**" means the 2014 Bonds which are designated as such in the Bond Purchase Agreement, the interest on which is compounded semiannually on each Compounding Date and is payable in full at maturity as shown in the table of Accreted Value for the Capital Appreciation Bonds.

"**Closing Date**" means the date upon which there is a delivery of the 2014 Bonds in exchange for the amount representing the purchase price of the 2014 Bonds by the Underwriter.

"**Compounding Date**" means, with respect to any Capital Appreciation Bond, each February 1 and August 1, commencing on the date set forth in the Bond Purchase Agreement, to and including the date of maturity or redemption of such Capital Appreciation Bond.

"**Continuing Disclosure Certificate**" means the Continuing Disclosure Certificate which is executed and delivered by a District Representative on the Closing Date.

"**Conversion Date**" means, with respect to any Convertible Capital Appreciation Bond, the date designated in the Bond Purchase Agreement on which interest begins to accrue on a current basis on the Conversion Value thereof, and is payable semiannually thereafter on each Interest Payment Date.

"**Conversion Value**" means, with respect to any Convertible Capital Appreciation Bond, the Accreted Value of such Convertible Capital Appreciation Bond as of its Conversion Date.

"**Convertible Capital Appreciation Bonds**" means any 2014 Bonds which are designated as such in the Bond Purchase Agreement, the interest on which initially accretes on the original Denominational Amount thereof, compounded semiannually on each Compounding Date until the Conversion Date thereof, and thereafter, the interest on which is payable on a current basis on each Interest Payment Date following the Conversion Date.

"**Costs of Issuance**" means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the 2014 Bonds, including but not limited to the costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Paying Agent and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees and any other cost, charge or fee in connection with the original issuance and sale of the 2014 Bonds.

"**County**" means the County of Santa Barbara, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"**Counties**" means, both the County of Santa Barbara and the County of San Luis Obispo, each a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"**County Treasurer**" means the County of Santa Barbara Treasurer-Tax Collector, or any authorized deputy thereof.

"**Current Interest Bonds**" means the 2014 Bonds which are designated as such in the Bond Purchase Agreement, the interest on which is payable on a current basis on each Interest Payment Date.

"**Debt Service Fund**" means the account established and held by the County Treasurer under Section 4.02.

"**Denominational Amount**" means, with respect to any Capital Appreciation Bonds, the initial purchase price (exclusive of any premium) of such Capital Appreciation Bond.

"**Depository**" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.09.

"**Depository System Participant**" means any participant in the Depository's book-entry system.

"**District**" means the Santa Maria Joint Union High School District, a school district organized under the Constitution and laws of the State of California, and any successor thereto.

"**District Representative**" means, each of, the President of the Board, the Superintendent, the Assistant Superintendent, Business Services, the Director of Fiscal Services, or such officer's written designee, or any other person authorized by resolution of the Board of the District to act on behalf of the District with respect to this Resolution and the Bonds.

"**DTC**" means The Depository Trust Company, New York, New York, and its successors and assigns.

"**Education Code**" means the Education Code of the State of California, as in effect on the Closing Date or as thereafter amended from time to time.

"**Federal Securities**" means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

"**Interest Payment Dates**" with respect to any Current Interest Bond and any Convertible Capital Appreciation Bond following the Conversion Date, means February 1 and August 1 in each year during the term of such Current Interest Bond or following the Conversion Date of the Convertible Capital Appreciation Bond, commencing on the date set forth in the Bond Purchase Agreement, provided, however, that such dates are subject to modification as provided in the Bond Purchase Agreement.

"**Maturity Value**" means, with respect to any Capital Appreciation Bond, the Accreted Value of such Capital Appreciation Bond to be paid at maturity.

"**Office**" means the office or offices of the Paying Agent for the payment of the Bonds and the administration of its duties hereunder. The Paying Agent may designate and re-designate the Office from time to time by written notice filed with the County Treasurer and the District.

"**Outstanding**" when used as of any particular time with reference to 2014 Bonds, means all 2014 Bonds except: (a) 2014 Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation; (b) 2014 Bonds paid or deemed to have been paid within the meaning of Section 9.02; and (c) 2014 Bonds in lieu of or in substitution for which other 2014 Bonds have been authorized, executed, issued and delivered by the District under this Resolution.

"**Owner**" whenever used herein with respect to 2014 Bonds, means the person in whose name the ownership of such 2014 Bond is registered on the Registration Books.

"**Paying Agen**t" means the County Treasurer and his designated agents or his successors or assigns acting in the capacity of paying agent, registrar, authentication agent and transfer agent. The County Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution.

"**Record Date**" means the 15^{th} day of the month preceding an Interest Payment Date, whether or not such day is a business day.

"**Registration Books**" means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the 2014 Bonds under Section 2.08.

"**Resolution**" means this Resolution, as originally adopted by the Board and including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

"**Securities Depositorie**s" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Certificate of the District delivered to the Paying Agent.

"**Tax Cod**e" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"**2014 Bonds**" means the not to exceed $29,001,905 aggregate principal amount of Santa Maria Joint Union High School District General Obligation Bonds, Election of 2004, Series 2014 issued and at any time Outstanding under this Resolution.

"**Underwriter**" means the original underwriter of the 2014 Bonds upon the negotiated sale thereof, as designated pursuant to Section 3.01.

"**Written Certificate of the District**" means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized by the District for that purpose.

Section 1.02. *Interpretation*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03. *Authority for this Resolution; Findings*. This Resolution is entered into under the provisions of the Bond Law. The Board hereby certifies that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the 2014 Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the 2014 Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II
THE 2014 BONDS

Section 2.01. *Authorization*. The Board hereby authorizes the issuance of the 2014 Bonds in the aggregate principal amount not to exceed $29,001,905 under and subject to the terms of Article XIIIA, Section 1 paragraph (b) of the California Constitution, the Bond Law and this Resolution, for the purpose of raising money for the acquisition or improvement of educational facilities in accordance with the Bond Measure and to pay Costs of Issuance. This Resolution constitutes a continuing agreement between the District and the Owners of all of the 2014 Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal thereof and interest and premium, if any, on all 2014 Bonds, subject to the covenants, agreements, provisions and conditions herein contained. The 2014 Bonds may be issued as Current Interest Bonds, Capital Appreciation Bonds and/or Convertible Capital Appreciation Bonds, or any combination thereof, and may be issued in one or more series as tax-exempt bonds, and shall be designated the “Santa Maria Joint Union High School District General Obligation Bonds, Election of 2004, Series 2014”, together with such additional series designation as is approved by a District Representative to identify the 2014 Bonds more particularly.

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Section 2.02. ***Terms of 2014 Bonds***.

(a) Terms of Current Interest Bonds. The Current Interest Bonds will be issued as fully registered bonds, without coupons, in the denomination of $5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of Current Interest Bonds maturing in the year of maturity of the Current Interest Bond for which the denomination is specified. Current Interest Bonds will be lettered and numbered as the Paying Agent may prescribe. The Current Interest Bonds will be dated as of the Closing Date.

Interest on the Current Interest Bonds is payable semiannually on each Interest Payment Date until maturity or early redemption thereof. Each Current Interest Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the first Record Date, in which event it will bear interest from the Closing Date. Notwithstanding the foregoing, if interest on any Current Interest Bond is in default at the time of authentication thereof, such Current Interest Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(b) Terms of Capital Appreciation Bonds. The Capital Appreciation Bonds will be issued in fully registered form without coupons in denominations of $5,000 in Maturity Values or any integral multiple thereof (except that one Capital Appreciation Bond may be issued in a denomination the Maturity Value of which is not an integral multiple of $5,000), maturing on August 1 in each of the years and in the maturity amounts as will be determined upon the sale thereof. Interest on the Capital Appreciation Bonds compounds on each Compounding Date at the respective Accretion Rates to be determined upon the sale thereof, and is payable solely at maturity or upon earlier redemption thereof as hereinafter provided.

Each Capital Appreciation Bond will be dated as of the Closing Date. The Accreted Value of the Capital Appreciation Bonds and any redemption premium thereon will be payable solely at maturity or earlier redemption thereof to the Owners thereof upon presentation and surrender thereof at the Office of the Paying Agent. The Accreted Value of the Capital Appreciation Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the Office of the Paying Agent.

(c) Terms of Convertible Capital Appreciation Bonds. The Convertible Capital Appreciation Bonds (if any) will be issued in fully registered form without coupons. Interest on the Convertible Capital Appreciation Bonds will initially accrete on the original Denominational Amount thereof, compounded on each Compounding Date to and including the Conversion Date thereof. On the Conversion Date of any Convertible Capital Appreciation Bond, the interest on such Convertible Capital Appreciation Bond will convert to current interest, accruing on the Conversion Value thereof, payable as set forth under subsection (a) above.

Each Convertible Capital Appreciation Bond will be dated as of the Closing Date. The Convertible Capital Appreciation Bonds will mature on August 1 in each of the years and in the Conversion Values as will be determined upon the sale thereof.

(d) Maturities; Basis of Interest Calculation. The 2014 Bonds will mature on August 1 in the years and in the amounts, and will bear or accrete interest at the rates, as determined upon the sale thereof as provided in the Bond Purchase Agreement. The limits set forth in Section 3.01 relating to the maximum maturity and interest rates prescribed by the Bond Law and this Board shall be set forth in the Bond Purchase Agreement. Interest on the 2014 Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

(e) CUSIP Identification Numbers. CUSIP identification numbers will be imprinted on the 2014 Bonds, but such numbers do not constitute a part of the contract evidenced by the 2014 Bonds and any error or omission with respect thereto will not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2014 Bonds. In addition, failure on the part of the District to use such CUSIP numbers in any notice to Owners of the 2014 Bonds will not constitute an event of default or any violation of the District's contract with such Owners and will not impair the effectiveness of any such notice.

(f) Payment. Interest on the 2014 Bonds (including the final interest payment upon maturity or redemption) is payable by check, draft or wire of the Paying Agent mailed to the Owner thereof (which will be DTC so long as the 2014 Bonds are held in the book-entry system of DTC) at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; except that at the written request of the Owner of at least $1,000,000 aggregate principal amount of the 2014 Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such 2014 Bonds will be paid on the succeeding Interest Payment Date to such account as will be specified in such written request. Principal of and premium (if any) on the 2014 Bonds is payable in lawful money of the United States of America upon presentation and surrender at the Office of the Paying Agent.

(g) Provisions of Sale Documents to Control. Notwithstanding the foregoing provisions of this Section and the following provisions of Section 2.03, any of the terms of the 2014 Bonds may be established or modified under the Bond Purchase Agreement or other document governing the sale of the 2014 Bonds. In the event of a conflict or inconsistency between this Resolution and the Bond Purchase Agreement or other document of sale relating to the terms of the 2014 Bonds, the provisions of the Bond Purchase Agreement or other document of sale will be controlling.

Section 2.03. *Redemption of 2014 Bonds*.

(a) Optional Redemption Dates and Prices. The 2014 Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as designated by the District and by lot within a maturity, from any available source of funds, commencing on the date which is no later than ten years following the issuance of the 2014 Bonds, at the respective redemption prices as shall be designated in the Bond Purchase Agreement.

(b) Mandatory Sinking Fund Redemption. If the Bond Purchase Agreement specifies that any one or more maturities of the 2014 Bonds are term bonds which are subject to mandatory sinking fund redemption, each such maturity of 2014 Bonds shall be subject to such mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the Bond Purchase Agreement, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If any such term bonds are redeemed under the provisions of the preceding clause (a), the total amount of all future payments under this subsection (b) with respect to such term bonds shall be reduced by the aggregate principal amount of such term bonds so redeemed, to be allocated among such payments in integral multiples of $5,000 in the manner determined by the District as set forth in written notice given by the District to the Paying Agent.

(c) Selection of 2014 Bonds for Redemption. Whenever less than all of the Outstanding 2014 Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding 2014 Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Current Interest Bond will be deemed to consist of individual bonds of $5,000 portions (principal amount, Maturity Value or Conversion Value, as applicable). The 2014 Bonds may all be separately redeemed.

(d) Redemption Procedure. The Paying Agent will cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the respective Owners of any 2014 Bonds designated for redemption, at their addresses appearing on the Registration Books. Such mailing is not a condition precedent to such redemption and the failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such 2014 Bonds. In addition, the Paying Agent will give notice of redemption by telecopy or certified, registered or overnight mail to the Municipal Securities Rulemaking Board and each of the Securities Depositories at least two days prior to such mailing to the 2014 Bond Owners.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding 2014 Bonds are to be called for redemption, shall designate the serial numbers of the 2014 Bonds to be redeemed by giving the individual number of each 2014 Bond or by stating that all 2014 Bonds between two stated numbers, both inclusive, or by stating that all of the 2014 Bonds of one or more maturities have been called for redemption, and shall require that such 2014 Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such 2014 Bonds will not accrue from and after the redemption date.

Upon surrender of 2014 Bonds redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new 2014 Bond, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2014 or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the 2014 Bonds so called for redemption have been duly provided, the 2014 Bonds called for redemption will cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice. The Paying Agent will cancel all 2014 Bonds redeemed under this Section and will furnish a certificate of cancellation to the District.

(e) Right to Rescind Notice of Redemption. The District has the right to rescind any notice of the optional redemption of 2014 Bonds under subsection (a) of this Section by written notice to the Paying Agent on or prior to the dated fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2014 Bonds then called for redemption. The District and the Paying Agent shall have no liability to the 2014 Bond Owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under subsection (d) of this Section.

Section 2.04. ***Form of 2014 Bonds*****.** The Current Interest Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon will be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution and the Bond Purchase Agreement, as are set forth in **Appendix A** attached hereto.

Section 2.05. ***Execution of 2014 Bonds*****.** The 2014 Bonds shall be signed by the facsimile signature of the President of the Board and shall be attested by the facsimile signature of the Clerk of the Board. Only those 2014 Bonds bearing a certificate of authentication and registration in the form set forth in **Appendix A** attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent is conclusive evidence that the 2014 Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

Section 2.06. T*ransfer of 2014 Bonds*. Subject to Section 2.10, any 2014 Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2014 Bond for cancellation at the Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new 2014 Bond issued upon any transfer.

Whenever any 2014 Bond is surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new 2014 Bond, for like aggregate principal amount. No transfers of 2014 Bonds shall be required to be made (a) 15 days prior to the date established by the Paying Agent for selection of 2014 Bonds for redemption or (b) with respect to a 2014 Bond which has been selected for redemption.

Section 2.07. ***Exchange of 2014 Bonds*****.** 2014 Bonds may be exchanged at the principal Office of the Paying Agent for a like aggregate principal amount of 2014 Bonds of authorized denominations and of the same maturity, together with a request for exchange signed by the owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. The District may charge a reasonable sum for each new 2014 Bond issued upon any exchange (except in the cases of any exchange of temporary 2014 Bonds for definitive 2014 Bonds). No exchange of 2014 Bonds is required to be made (a) 15 days prior to the date established by the Paying Agent for selection of 2014 Bonds for redemption or (b) with respect to a 2014 Bond after it has been selected for redemption.

Section 2.08. ***Registration Books*****.** The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the 2014 Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, 2014 Bonds as herein before provided.

Section 2.09. ***Book-Entry System*****.** Except as provided below, DTC shall be the Owner of all of the 2014 Bonds, and the 2014 Bonds shall be registered in the name of Cede & Co. as nominee for DTC. The 2014 Bonds shall be initially executed and delivered in the form of a single fully registered 2014 Bond for each maturity date of the 2014 Bonds in the full aggregate principal amount of the 2014 Bonds maturing on such date. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the 2014 Bonds registered in its name for all purposes of this Resolution, and neither the Paying Agent nor the District shall be affected by any notice to the contrary. The Paying Agent and the District have no responsibility or obligation to any Depository System Participant, any person claiming a beneficial ownership interest in the 2014 Bonds under or through DTC or a Depository System 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 Depository System Participant or the payment by DTC or any Depository System Participant by DTC or any Depository System Participant of any amount in respect of the principal or interest with respect to the 2014 Bonds. The District shall cause to be paid all principal and interest with respect to the 2014 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 2014 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 2014 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 2014 Bonds and delivers a written certificate to DTC and the District to that effect, DTC shall notify the Depository System Participants of the availability through DTC of 2014 Bonds. In such event, the District shall issue, transfer and exchange 2014 Bonds as requested by DTC and any other owners in appropriate amounts.

DTC may determine to discontinue providing its services with respect to the 2014 Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the District shall be obligated to deliver 2014 Bonds as described in this Resolution. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate 2014 Bonds evidencing the 2014 Bonds to any Depository System Participant having 2014 Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the 2014 Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any 2014 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 2014 Bond and all notices with respect to such 2014 Bond shall be made and given, respectively, to DTC as provided in the representation letter delivered on the date of issuance of the 2014 Bonds.

Section 2.10. ***Transfer Under Book-Entry System: Discontinuation of Book-Entry System*****.** Registered ownership of the 2014 Bonds, or any portion thereof, may not be transferred except as follows:

i. To any successor of Cede & Co., as nominee of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a "substitute depository"); *provided that* any successor of Cede & Co., as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

ii. To any substitute depository not objected to by the District or the County, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

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

ARTICLE III
SALE OF 2014 BONDS; APPLICATION OF PROCEEDS

Section 3.01. ***Sale of 2014 Bonds; Approval of Sale Documents*.**

(a) Negotiated Sale Authorized. Pursuant to Section 53508.7 of the Bond Law, and subject to the alternative manner of sale identified in subsection (c) below, the Board hereby expressly authorizes the negotiated sale of the 2014 Bonds to an investment banking firm to be identified by the Superintendent. Such selection may, but is not required, to occur following receipt of proposals from a limited group of investment banking firms. In the case of a negotiated sale, subject to subsection (c) below, the 2014 Bonds shall be sold pursuant to the Bond Purchase Agreement in substantially the form on file with the Clerk of the Board with such changes therein, deletions therefrom and modifications thereto as a District Representative may approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided that the Bond Purchase Agreement shall contain the following terms:

i. the 2014 Bonds shall bear a rate of interest or Accretion Rate of not to exceed 6 percent per annum;

ii. Current Interest Bonds shall have a final maturity date of 30 years or less from the date of issuance, and Capital Appreciation Bonds and Convertible Capital Appreciation Bonds shall have a final maturity date of 25 years or less from the date of issuance;

iii. the 2014 Bonds shall have a ratio of total debt service to principal of not to exceed four to one;

iv. the 2014 Bonds which are Capital Appreciation Bonds and Convertible Capital Appreciation Bonds shall be subject to redemption prior to maturity at the option of the District, at the Accreted Value or Conversion Value thereof, as applicable, beginning no later than 10 years following the issuance of the 2014 Bonds; and

i. the Underwriter's discount shall not exceed 0.285% of the principal amount of the 2014 Bonds.

The Board hereby authorizes a District Representative to execute and deliver the final form of the Bond Purchase Agreement in the name and on behalf of the District.

(b) Reasons for Negotiated Sale. In accordance with Section 53508.7 of the Bond Law, the Board has determined to authorize the sale of the 2014 Bonds at negotiated sale for the following reasons: (a) the District requires flexibility in determining whether the Bonds will be issued as Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, or a combination thereof, and a negotiated sale provides flexibility to make such determination at the time of the bond sale, (b) a negotiated sale provides more flexibility to choose the time and date of the sale which is advantageous in a volatile municipal bond market, and (c) a negotiated sale will permit the time schedule for the issuance and sale of the 2014 Bonds to be expedited. A District Representative is hereby authorized to acknowledge a copy of the disclosure made by the selected Underwriter in compliance with Municipal Securities Rulemaking Board Rule G-17.

(c) Official Statement. The Board hereby approves, and hereby deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the 2014 Bonds in substantially the form on file with the Clerk of the Board. A District Representative is hereby authorized to execute an appropriate certificate stating the Board's determination that the Preliminary Official Statement has been deemed nearly final within the meaning of such Rule. A District Representative is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by a District Representative shall be conclusive evidence of his or her approval of any such changes and additions. The Board hereby authorizes the distribution of the Official Statement by the Underwriter. The final Official Statement shall be executed in the name and on behalf of the District by a District Representative.

(d) Estimates Regarding Assessed Valuations. As provided in Section 3.01(a), the 2014 Bonds which are Current Interest Bonds shall have a term of not to exceed 30 years from the date of issuance, and the 2014 Bonds which are Capital Appreciation Bonds or Convertible Capital Appreciation Bonds shall have a term of not to exceed 25 years from the date of issuance, and the repayment ratio for the 2014 Bonds shall not exceed four to one. As provided in Education Code Section 15268, the 2014 Bonds may only be issued if the District projects at the time of issue that the tax rate levied to pay debt service on the 2014 Bonds, together with other bonds issued pursuant to the Bond Measure, would not exceed $30 per $100,000 of assessed valuation. In making such projection, the District has estimated certain annual increases in the assessed value of taxable property within the District. The assumed annual increases are set forth in **Appendix B** hereto.

(e) Actions to Close Bond Issuance. Each District Representative and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the 2014 Bonds, including but not limited to the execution and delivery of a document with respect to the engagement of the Paying Agent appointed hereby, and the payment of Costs of Issuance. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

Section 3.02. ***Application of Proceeds of Sale of 2014 Bonds*.** The proceeds of the 2014 Bonds shall be paid to the County Treasurer (excluding amounts to be used to pay some or all of the Costs of Issuance, which may be deposited as described in Section 3.05) on the Closing Date, and shall be applied by the County Treasurer as follows:

(a) The portion of the proceeds representing the premium (if any) received by the County Treasurer on the sale of the 2014 Bonds will be deposited in the Debt Service Fund established pursuant to Section 4.02.

(b) All remaining proceeds received by the County Treasurer from the sale of the 2014 Bonds will be deposited in the Building Fund established pursuant to Section 3.03.

At the option of the District, a portion of the proceeds to be used to pay Costs of Issuance may be deposited with a fiscal agent selected by the District, as provided in Section 15146(g) of the Education Code, as directed by the District, in order the facilitate the payment of Costs of Issuance.

Section 3.03. ***Building Fund*.** The County Treasurer shall create and maintain a fund designated as the "Santa Maria Joint Union High School District, Election of 2004, Series 2014 Building Fund," into which the proceeds from the sale of the 2014 Bonds shall be deposited, to the extent required under Section 3.02(b). The County Treasurer shall maintain separate accounting for the proceeds of the 2014 Bonds, including all earnings received from the investment thereof. Amounts credited to the Building Fund for the 2014 Bonds shall be expended by the District solely for the financing of projects for which the 2014 Bond proceeds are authorized to be expended under the Bond Measure (which includes related Costs of Issuance). All interest and other gain arising from the investment of proceeds of the 2014 Bonds shall be retained in the Building Fund and used for the purposes thereof. Pursuant to a Written Certificate of the District filed with the County Treasurer, any amounts remaining on deposit in the Building Fund and not needed for the purposes thereof shall be withdrawn from the Building Fund and transferred to the Debt Service Fund, to be applied to pay the principal of and interest on the 2014 Bonds.

If excess amounts remain on deposit in the Building Fund after payment in full of the 2014 Bonds, any such excess amounts shall be transferred to the general fund of the District, to be applied for the purposes for which the 2014 Bonds have been authorized or otherwise in accordance with the Bond Law.

Section 3.04. ***Professionals; Estimated Financing Costs***. The firm of Garcia, Hernández, Sawhney & Bermudez, LLP, has previously been engaged to act as the District's bond counsel and the firm of Caldwell Flores Winters LLC has previously been engaged to act as the District's financial advisor, in connection with the issuance and sale of the 2014 Bonds. The Board hereby authorizes the District Representatives, each individually, to retain the services of Jones Hall, A Professional Law Association to act as Disclosure Counsel and The Law Offices of Samuel Norber to serve as special tax counsel to the District in connection with the 2014 Bonds. The Costs of Issuance associated with the bond sale are estimated at approximately $205,000, including financial advisor fees, bond counsel and disclosure counsel fees, special tax counsel fees, costs of printing the Official Statement, rating agency fees, and paying agent fees, but excluding underwriting fees and the cost of municipal bond insurance, if obtained.

Section 3.05. ***Costs of Issuance Agreement***. In order to facilitate the payment of all or some Costs of Issuance, the Board hereby authorizes a District Representative to enter into or acknowledge an agreement, designating a bank identified therein, to serve as a custodian for receipt of a portion of the proceeds of the 2014 Bonds to pay all or a portion of Costs of Issuance.

ARTICLE IV
SECURITY FOR THE 2014 BONDS; DEBT SERVICE FUND; MUNICIPAL BOND INSURANCE

Section 4.01. ***Security for the 2014 Bonds; Request for Tax Levy***. The 2014 Bonds are general obligations of the District. The Board has the power to direct the Counties to levy *ad valorem* taxes upon all property within the District that is subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates), for the payment of the 2014 Bonds and the interest and redemption premium (if any) thereon. The District hereby directs the Counties to levy 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 2014 Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the 2014 Bonds when due, including the principal of any 2014 Bonds upon the mandatory sinking fund redemption thereof under Section 2.03(b), which moneys when collected will be paid to the County Treasurer and placed in the Debt Service Fund.

The principal of and interest and redemption premium (if any) on the 2014 Bonds does not constitute a debt of the Counties, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof. Neither the Counties, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof are liable for the 2014 Bonds. In no event are the principal of and interest and redemption premium (if any) on 2014 Bonds payable out of any funds or properties of the District other than *ad valorem* taxes levied on taxable property in the District. The 2014 Bonds, including the interest thereon, are payable solely from taxes levied under Sections 15250, 15252, 15260 and 15261 of the Education Code.

Section 4.02. ***Establishment of Debt Service Fund*****.** The District hereby directs the County Treasurer to establish, hold and maintain a fund to be known as the "Santa Maria Joint Union High School District, Election of 2004, 2014 Debt Service Fund", which the County Treasurer shall maintain as a separate account, distinct from all other funds of the County and the District. All taxes levied by the Counties, at the request of the District, for the payment of the principal of and interest and premium (if any) on the 2014 Bonds shall be transferred by the Counties to the County Treasurer to be deposited in the Debt Service Fund by the County Treasurer promptly upon apportionment of said levy.

The Debt Service Fund is hereby pledged for the payment of the principal of and interest on the 2014 Bonds when and as the same become due, including the principal of any term 2014 Bonds required to be paid upon the mandatory sinking fund redemption thereof. Amounts in the Debt Service Fund shall be transferred by the County to the Paying Agent to the extent required to pay the principal of and interest and redemption premium (if any) on the 2014 Bonds when due. In addition, amounts on deposit in the Debt Service Fund shall be applied to pay the fees and expenses of the Paying Agent insofar as permitted by law, including specifically by Section 15232 of the Education Code.

Section 4.03. ***Disbursements From Debt Service Fund***. The County Treasurer shall administer the Debt Service Fund and make disbursements therefrom in the manner set forth in this Section. The County Treasurer shall transfer amounts on deposit in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the 2014 Bonds when due and payable, to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the principal of and interest on the 2014 Bonds. DTC will thereupon make payments of principal and interest on the 2014 Bonds to the DTC Participants who will thereupon make payments of principal and interest to the beneficial owners of the 2014 Bonds. Any moneys remaining in the Debt Service Fund after the 2014 Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, as provided in Section 15234 of the Education Code.

Section 4.04. ***Investments***. All moneys held in any of the funds or accounts established with the County hereunder will be invested in Authorized Investments in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder will be deposited in the fund or account from which such investment was made, and will be expended for the purposes thereof. The County Treasurer has no responsibility in the reporting, reconciling and monitoring of the investment of the proceeds of the Bonds.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof. The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the 2014 Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section, the term “Fair Market Value” shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the

Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

Section 4.04. *Bond Insurance*. The payment of principal of and interest on all or a portion of the 2014 Bonds may be secured by a municipal bond insurance policy as described in the Bond Purchase Agreement and the commitment for bond insurance executed by a District Representative, if any. Each Bond Purchase Agreement executed with respect to the 2013 Bonds may provide that no municipal bond insurance policy shall be obtained. The District Representatives are each hereby authorized and directed to qualify the District for municipal bond insurance for the 2013 Bonds and authorize that such insurance be obtained if the present value cost of such insurance is less than the present value of the estimated interest savings with respect to the 2013 Bonds. The District Representatives are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver a contract or contracts for such insurance if such contract is deemed by the District Representative executing the same to be in the best interests of the District, such determination to be conclusively evidenced by such District Representative's execution and delivery of such contract.

ARTICLE V
OTHER COVENANTS OF THE DISTRICT

Section 5.01. *Punctual Payment*. The Board will direct the County of Santa Barbara and the County of San Luis Obispo to levy *ad valorem* taxes, as provided in Sections 15250 and 15260 of the Education Code, so as to enable the District to punctually pay, or cause to be paid, the principal of and interest on the 2014 Bonds, in conformity with the terms of the 2014 Bonds and of this Resolution. The taxes so levied shall, when collected, be deposited with the County Treasurer in accordance with Sections 15251 and 15261 of the Education Code. Nothing herein contained shall prevent the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law. **Section 5.02. *Books and Accounts; Financial Statements*.** The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries are made of all transactions relating to the expenditure of the proceeds of the 2014 Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the 2014 Bonds then Outstanding, or their representatives authorized in writing.

Section 5.02. *Books and Accounts; Financial Statements*. The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries are made of all transactions relating to the expenditure of the proceeds of the 2014 Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the 2014 Bonds then Outstanding, or their representatives authorized in writing.

Section 5.03. ***Protection of Security and Rights of 2014 Bond Owners*.** The District will preserve and protect the security of the 2014 Bonds and the rights of the 2014 Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. Following the issuance of the 2014 Bonds by the District, the 2014 Bonds shall be incontestable by the District.

Section 5.04. ***Tax Covenants*.**

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the 2014 Bonds are not so used as to cause the 2014 Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2014 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the 2014 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the 2014 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the 2014 Bonds from the gross income of the Owners of the 2014 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The District shall calculate or cause to be calculated excess investment earnings with respect to the 2014 Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, and shall pay the full amount of such excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, if and to the extent such Section 148(f) is applicable to the 2014 Bonds. Such payments shall be made by the District from any source of legally available funds of the District. The District shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the 2014 Bonds, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District may deem appropriate.

Section 5.05. ***Continuing Disclosure*.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate does not constitute a default by the District hereunder or under the 2014 Bonds; however, any Participating Underwriter (as that term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the 2014 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.06. ***Further Assurances*****.** The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the 2014 Bonds of the rights and benefits provided in this Resolution.

ARTICLE VI
THE PAYING AGENT

Section 5.07. ***Appointment of Paying Agent*****.** This Board of Education does hereby consent to and confirm the appointment of U.S. Bank National Association, to act as the initial paying agent for the 2014 Bonds. All fees and expenses of the paying agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the 2014 Bonds, or from the Debt Service Fund of the District, insofar as permitted by law, including specifically by Section 15232 of the Education Code, such fees and expenses shall be paid by the District. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the 2014 Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the District by executing and delivering to the District a certificate or agreement to that effect.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the 2014 Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent will become effective upon acceptance of appointment by the successor Paying Agent.

Section 6.02. ***Paying Agent May Hold 2014 Bonds*****.** The Paying Agent may become the owner of any of the 2014 Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

Section 6.03. *Liability of Agents*. The recitals of facts, covenants and agreements herein and in the 2014 Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the 2014 Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

The Paying Agent is not liable for any error of judgment made in good faith by a responsible officer of its corporate trust department in the absence of the negligence of the Paying Agent.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent is not responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 6.04. *Notice to Paying Agent*. The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 6.05. *Compensation; Indemnification*. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The

District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

ARTICLE VII
REMEDIES OF 2014 BOND OWNERS

Section 7.01. ***Remedies of 2014 Bond Owners*.** Any 2014 Bond Owner has the right, for the equal benefit and protection of all 2014 Bond Owners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the 2014 Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the 2014 Bond Owners' rights; or

(c) upon the happening and continuation of any default by the District hereunder or under the 2014 Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

Section 7.02. ***Remedies Not Exclusive*.** No remedy herein conferred upon the Owners of 2014 Bonds is exclusive of any other remedy. Each and every remedy is cumulative and may be exercised in addition to every other remedy given hereunder or thereafter conferred on the 2014 Bond Owners.

Section 7.03. ***Non-Waiver*.** Nothing in this Article VII or in any other provision of this Resolution or in the 2014 Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the 2014 Bonds to the respective Owners of the 2014 Bonds at the respective dates of maturity, as herein provided, or affects or impairs the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the 2014 Bonds.

A waiver of any default by any 2014 Bond Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the 2014 Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the 2014 Bond Owners by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the 2014 Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the 2014 Bond Owners, the District and the 2014 Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

ARTICLE VIII
AMENDMENT OF THIS RESOLUTION

Section 8.01. *Amendments Effective Without Consent of the Owners*. The Board may amend this Resolution from time to time, without the consent of the Owners of the 2014 Bonds, for any one or more of the following purposes:

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

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

(c) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution, in a manner which does not materially adversely affect the interests of the 2014 Bond Owners in the opinion of Bond Counsel filed with the District; or

(d) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the 2014 Bonds.

Section 8.02. *Amendments Effective With Consent of the Owners*. The Board may amend this Resolution from time to time for any purpose not set forth in Section 8.01, with the written consent of the Owners of a majority in aggregate principal amount of the 2014 Bonds Outstanding at the time such consent is given. Without the consent of all the Owners of such 2014 Bonds, no such modification or amendment shall permit (a) a change in the terms of maturity of the principal of any Outstanding 2014 Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, (b) a reduction of the percentage of 2014 Bonds the consent of the Owners of which is required to effect any such modification or amendment, (c) a change in any of the provisions in Section 7.01 or (d) a reduction in the amount of moneys pledged for the repayment of the 2014 Bonds, and no right or obligation of any Paying Agent may be changed or modified without its written consent.

ARTICLE IX
MISCELLANEOUS

Section 9.01. *Benefits of Resolution Limited to Parties*. Nothing in this Resolution, expressed or implied, gives any person other than the District, the County, the Paying Agent and the Owners of the 2014 Bonds, any right, remedy, claim under or by reason of this Resolution. The covenants, stipulations, promises or agreements in this Resolution are for the sole and exclusive benefit of the Owners of the 2014 Bonds.

Section 9.02. *Defeasance of 2014 Bonds*.

(a) Discharge of Resolution. Any or all of the 2014 Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

i. by paying or causing to be paid the principal or redemption price of and interest on such 2014 Bonds, as and when the same become due and payable;

ii. by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such 2014 Bonds; or

iii. by delivering such 2014 Bonds to the Paying Agent for cancellation by t.

If the District pays all Outstanding 2014 Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any 2014 Bonds have not been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of 2014 Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding 2014 Bond (whether upon or prior to its maturity or the redemption date of such 2014 Bond), provided that, if such 2014 Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such 2014 Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such 2014 Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any 2014 Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such 2014 Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any 2014 Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:

i. lawful money of the United States of America in an amount equal to the principal amount of such 2014 Bonds and all unpaid interest thereon to maturity, except that, in the case of 2014 Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such 2014 Bonds and all unpaid interest thereon to the redemption date; or

ii. Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the 2014 Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of 2014 Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice.

(d) Payment of 2014 Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal or redemption price of, or interest on, any 2014 Bonds and remaining unclaimed for two years after the principal of all of the 2014 Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the 2014 Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all 2014 Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the 2014 Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof. Thereafter, the District shall remain liable to the Owners for payment of any amounts due on the 2014 Bonds, which amounts shall be deemed to be paid by the District from moneys remitted to it by the Paying Agent under this subsection (d):

Section 9.03. ***Application of Provisions to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds*.** Whenever in this Resolution reference is made to the payment of the principal of and interest on the 2014 Bonds, such reference includes payment of the Accreted Value and Maturity Value of the Capital Appreciation

Bonds and the Conversion Value of the Convertible Capital Appreciation Bonds, as applicable, unless otherwise required by the context or by the express provisions of such reference.

Section 9.04. ***Execution of Documents and Proof of Ownership by 2014 Bond Owners*.** Any request, declaration or other instrument which this Resolution may require or permit to be executed by 2014 Bond Owners may be in one or more instruments of similar tenor, and shall be executed by 2014 Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any 2014 Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered 2014 Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any 2014 Bond shall bind all future Owners of such 2014 Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

Section 9.05. ***Waiver of Personal Liability*.** No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the 2014 Bonds; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duly provided by law.

Section 9.06. ***Limited Duties of County; Indemnification*.** The County (including its officers, agents and employees) shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution and in applicable provisions of the Bond Law and the Education Code, and even during the continuance of an event of default with respect to the 2014 Bonds, no implied covenants or obligations shall be read into this Resolution against the County (including its officers, agents and employees).

The District further agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

Section 9.07. ***Destruction of Canceled 2014 Bonds*.** Whenever in this Resolution provision is made for the surrender to the District of any 2014 Bonds which have been paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled 2014 Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such 2014 Bonds therein referred to.

Section 9.08. ***Partial Invalidity*.** If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the 2014 Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the chief financial officer of the District in trust for the benefit of the 2014 Bond Owners.

Section 9.09. ***Effective Date of Resolution***. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * * * * *

PASSED AND ADOPTED on ________, 2014, by the following vote:

[Majority vote required]

AYES:

NOES:

ABSENT:

____
President of the Board of Education
Santa Maria Joint Union High School District
Counties of Santa Barbara and San Luis Obispo, California

ATTEST:

____
Clerk of the Board of Education
Santa Maria Joint Union High School District
Counties of Santa Barbara and San Luis Obispo, California

APPENDIX A-1
FORM OF SERIES 2014 CURRENT INTEREST BOND

REGISTERED BOND NO. ______ *****$____________*****

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTIES OF SANTA BARBARA AND SAN LUIS OBISPO

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
GENERAL OBLIGATION BOND
ELECTION OF 2004, SERIES 2014

INTEREST RATE PER ANNUM:	MATURITY DATE:	DATED DATE:	CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT: ***________________________________DOLLARS***

The Santa Maria Joint Union High School District (the "District"), located in the Counties of Santa Barbara and San Luis Obispo, State of California, for value received, hereby 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 February 1 and August 1 of each year, commencing February 1, 2015 (the "Interest Payment Dates"). 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 January 15, 2015, in which event it shall bear interest from the Dated Date referred to above. Principal hereof is payable at the corporate trust office of the paying agent for the Bonds (the "Paying Agent"), initially being the Treasurer and Tax Collector of the County of Santa Barbara, California (the "County"). Interest hereon (including the final interest payment upon maturity) is payable by check or draft of the Paying Agent mailed by first-class mail to the Owner at the Owner's address as it appears on the registration books maintained by the Paying Agent as of the close of business on the 15th day of the month next preceding such Interest Payment Date (the "Record Date"), or at such other address as the Owner may have filed with the Paying Agent for that purpose.

Principal hereof is payable at the corporate trust office of the Paying Agent. Interest hereon (including the final interest payment upon maturity) is payable by check or draft of the Paying Agent mailed by first-class mail to the Owner at the Owner's address as it appears on the registration books maintained by the Paying Agent as of the Record Date, or at such other address as the Owner may have filed with the Paying Agent for that purpose.

This Bond is one of a duly authorized issue of Bonds of the District designated as "Santa Maria Joint Union High School District General Obligation Bonds, Election of 2004, Series 2014" (the "Bonds"), in an aggregate principal amount of $_____________, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions). The issuance of the Bonds has been authorized by the requisite 55% vote of the electors of the District cast at a special bond election held on November 2, 2004, upon the question of issuing bonds in the amount of $79,000,000. The Bonds are being issued and sold under the provisions of the California Constitution, Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), and under a Resolution of the Board of Education of the District adopted on _________, 2014 (the "Resolution"), authorizing the issuance of the Bonds, and are subject to certain particular terms specified in the Bond Purchase Agreement, dated __________, 2014, by and between the District and _______________, as underwriter.

The Bonds are being issued in the form of Current Interest Bonds in the aggregate principal amount of $___________ (of which this Bond is one), Capital Appreciation Bonds in the aggregate denominational amount of $__________ and Convertible Capital Appreciation Bonds in the aggregate denominational amount of $____________, all subject to the terms and conditions of the Resolution. All capitalized terms herein and not otherwise defined have the meaning given them in the Resolution. Reference is hereby made to the Resolution (copies of which are on file at the office of the Paying Agent) and the Bond Law for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

The principal of and interest and redemption premium, if any, on this Bond does not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions, nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest and redemption premium, if any, on this Bond be payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District.

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 and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity as a whole, or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, at the option of the District, from any available source of funds, on August 1, 20__ and on any date thereafter, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, together with interest thereon to the date fixed for redemption, without premium.

[*If applicable*:] The Bonds maturing on August 1, 20__ (the “Term Bonds”) are also subject to mandatory sinking fund redemption on or before August 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to 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 under the preceding paragraph, the aggregate principal amount of Term Bonds to be redeemed under this paragraph shall be reduced in the manner determined by the District in integral multiples of $5,000.

Sinking Fund Redemption Date (August 1)	Principal Amount To Be Redeemed

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 there 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 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 nor the Paying Agent will be required: (a) to issue or transfer any Bond during a period beginning with the opening of business on the 16th 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 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, recited and declared 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 is not 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.

IN WITNESS WHEREOF, the Board of Education of the Santa Maria Joint Union High School District, located in the Counties of Santa Barbara and San Luis Obispo, State of California, has caused this Bond to be signed by its President and countersigned by its Clerk, as of the date set forth above.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT

By *[EXHIBIT ONLY]*
President

Attest:

[EXHIBIT ONLY]
Clerk of the Board

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution.

Authentication Date:

TREASURER AND TAX COLLECTOR OF THE COUNTY OF SANTA BARBARA, as Paying Agent

EXHIBIT ONLY
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 Bond Registrar, with full power of substitution in the premises.

Dated: _______________

Signature Guaranteed:

____

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

____

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

APPENDIX A-2
FORM OF SERIES 2014 CAPITAL APPRECIATION BOND

CAB BOND NO. ______ *****$____________*****
(Maturity Value)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTIES OF SANTA BARBARA AND SAN LUIS OBISPO

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
GENERAL OBLIGATION BOND
ELECTION OF 2004, SERIES 2014

ACCRETION RATE:	MATURITY DATE:	DATED DATE:	CUSIP:

REGISTERED OWNER:

DENOMINATIONAL AMOUNT: ***_________________________DOLLARS***

MATURITY VALUE: * DOLLARS*****

The SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT, a school district duly organized and existing under and by virtue of the Constitution and laws of the State of California and located in the Counties of Santa Barbara and San Luis Obispo, California (the "District"), for value received, hereby promises to pay to the Registered Owner stated above, or registered assigns, the Maturity Value stated above on the Maturity Date stated above. The Accreted Value (as such term is defined in the within-mentioned Resolution) of this Bond as of any date will be determined in accordance with the Table of Accreted Values set forth hereon, representing the principal amount per $5,000 of Maturity Value together with interest thereon from the Dated Date stated above, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 2015 (each, a "Compounding Date"), on the basis of a 360-day year comprised of twelve 30-day months, at a rate equal to the Accretion Rate per annum set forth above. The Accreted Value hereof is payable upon presentation and surrender of this Bond at the corporate trust office of the paying agent for the Bonds (the "Paying Agent"), initially being the Treasurer and Tax Collector of the County of Santa Barbara, State of California (the "County"). The Accreted Value hereof is payable in lawful money of the United States of America to the person in whose name this Bond is registered (the "Registered Owner") on the Bond registration books maintained by the Paying Agent.

This Bond is one of a duly authorized issue of Bonds of the District designated as "Santa Maria Joint Union High School District General Obligation Bonds, Election of 2004, Series 2014" (the "Bonds"), in an aggregate principal amount of

$_____________, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions). The issuance of the Bonds has been authorized by the requisite 55% vote of the electors of the District cast at a special bond election held on November 2, 2004, upon the question of issuing bonds in the amount of $79,000,000. The Bonds are being issued and sold under the provisions of the California Constitution, Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), and under a Resolution of the Board of Education of the District adopted on _________, 2014 (the "Resolution"), authorizing the issuance of the Bonds, and are subject to certain particular terms specified in the Bond Purchase Agreement, dated __________, 2014, by and between the District and _______________, as underwriter.

The Bonds are being issued in the form of Current Interest Bonds in the aggregate principal amount of $___________, as Capital Appreciation Bonds (of which this Bond is one) in the aggregate denominational amount of $__________ and Convertible Capital Appreciation Bonds in the aggregate denominational amount of $____________, all subject to the terms and conditions of the Resolution. All capitalized terms herein and not otherwise defined have the meaning given them in the Resolution. Reference is hereby made to the Resolution (copies of which are on file at the office of the Paying Agent) and the Bond Law for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

The principal of and interest and redemption premium, if any, on this Bond does not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions, nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest and redemption premium, if any, on this Bond be payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District.

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 and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 20____ are subject to redemption prior to maturity as a whole, or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, at the option of the District, from any available source of funds, on August 1, 20___ and on any date thereafter, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, together with interest thereon to the date fixed for redemption, without premium.

[*If applicable*:] The Bonds maturing on August 1, 20__ (the "Term Bonds") are also subject to mandatory sinking fund redemption on or before August 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to 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 under the preceding paragraph, the aggregate principal amount of Term Bonds to be redeemed under this paragraph shall be reduced in the manner determined by the District in integral multiples of $5,000, or on such other basis as designated pursuant to written notice filed by the District with the Paying Agent.

Sinking Fund Redemption Date (August 1)	Principal Amount To Be Redeemed

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 there 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 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 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 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, recited and declared 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 is not 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.

IN WITNESS WHEREOF, the Board of Education of the Santa Maria Joint Union High School District, located in the Counties of Santa Barbara and San Luis Obispo, State of California, has caused this Bond to be signed by its President and countersigned by its Clerk, as of the date set forth above.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT

By *[EXHIBIT ONLY]*
President

Attest:

[EXHIBIT ONLY]
Clerk of the Board

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution.

Authentication Date:

TREASURER AND TAX COLLECTOR OF THE COUNTY OF SANTA BARBARA, as Paying Agent

[EXHIBIT ONLY]
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 Bond Registrar, with full power of substitution in the premises.

Dated: ______________

Signature Guaranteed:

____

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

____

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

APPENDIX A-3

FORM OF SERIES 2014 CONVERTIBLE CAPITAL APPRECIATION BOND

CONVERTIBLE CAB NO. ______ *****$____________*****
(Conversion Value)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTIES OF SANTA BARBARA AND SAN LUIS OBISPO

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
GENERAL OBLIGATION BOND
ELECTION OF 2004, SERIES 2014

ACCRETION RATE:	CONVERSION DATE:	INTEREST RATE FOLLOWING CONVERSION:	MATURITY DATE:	DATED DATE:	CUSIP:

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT: ***__________________________DOLLARS***

CONVERSION VALUE: ***________________________________DOLLARS***

The SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT, a school district duly organized and existing under and by virtue of the Constitution and laws of the State of California and located in the Counties of Santa Barbara and San Luis Obispo, California (the "District"), for value received, hereby promises to pay to the Registered Owner stated above, or registered assigns, the Conversion Value stated above on the Maturity Date stated above. Prior to the Conversion Date stated above, this Bond will not bear current interest, but will accrete in value on each Compounding Date, being February 1 and August 1, commencing on February 1, 2015, on the basis of a 360-day year comprised of twelve 30-day months, at a rate equal to the Accretion Rate per annum set forth above, to its Conversion Date. The Accreted Value (as such term is defined in the within-mentioned Bond Resolution) of this Bond as of any date prior to the Conversion Date will be determined in accordance with the Table of Accreted Values set forth hereon, representing the principal amount per $5,000 of Conversion Value together with interest accreted thereon. From and after the Conversion Date identified above, this Bond will bear interest on a principal amount equal to the Conversion Value, payable on February 1 and August 1 of each year, commencing _________, 20_____ (the "Interest Payment Dates"), to maturity. The Conversion Value hereof is payable at the corporate trust office of the paying agent for the Bonds (the "Paying Agent"), initially being the

Treasurer and Tax Collector of the County of Santa Barbara (the "County"). Interest hereon (including the final interest payment upon maturity) is payable by check or draft of the Paying Agent mailed by first-class mail to the Owner at the Owner's address as it appears on the registration books maintained by the Paying Agent as of the close of business on the 15th day of the month next preceding such Interest Payment Date (the "Record Date"), or at such other address as the Owner may have filed with the Paying Agent for that purpose.

This Bond is one of a duly authorized issue of Bonds of the District designated as "Santa Maria Joint Union High School District General Obligation Bonds, Election of 2004, Series 2014" (the "Bonds"), in an aggregate principal amount of $_____________, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions). The issuance of the Bonds has been authorized by the requisite 55% vote of the electors of the District cast at a special bond election held on November 2, 2004, upon the question of issuing bonds in the amount of $79,000,000. The Bonds are being issued and sold under the provisions of the California Constitution, Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), and under a Resolution of the Board of Education of the District adopted on _________, 2014 (the "Resolution"), authorizing the issuance of the Bonds, and are subject to certain particular terms specified in the Bond Purchase Agreement, dated __________, 2014, by and between the District and _______________, as underwriter.

The Bonds are being issued in the form of Current Interest Bonds in the aggregate principal amount of $_____, as Capital Appreciation Bonds in the aggregate denominational amount of $_____, and as Convertible Capital Appreciation Bonds (of which this Bond is one) in the aggregate denominational amount of $_____, all subject to the terms and conditions of the Bond Resolution. All capitalized terms herein and not otherwise defined have the meaning given them in the Bond Resolution. Reference is hereby made to the Bond Resolution (copies of which are on file at the office of the Paying Agent) and the Bond Law for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Bond Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

The principal of and interest and redemption premium, if any, on this Bond does not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions, nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest and redemption premium, if any, on this Bond be payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District.

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 and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

[Insert applicable redemption provisions]

For the purpose of selection for optional redemption, Bonds will be deemed to consist of $5,000 portions (principal amount, Maturity Value or Conversion Value, as appropriate), and any such portion may be separately redeemed.

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 there 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 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 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 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.

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

It is certified, recited and declared 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 is not 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.

IN WITNESS WHEREOF, the Board of Education of the Santa Maria Joint Union High School District, located in the Counties of Santa Barbara and San Luis Obispo, State of California, has caused this Bond to be signed by its President and countersigned by its Clerk, as of the date set forth above.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT

By ____________*[EXHIBIT ONLY]*_________
President

Attest:

____________*[EXHIBIT ONLY]*_________
Clerk of the Board

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Bond Resolution.

Authentication Date: ___________, 2014

TREASURER AND TAX COLLECTOR OF SANTA BARBARA COUNTY, as Paying Agent

______________*[EXHIBIT ONLY]*______________
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 Bond Registrar, with full power of substitution in the premises.

Dated: ______________

Signature Guaranteed:

____
Note: Signature(s) must be guaranteed by an eligible guarantor institution.

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

TABLE OF ACCRETED VALUES FOR CONVERTIBLE CAPITAL APPRECIATION BONDS

APPENDIX B

ITEMS REQUIRED PURSUANT TO ASSEMBLY BILL 182

Attachments:

- Memorandum of Financial Advisor summarizing the reasons why bonds that allow for the compounding of interest are being recommended, together with the following attachments thereto:

    - **Exhibit A** - An analysis containing the total overall cost of the 2014 Bonds that allow for the compounding of interest;

    - **Exhibits B and C** - A comparison to the overall cost of issuing only current interest bonds;

    The analysis in Exhibits A, B and C includes annual assessed value growth assumptions, and estimated tax rates in connection with the issuance of 2014 Bonds

- A copy of the disclosure made by the Underwriter (defined herein) in compliance with Municipal Securities Rulemaking Board Rule G-17. *[if Underwriter has not been selected, identity of Underwriter shall be disclosed at a public meeting after selection]*

    NOTE: An Underwriter has not been selected as of the date this Resolution was included as an information only item on the Agenda for the November 12, 2014 regularly scheduled meeting of the Board of Education. If selected, the identity of the Underwriter and a copy of the G-17 disclosure will be made available at the next subsequent Board meeting.

To: Board of Trustees, Santa Maria Joint Union High School District

From: Caldwell Flores Winters, Inc.

Date: October 24, 2014

Re: Issuance and Sale of General Obligation Bonds, Election of 2004, Series 2014

In connection with the above-referenced bond sale, the following additional information is being provided for your review.

Exhibit A	Debt Service Analysis for Series 2014 Bonds Proposed Plan – Current Interest Bonds (CIBs) and Capital Appreciation Bonds (CABs)
Exhibit B	Comparative Debt Service Analysis For CIBs Only: Projected FY 2014 Issuance
Exhibit C	Comparative Debt Service Analysis For CIBs Only: Projected FY 2030 Issuance

The proposed Series 2014 Bond structure (Exhibit A) contains both CIBs and CABs. As part of recent legislation (Assembly Bill 182), bond issuances that include CABs must include a comparative analysis to a CIBs-only bond structure in the authorizing resolution.

The reason that the District must use the proposed combination of CIBs and CABs is to maintain the tax rate within the maximum $30.00 per $100,000 in Assessed Valuation (AV) per Proposition 39.

Exhibit A

Santa Maria Joint Union High School District, Santa Barbara and San Luis Obispo Counties
Election of 2004, Series 2014 Bonds
Proposed Structure: Combination of CIBs and CABs
Preliminary; Subject to Change

FYE	Est. Total AV	Est. AV % Change	$30 TR Revenues	Existing DS	Existing DS Est. TR	Proposed Est. DS	Proposed Est. DS TR	Est. Total TR
2015	$12,309,304,195	5.09%	$3,692,791	$3,123,125	$25.37	$0	$0.00	$25.37
2016	$12,740,129,842	3.50%	$3,822,039	$2,736,925	$21.48	$929,830	$7.30	$28.78
2017	$13,217,884,711	3.75%	$3,965,365	$2,849,125	$21.56	$929,830	$7.03	$28.59
2018	$13,746,600,099	4.00%	$4,123,980	$2,692,725	$19.59	$1,079,830	$7.86	$27.44
2019	$14,296,464,103	4.00%	$4,288,939	$2,874,975	$20.11	$1,065,330	$7.45	$27.56
2020	$14,868,322,667	4.00%	$4,460,497	$3,068,975	$20.64	$1,046,130	$7.04	$27.68
2021	$15,463,055,574	4.00%	$4,638,917	$3,062,775	$19.81	$1,191,130	$7.70	$27.51
2022	$16,081,577,797	4.00%	$4,824,473	$3,469,850	$21.58	$1,020,130	$6.34	$27.92
2023	$16,724,840,909	4.00%	$5,017,452	$3,697,250	$22.11	$990,530	$5.92	$28.03
2024	$17,393,834,545	4.00%	$5,218,150	$3,925,500	$22.57	$971,930	$5.59	$28.16
2025	$18,089,587,927	4.00%	$5,426,876	$4,165,750	$23.03	$943,930	$5.22	$28.25
2026	$18,813,171,444	4.00%	$5,643,951	$4,416,500	$23.48	$921,930	$4.90	$28.38
2027	$19,565,698,302	4.00%	$5,869,709	$4,926,250	$25.18	$890,730	$4.55	$29.73
2028	$20,348,326,234	4.00%	$6,104,498	$5,106,250	$25.09	$890,730	$4.38	$29.47
2029	$21,162,259,283	4.00%	$6,348,678	$5,396,250	$25.50	$890,730	$4.21	$29.71
2030	$22,008,749,655	4.00%	$6,602,625	$2,846,250	$12.93	$2,900,730	$13.18	$26.11
2031	$22,889,099,641	4.00%	$6,866,730	$2,958,750	$12.93	$3,015,730	$13.18	$26.10
2032	$23,804,663,627	4.00%	$7,141,399	$3,076,750	$12.92	$3,140,730	$13.19	$26.12
2033	$24,756,850,172	4.00%	$7,427,055	$3,202,500	$12.94	$3,263,230	$13.18	$26.12
2034	$25,747,124,179	4.00%	$7,724,137	$3,329,575	$12.93	$3,396,980	$13.19	$26.13
2035	$26,777,009,146	4.00%	$8,033,103	$3,465,000	$12.94	$3,533,400	$13.20	$26.14
2036	$27,848,089,512	4.00%	$8,354,427	$3,599,823	$12.93	$3,678,000	$13.21	$26.13
2037	$28,962,013,092	4.00%	$8,688,604	$3,745,000	$12.93	$3,827,200	$13.21	$26.15
2038	$30,120,493,616	4.00%	$9,036,148	$0	$0.00	$7,030,400	$23.34	$23.34
2039	$31,325,313,360	4.00%	$9,397,594	$0	$0.00	$7,310,000	$23.34	$23.34

Principal	$29,000,123
Total Debt Service	$55,404,104
Repayment Ratio	1.91

Exhibit B

Santa Maria Joint Union High School District, Santa Barbara and San Luis Obispo Counties
Election of 2004, Series 2014 Bonds
Estimated Structure: All CIBs
Preliminary; Subject to Change

FYE	Est. Total AV	Est. AV % Change	$30 TR Revenues	Existing DS	Existing DS Est. TR	Est. DS	Est. DS TR	Est. Total TR
2015	$12,309,304,195	5.09%	$3,692,791	$3,123,125	$25.37	$0	$0.00	$25.37
2016	$12,740,129,842	3.50%	$3,822,039	$2,736,925	$21.48	$1,181,433	$9.27	$30.76
2017	$13,217,884,711	3.75%	$3,965,365	$2,849,125	$21.56	$1,181,433	$8.94	$30.49
2018	$13,746,600,099	4.00%	$4,123,980	$2,692,725	$19.59	$1,181,433	$8.59	$28.18
2019	$14,296,464,103	4.00%	$4,288,939	$2,874,975	$20.11	$1,181,433	$8.26	$28.37
2020	$14,868,322,667	4.00%	$4,460,497	$3,068,975	$20.64	$1,181,433	$7.95	$28.59
2021	$15,463,055,574	4.00%	$4,638,917	$3,062,775	$19.81	$1,181,433	$7.64	$27.45
2022	$16,081,577,797	4.00%	$4,824,473	$3,469,850	$21.58	$1,181,433	$7.35	$28.92
2023	$16,724,840,909	4.00%	$5,017,452	$3,697,250	$22.11	$1,181,433	$7.06	$29.17
2024	$17,393,834,545	4.00%	$5,218,150	$3,925,500	$22.57	$1,181,433	$6.79	$29.36
2025	$18,089,587,927	4.00%	$5,426,876	$4,165,750	$23.03	$1,181,433	$6.53	$29.56
2026	$18,813,171,444	4.00%	$5,643,951	$4,416,500	$23.48	$1,181,433	$6.28	$29.76
2027	$19,565,698,302	4.00%	$5,869,709	$4,926,250	$25.18	$1,181,433	$6.04	$31.22
2028	$20,348,326,234	4.00%	$6,104,498	$5,106,250	$25.09	$1,181,433	$5.81	$30.90
2029	$21,162,259,283	4.00%	$6,348,678	$5,396,250	$25.50	$1,181,433	$5.58	$31.08
2030	$22,008,749,655	4.00%	$6,602,625	$2,846,250	$12.93	$1,181,433	$5.37	$18.30
2031	$22,889,099,641	4.00%	$6,866,730	$2,958,750	$12.93	$1,181,433	$5.16	$18.09
2032	$23,804,663,627	4.00%	$7,141,399	$3,076,750	$12.92	$1,221,433	$5.13	$18.06
2033	$24,756,850,172	4.00%	$7,427,055	$3,202,500	$12.94	$1,304,833	$5.27	$18.21
2034	$25,747,124,179	4.00%	$7,724,137	$3,329,575	$12.93	$1,399,833	$5.44	$18.37
2035	$26,777,009,146	4.00%	$8,033,103	$3,465,000	$12.94	$1,495,833	$5.59	$18.53
2036	$27,848,089,512	4.00%	$8,354,427	$3,599,823	$12.93	$1,597,633	$5.74	$18.66
2037	$28,962,013,092	4.00%	$8,688,604	$3,745,000	$12.93	$1,704,833	$5.89	$18.82
2038	$30,120,493,616	4.00%	$9,036,148	$0	$0.00	$3,951,594	$13.12	$13.12
2039	$31,325,313,360	4.00%	$9,397,594	$0	$0.00	$4,150,807	$13.25	$13.25
2040	$32,578,325,895	4.00%	$9,773,498	$0	$0.00	$4,357,178	$13.37	$13.37
2041	$33,881,458,930	4.00%	$10,164,438	$0	$0.00	$4,574,891	$13.50	$13.50
2042	$35,236,717,288	4.00%	$10,571,015	$0	$0.00	$4,797,926	$13.62	$13.62
2043	$36,646,185,979	4.00%	$10,993,856	$0	$0.00	$5,030,469	$13.73	$13.73
2044	$38,112,033,418	4.00%	$11,433,610	$0	$0.00	$5,271,500	$13.83	$13.83

Principal	$29,000,000
Total Debt Service	$60,454,141
Repayment Ratio	2.08

Exhibit C

Santa Maria Joint Union High School District, Santa Barbara and San Luis Obispo Counties
Election of 2004, Series 2030 Bonds
Estimated Structure: All CIBs
Preliminary; Subject to Change

FYE	Est. Total AV	Est. AV % Change	$30 TR Revenues	Existing DS	Existing DS Est. TR	Est. DS	Est. DS TR	Est. Total TR
2030	$22,008,749,655	4.00%	$6,602,625	$2,846,250	$12.93	$1,653,338	$7.51	$20.44
2031	$22,889,099,641	4.00%	$6,866,730	$2,958,750	$12.93	$1,653,338	$7.22	$20.15
2032	$23,804,663,627	4.00%	$7,141,399	$3,076,750	$12.92	$1,653,338	$6.95	$19.87
2033	$24,756,850,172	4.00%	$7,427,055	$3,202,500	$12.94	$1,653,338	$6.68	$19.61
2034	$25,747,124,179	4.00%	$7,724,137	$3,329,575	$12.93	$1,653,338	$6.42	$19.35
2035	$26,777,009,146	4.00%	$8,033,103	$3,465,000	$12.94	$1,653,338	$6.17	$19.11
2036	$27,848,089,512	4.00%	$8,354,427	$3,599,823	$12.93	$1,653,338	$5.94	$18.86
2037	$28,962,013,092	4.00%	$8,688,604	$3,745,000	$12.93	$1,653,338	$5.71	$18.64
2038	$30,120,493,616	4.00%	$9,036,148	$0	$0.00	$1,653,338	$5.49	$5.49
2039	$31,325,313,360	4.00%	$9,397,594	$0	$0.00	$1,653,338	$5.28	$5.28
2040	$32,578,325,895	4.00%	$9,773,498	$0	$0.00	$1,653,338	$5.07	$5.07
2041	$33,881,458,930	4.00%	$10,164,438	$0	$0.00	$1,703,338	$5.03	$5.03
2042	$35,236,717,288	4.00%	$10,571,015	$0	$0.00	$1,800,838	$5.11	$5.11
2043	$36,646,185,979	4.00%	$10,993,856	$0	$0.00	$1,893,338	$5.17	$5.17
2044	$38,112,033,418	4.00%	$11,433,610	$0	$0.00	$1,995,838	$5.24	$5.24
2045	$39,636,514,755	4.00%	$11,890,954	$0	$0.00	$2,102,588	$5.30	$5.30
2046	$41,221,975,345	4.00%	$12,366,593	$0	$0.00	$2,208,088	$5.36	$5.36
2047	$42,870,854,359	4.00%	$12,861,256	$0	$0.00	$2,322,088	$5.42	$5.42
2048	$44,585,688,534	4.00%	$13,375,707	$0	$0.00	$2,438,838	$5.47	$5.47
2049	$46,369,116,075	4.00%	$13,910,735	$0	$0.00	$2,561,688	$5.52	$5.52
2050	$48,223,880,718	4.00%	$14,467,164	$0	$0.00	$2,690,825	$5.58	$5.58
2051	$50,152,835,947	4.00%	$15,045,851	$0	$0.00	$2,823,888	$5.63	$5.63
2052	$52,158,949,384	4.00%	$15,647,685	$0	$0.00	$2,961,450	$5.68	$5.68
2053	$54,245,307,360	4.00%	$16,273,592	$0	$0.00	$3,101,740	$5.72	$5.72
2054	$56,415,119,654	4.00%	$16,924,536	$0	$0.00	$3,252,870	$5.77	$5.77
2055	$58,671,724,440	4.00%	$17,601,517	$0	$0.00	$3,408,365	$5.81	$5.81
2056	$61,018,593,418	4.00%	$18,305,578	$0	$0.00	$3,572,045	$5.85	$5.85
2057	$63,459,337,155	4.00%	$19,037,801	$0	$0.00	$3,737,435	$5.89	$5.89
2058	$65,997,710,641	4.00%	$19,799,313	$0	$0.00	$3,913,355	$5.93	$5.93
2059	$68,637,619,067	4.00%	$20,591,286	$0	$0.00	$4,093,035	$5.96	$5.96

Principal	$29,000,000
Total Debt Service	$70,768,358
Repayment Ratio	2.44

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 11, 2014

NEW ISSUE - FULL BOOK-ENTRY **RATING: Standard & Poor's: "___"**
Moody's: "___"
See "RATING" herein.

In the opinion of Garcia, Hernández, Sawhney & Bermudez, LLP, San Diego, California, Bond Counsel, based on existing statutes, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding other federal or State tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

$29,000,000*
SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
(Santa Barbara and San Luis Obispo Counties, California)
General Obligation Bonds,
Election of 2004, Series 2014

Dated: Date of Delivery **Due: August 1, as shown on inside front cover**

Authority and Purpose. The captioned bonds (the "2014 Bonds") are being issued by the Santa Maria Joint Union High School District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Board of Education of the District adopted on December 10, 2014 (the "Bond Resolution"). The 2014 Bonds were authorized at an election of the registered voters of the District held on November 2, 2004, which authorized the issuance of $79,000,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The 2014 Bonds are expected to be the third and final series of bonds to be issued under this authorization. See "THE 2014 BONDS – Authority For Issuance" and "THE FINANCING PLAN" herein.

Security. The 2014 Bonds are payable solely from *ad valorem* property taxes levied and collected by the Counties of Santa Barbara and San Luis Obispo (together, the "Counties"). The Counties Boards of Supervisors are empowered and are obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the 2014 Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). See "SECURITY FOR THE 2014 BONDS."

Book-Entry Only. The 2014 Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interests in the 2014 Bonds. See "THE 2014 BONDS" and "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payments. The 2014 Bonds are dated the date of delivery set forth above and are authorized to be issued as Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds (each as defined herein). The Current Interest Bonds accrue interest from the Closing Date (as defined herein) at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing February 1, 2015. The Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds accrete interest from the Closing Date, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 2015. On the respective Conversion Dates set forth on the inside cover page, the Convertible Capital Appreciation Bonds will convert to Current Interest Bonds in principal amounts equal to the Accreted Value (defined herein) on the Conversion Date (the "Conversion Value"). After the Conversion Date, interest with respect to the Convertible Capital Appreciation Bonds will accrue and be payable semiannually on February 1 and August 1 of each year until maturity. Payments of principal of and interest on the 2014 Bonds will be paid by U.S. Bank National Association, Los Angeles, California, as the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the 2014 Bonds. See "THE 2014 BONDS - Description of the 2014 Bonds."

Redemption. The 2014 Bonds are subject to redemption prior to maturity as described herein. See "THE 2014 BONDS – Optional Redemption" and "-Mandatory Sinking Fund Redemption."

Bond Insurance. The District has applied for municipal bond insurance for the 2014 Bonds, and will decide prior to the sale of the 2014 Bonds whether to purchase such insurance. See "BOND INSURANCE."

MATURITY SCHEDULE
(See inside cover)

Cover Page. This cover page contains certain information for general reference only. It is not a summary of all the provisions of the 2014 Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The 2014 Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Garcia, Hernández, Sawhney & Bermudez, LLP, San Diego, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall, A Professional Law Corporation, San Francisco, California is serving as Disclosure Counsel to the District. _____, _____, California, is serving as Underwriter's Counsel. It is anticipated that the 2014 Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York, on or about December 30, 2014.

[Underwriter Logo]

The date of this Official Statement is December _, 2014.
**Preliminary; subject to change.*

MATURITY SCHEDULE*

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
(Santa Barbara and San Luis Obispo Counties, California)
General Obligation Bonds,
Election of 2004, Series 2014

$_________ Current Interest Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$________ Initial Denominational Amount ($_______ Maturity Value)
Capital Appreciation Bonds

Maturity Date (August 1)	Initial Principal Amount	Accretion Rate	Yield to Maturity	Maturity Value	CUSIP†

$____________ Initial Denominational Amount ($_________ Conversion Value)
Convertible Capital Appreciation Bonds

Maturity Date (August 1)	Initial Denominational Amount	Accretion Rate to Conversion	Conversion Date	Conversion Value	Interest Rate after Conversion	CUSIP†

**Preliminary; subject to change.*

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the 2014 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the 2014 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

***Estimates and Forecasts*.** When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market prices of the 2014 Bonds at levels above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the 2014 Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Document Summaries. All summaries of the Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The 2014 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The 2014 Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2014 Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the Counties, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Website. The District maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2014 Bonds.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT

BOARD OF EDUCATION

Dr. Jerry Walsh, *President*
Victor Tognazzini, *Clerk*
Dr. Jack Garvin, *Member*
Dr. Carol Karamitsos, *Member*
Diana Perez, *Member*

DISTRICT ADMINISTRATION

Dr. Mark Richardson, *Superintendent*
Yolanda Ortiz, *Assistant Superintendent, Business Services*
Brenda Hoff, *Director of Fiscal Services*

PROFESSIONAL SERVICES

FINANCIAL ADVISOR

Caldwell Flores Winters, Inc.
Emeryville, California

BOND COUNSEL

Garcia, Hernández, Sawhney & Bermudez, LLP
San Diego, California

DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

UNDERWRITER'S COUNSEL

____
_____, *California*

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

U.S. Bank National Association
Los Angeles, California

TABLE OF CONTENTS

$29,000,000*
SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
(Santa Barbara and San Luis Obispo Counties, California)
General Obligation Bonds,
Election of 2004, Series 2014

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the general obligation bonds captioned above (the **"2014 Bonds"**) by the Santa Maria Joint Union High School District (the "**District**").

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of 2014 Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District, established in 1891, is located in the coastal communities of Santa Maria, within Santa Barbara County and a very small portion of San Luis Obispo County. Although the District overlaps two counties, the Santa Barbara County Superintendent of Schools maintains jurisdiction over the District. The District provides public education within an approximately 553 square mile area, including the cities of Santa Maria and Guadalupe. For demographic information about Santa Barbara County, see Appendix C hereto.

Purpose. The net proceeds of the 2014 Bonds will be used to finance school construction and improvements to the school facilities as approved by the voters at an election held in the District on November 2, 2004 (the **"Bond Election"**). See "THE FINANCING PLAN" herein.

Authority for Issuance of the 2014 Bonds. Issuance of the 2014 Bonds was approved by the requisite 55% of the voters of the District voting at the Bond Election and will be issued pursuant to certain provisions of the Government Code of the State, commencing with Section 53506 thereof (the **"Bond Law"**), and pursuant to a resolution adopted by the Board of Education of the District on December 10, 2014 (the "**Bond Resolution**"). See "THE 2014 BONDS - Authority for Issuance" herein.

Payment and Registration of the 2014 Bonds. The 2014 Bonds are being issued as current interest bonds (the "**Current Interest Bonds**"), capital appreciation bonds (the "**Capital Appreciation Bonds**"), and convertible capital appreciation bonds (the **"Convertible Capital Appreciation Bonds"**). The 2014 Bonds mature in the years and in the amounts as set forth on the inside cover page hereof. The 2014 Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the 2014 Bonds. See "THE 2014 BONDS" and "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Redemption. The 2014 Bonds are subject to redemption prior to maturity as described herein. See "THE 2014 BONDS – Optional Redemption" and "– Mandatory Sinking Fund Redemption."

Security and Sources of Payment for the 2014 Bonds. The 2014 Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied and collected by Santa Barbara County and San Luis Obispo County (together, the "**Counties**") on taxable property located in the District. The Counties are empowered and are obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the 2014 Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). The 2014 Bonds are the third and final series of bonds issued pursuant to the authority obtained by District voters at the Bond Election. See "SECURITY FOR THE 2014 BONDS."

Bond Insurance. The District has applied for municipal bond insurance for the 2014 Bonds, and will decide prior to the sale of the 2014 Bonds whether to purchase such insurance.

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the 2014 Bonds are available from the District from the Superintendent's Office at 2560 Skyway Drive, Santa Maria California 93455; telephone (805) 922-4573. The District may impose a charge for copying, mailing and handling.

END OF INTRODUCTION

THE FINANCING PLAN

The 2014 Bonds were authorized at an election of the registered voters of the District held on November 2, 2004, which authorized the issuance of $79,000,000 principal amount of general obligation bonds (the "**2004 Authorization**") for the purpose of financing the renovation, construction and improvement of school facilities. The abbreviated form of the ballot measure is as follows:

> *"To improve the quality of education and alleviate student overcrowding, shall Santa Maria Joint Union School District be authorized to construct a new high school, upgrade classrooms; improve health/safety; provide additional access to computer technology; replace portable classrooms with permanent construction; acquire, construct and improve school facilities; and make the District eligible for approximately $30,000,000 in State grants by issuing $79,000,000 in bonds within legal rates, with a citizens' oversight committee, annual audits, and NO money for administrator salaries."*

The District has issued the following bonds under the 2004 Authorization:

- $34,998,222 General Obligation Bonds, Election of 2004, Series 2005 (the "**2004 Election Series 2005 Bonds**"); and
- $14,999,872.60 General Obligation Bonds, Election of 2004, Series 2013 (the "**2004 Election Series 2013 Bonds**").

The proceeds of the 2014 Bonds will be used to finance projects approved by the voters at the Bond Election. The 2014 Bonds are the third and final series of bonds to be issued under the 2004 Authorization.

See "DEBT SERVICE SCHEDULES" below for the remaining debt service on the 2014 Bonds, as well as other general obligation bond indebtedness of the District.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the 2014 Bonds are as follows:

Sources of Funds	
Principal Amount of 2014 Bonds	
Net Original Issue Premium	
Total Sources	
Uses of Funds	
Deposit to Building Fund	
Debt Service Fund	
Costs of Issuance[1]	
Total Uses	

(1) All estimated costs of issuance including, but not limited to, Underwriter's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Financial Advisor, the Paying Agent, the bond insurer, if any, and the rating agency.

THE 2014 BONDS

Authority for Issuance

The 2014 Bonds will be issued under the Bond Law and the Bond Resolution. The Bond Resolution was adopted on December 10, 2014. Pursuant to the requirements of the Bond Law, prior to adoption, the Bond Resolution and related items were presented to the Board of Education on November 12, 2014 as an informational item. No additional bonds will be available to be issued under the Bond Election, after the issuance of the 2014 Bonds.

Paying Agent

U.S. Bank, National Association, Los Angeles, California, will act as the registrar, transfer agent, and paying agent for the 2014 Bonds (the **"Paying Agent"**). As long as DTC is the registered owner of the 2014 Bonds and DTC's book-entry method is used for the 2014 Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the 2014 Bonds called for redemption or of any other action covered by such notice.

The Paying Agent, the District, the Counties and the Underwriter of the 2014 Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the 2014 Bonds.

Description of the 2014 Bonds

The 2014 Bonds are being issued as Current Interest Bonds, Capital Appreciation Bonds, and Convertible Capital Appreciation Bonds, all as described below. The 2014 Bonds mature in the years and in the amounts as set forth on the inside cover page hereof. The 2014 Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the 2014 Bonds. See "Book-Entry Only System" below and "APPENDIX F – DTC and the Book-Entry Only System."

Current Interest Bonds. The Current Interest Bonds will be issued as fully registered bonds, without coupons, in the denomination of $5,000 each or any integral multiple thereof. Current Interest Bonds will be lettered and numbered as the Paying Agent may prescribe. The Current Interest Bonds will be dated as of the date of delivery of the 2014 Bonds (the "**Closing Date**").

Interest on the Current Interest Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2015 (each, an "**Interest Payment Date**". Each Current Interest Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the means the 15th day of the month preceding an Interest Payment Date, whether or not such day is a business day (the "**Record Date**") preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the first Record Date, in which event it will bear interest from the Closing Date. Notwithstanding the foregoing, if interest on any Current Interest Bond is in default at the time of authentication thereof, such Current Interest Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Capital Appreciation Bonds. The Capital Appreciation Bonds will be issued in fully registered form without coupons in denominations of $5,000 in Maturity Values or any integral multiple thereof (except that one Capital Appreciation Bond may be issued in a denomination the Maturity Value of which is not an integral multiple of $5,000), maturing on August 1 in each of the years and in the maturity amounts as will be determined upon the sale thereof. "**Maturity Value**" is defined in the Bond Resolution to mean, with respect to any Capital Appreciation Bond, the Accreted Value of such Capital Appreciation Bond to be paid at maturity. Interest on the Capital Appreciation Bonds compounds on each Compounding Date at the respective Accretion Rates to be determined upon the sale thereof, and is payable solely at maturity or upon earlier redemption thereof as hereinafter provided.

Each Capital Appreciation Bond will be dated as of the Closing Date. The Accreted Value of the Capital Appreciation Bonds and any redemption premium thereon will be payable solely at maturity or earlier redemption thereof to the Owners thereof upon presentation and surrender thereof at the Office of the Paying Agent. The Accreted Value of the Capital Appreciation Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the Office of the Paying Agent.

Convertible Capital Appreciation Bonds. The Convertible Capital Appreciation Bonds (if any) will be issued in fully registered form without coupons. Interest on the Convertible Capital Appreciation Bonds will initially accrete on the original Denominational Amount (the initial purchase price, exclusive of any premium, of such Capital Appreciation Bond), compounded on each February 1 and August 1, commencing on February 1, 2015, to and including the date of maturity or redemption of such Capital Appreciation, to and including the Conversion Date thereof. On the Conversion Date of any Convertible Capital Appreciation Bond, the interest on such Convertible Capital Appreciation Bond will convert to current interest, accruing on the Conversion Value thereof. The "**Conversion Value**" is the Accreted Value of such Convertible Capital Appreciation Bond as of its Conversion Date

Each Convertible Capital Appreciation Bond will be dated as of the Closing Date. The Convertible Capital Appreciation Bonds will mature on August 1 in each of the years and in the Conversion Values as will be determined upon the sale thereof.

Payments on the 2014 Bonds. Interest on the 2014 Bonds (including the final interest payment upon maturity or redemption) is payable by check, draft or wire of the Paying Agent mailed to the Owner thereof (which will be DTC so long as the 2014 Bonds are held in the book-entry system of DTC) at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; except that at the written request of the Owner of at least $1,000,000 aggregate principal amount of the 2014 Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such 2014 Bonds will be paid on the succeeding Interest Payment Date to such account as will be specified in such written request. Principal of and premium (if any) on the 2014 Bonds is payable in lawful money of the United States of America upon presentation and surrender at the Office of the Paying Agent.

Accreted Values

The Bond Resolution defines the term "**Accreted Value**" to mean, with respect to any Capital Appreciation Bond and Convertible Capital Appreciation Bond prior to its Conversion Date, the total amount of principal thereof and interest payable thereon as of any Compounding Date determined solely by reference to the Table of Accreted Values set forth on such Capital Appreciation Bond or Convertible Capital Appreciation Bond. The Accreted Value of any Capital Appreciation Bond or Convertible Capital Appreciation Bond as of any date other than a Compounding Date will be the sum of (a) the Accreted Value as of the Compounding Date immediately preceding the date as of which the calculation is being made plus (b) interest on the Accreted Value determined under the preceding clause (a), computed to the date as of which the calculation is being made at the Accretion Rate set forth on such Capital Appreciation Bond (computed on the basis of a 360-day year of twelve 30-day months).

Appendix H contains tables of the Accreted Values on each February 1 and August 1 for each maturity of the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds, prior to their conversion. Any Accreted Value, however, determined by the District and Paying Agent by computing interest in accordance with the provisions of the Bond Resolution, shall control over any different Accreted Value determined by reference to Appendix H.

Book-Entry Only System

The 2014 Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"). Purchasers of the 2014 Bonds (the "**Beneficial Owners**") will not receive physical certificates representing their interest in the 2014 Bonds. Payments of principal of and interest on the 2014 Bonds will be paid by U.S. Bank National Association, Los Angeles, California (the "**Paying Agent**") to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the 2014 Bonds.

As long as DTC's book-entry method is used for the 2014 Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the 2014 Bonds called for prepayment or of any other action premised on such notice. See "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The Paying Agent, the District, and the Underwriter of the 2014 Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the 2014 Bonds.

Optional Redemption*

Current Interest Bonds. The Current Interest Bonds maturing on or before August 1, 2024 are not subject to redemption prior to maturity. The Current Interest Bonds maturing on or after August 1, 2025 are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as designated by the District and by lot within a maturity, from any available source of funds, on August 1, 2024, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, plus accrued interest thereon to the date of redemption.

Capital Appreciation Bonds. The Capital Appreciation Bonds maturing on or after August 1, 2025 are subject to redemption prior to maturity, in whole or in part among maturities on such basis as designated by the District and by lot within a maturity, from any available source of funds, on August 1, 2024, or on any date thereafter, at a price equal to 100% of the Accreted Value thereof, without premium.

Convertible Capital Appreciation Bonds. The Convertible Capital Appreciation Bonds maturing on or after August 1, 2025, are subject to redemption prior to maturity, in whole or in part among maturities on such basis as designated by the District and by lot within a maturity, from any available source of funds, on August 1, 2024, or on any date thereafter, at a price equal to 100% of the Conversion Value thereof, without premium, plus accrued interest thereon to the date of redemption.

For the purpose of selection for optional redemption, the 2014 Bonds will be deemed to consist of $5,000 portions, and any such portion may be separately redeemed.

Mandatory Sinking Fund Redemption*

The Current Interest Bonds maturing on August 1, 20__ (the **"Current Interest Term Bonds"**), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Current Interest Term Bonds so called for mandatory sinking fund redemption shall be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium.

$_________ Current Interest Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

If any such Current Interest Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Current Interest Term Bonds shall be reduced by the aggregate principal amount of such Current Interest Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determined) as set forth in written notice given by the District to the Paying Agent.

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* *Preliminary; subject to change.*

Notice of Redemption

The Paying Agent is required to give notice of any redemption to be mailed, first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the respective owners of any 2014 Bonds designated for redemption, at their addresses appearing on the Registration Books. Such mailing is not a condition precedent to such redemption and the failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such 2014 Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding 2014 Bonds are to be called for redemption, shall designate the serial numbers of the 2014 Bonds to be redeemed by giving the individual number of each 2014 Bond or by stating that all 2014 Bonds between two stated numbers, both inclusive, or by stating that all of the 2014 Bonds of one or more maturities have been called for redemption, and shall require that such 2014 Bonds be then surrendered at the principal office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such 2014 Bonds will not accrue from and after the redemption date

Partial Redemption of Bonds

Upon the surrender of any 2014 Bond redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new 2014 Bond, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2014 or Bonds.

Right to Rescind Notice of Redemption

The District has the right to rescind any notice of the optional redemption of 2014 Bonds by written notice to the Paying Agent on or prior to the dated fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2014 Bonds then called for redemption. The District and the Paying Agent shall have no liability to the 2014 Bond Owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Bond Resolution.

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, 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 2014 Bonds.

If the book entry system is discontinued, the person in whose name a 2014 Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any 2014 Bond shall be made only to or upon the order of that person; neither the District, the Counties nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided the Bond Resolution.

Bonds may be exchanged at the principal corporate trust office of the Paying Agent in Los Angeles, California for a like aggregate principal amount of 2014 Bonds of authorized denominations and of the same maturity, together with a request for exchange signed by the owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. The District may charge a reasonable sum for each new 2014 Bond issued upon any exchange (except in the cases of any exchange of temporary 2014 Bonds for definitive 2014 Bonds).

No exchange of 2014 Bonds is required to be made (a) 15 days prior to the date established by the Paying Agent for selection of 2014 Bonds for redemption or (b) with respect to a 2014 Bond after it has been selected for redemption.

Defeasance

The 2014 Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

(a) by paying or causing to be paid the principal or redemption price of and interest on such 2014 Bonds, as and when the same become due and payable;

(b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay or redeem such 2014 Bonds; or

(c) by delivering such 2014 Bonds to the Paying Agent for cancellation by it.

Whenever in the Bond Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any 2014 Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under the Bond Resolution and will be:

(i) i. lawful money of the United States of America in an amount equal to the principal amount of such 2014 Bonds and all unpaid interest thereon to maturity, except that, in the case of 2014 Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such 2014 Bonds and all unpaid interest thereon to the redemption date; or

(ii) ii. Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the 2014 Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of 2014 Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any outstanding 2014 Bond (whether upon or prior to its maturity or the redemption date of such Bond), then all liability of the Counties and the District in respect of such 2014 Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such 2014 Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent for such payment.

"Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations issued by any agency or department of the United States which are secured, directly or indirectly, by the full faith and credit of the United States.

[Remainder of page intentionally left blank]

DEBT SERVICE SCHEDULES

The following table shows the debt service schedule with respect to the 2014 Bonds, assuming no optional redemptions.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
2014 Bonds Debt Service Schedule

	Current Interest Bonds		Capital Appreciation Bonds		Convertible Capital Appreciation Bonds			
Payment Date	Principal	Current Interest	Initial Principal	Accreted Interest	Initial Principal	Accreted Interest	Interest After Conversion	Total Annual Debt Service
8/01/15								
8/01/16								
8/01/17								
8/01/18								
8/01/19								
8/01/20								
8/01/21								
8/01/22								
8/01/23								
8/01/24								
8/01/25								
8/01/26								
8/01/27								
8/01/28								
8/01/29								
8/01/30								
8/01/31								
8/01/32								
8/01/33								
8/01/34								
8/01/35								
8/01/36								
8/01/37								
8/01/38								
8/01/39								
8/01/40								
8/01/41								
Total								

The following table shows the combined debt service schedule for the District's outstanding general obligation bond indebtedness, together with the 2014 Bonds, assuming no optional redemptions.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
Combined General Obligation Bonds Debt Service Schedule

Bond Year Ending August 1	2000 Election Series B	2004 Election Series 2005	2006 Refunding	2004 Election Series 2013	2013 Refunding	2004 Election Series 2014	Total Debt Service
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
2037							
2038							
2039							
2040							
2041							
Total							

SECURITY FOR THE 2014 BONDS

Ad Valorem Taxes

***Bonds Payable from Ad Valorem Property Taxes*.** The 2014 Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by the Counties. The Counties are empowered and is obligated to annually levy *ad valorem* taxes for the payment of the 2014 Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). The District has other series of general obligation bonds outstanding which are also payable from *ad valorem* taxes levied on taxable parcels in the District.

Other Debt Payable from Ad Valorem Property Taxes. In addition to the 2014 Bonds and the District's other outstanding general obligation bonds, there is other debt issued by entities with jurisdiction in the District, which is payable from *ad valorem* taxes levied on parcels in the District. See "PROPERTY TAXATION – Tax Rates" and "- Direct and Overlapping Debt" below.

Levy and Collection. The Counties will levy and collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the 2014 Bonds, which is maintained by Santa Barbara County and which is irrevocably pledged for the payment of principal of and interest on the 2014 Bonds when due.

District property taxes are assessed and collected by the Counties in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property.

Annual Tax Rates. The amount of the annual *ad valorem* tax levied by the Counties to repay the 2014 Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the 2014 Bonds. Fluctuations in the annual debt service on the 2014 Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Economic and other factors beyond the District's control, such as economic recession, deflation of land values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate.

Debt Service Fund

Santa Barbara County will establish a Debt Service Fund (the "**Debt Service Fund**") for the 2014 Bonds, which will be established as a separate fund to be maintained distinct from all other funds of Santa Barbara County. All taxes levied by the Counties for the payment of the principal of and interest and premium (if any) on the 2014 Bonds will be deposited in the Debt Service Fund by Santa Barbara County promptly upon the receipt. The Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the 2014 Bonds when and as the same become due. Santa Barbara County will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest and premium (if any) on the 2014 Bonds as the same becomes due and payable.

If, after payment in full of the 2014 Bonds, any amounts remain on deposit in the Debt Service Fund, the District shall transfer such amounts to its general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Not a County Obligation

The 2014 Bonds are payable solely from the proceeds of an *ad valorem* tax levied and collected by the Counties, for the payment of principal and interest on the 2014 Bonds. Although the Counties are obligated to collect the *ad valorem* tax for the payment of the 2014 Bonds, the 2014 Bonds are not a debt of the Counties.

PROPERTY TAXATION

Property Tax Collection Procedures

In California, property which is subject to *ad valorem* taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing state assessed public utilities' property and real property, the taxes on which create a lien on such property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Counties.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization ("**SBE**") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property", a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuation

Assessed Valuation History. More than 99 percent of the assessed value of the District is located in Santa Barbara County. Less than one percent of the assessed value of the District is in San Luis Obispo County. The tables below show a recent history of the District's assessed valuation, which has consistently increased District-wide with the exception of a decrease in fiscal year 2009-10.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
Assessed Valuations of All Taxable Property
Fiscal Years 2004-05 to 2014-15

Santa Barbara County Portion

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2008-09	$10,752,638,609	$3,316,268	$545,472,031	$11,301,426,908	--
2009-10	10,389,055,229	3,316,268	578,950,233	10,971,321,730	(2.9)%
2010-11	10,454,061,054	3,316,268	597,472,614	11,054,849,936	0.8
2011-12	10,652,688,983	739,258	603,488,285	11,256,916,526	1.8
2012-13	10,826,276,725	166,912	626,606,879	11,453,050,516	1.7
2013-14	11,092,928,559	166,662	619,993,673	11,713,088,894	2.3
2014-15	11,671,132,584	166,662	637,661,231	12,308,960,477	5.1

San Luis Obispo County Portion

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2008-09	$415,768	$0	$0	$415,768	--
2009-10	387,097	0	0	387,097	(6.9)%
2010-11	390,640	0	0	390,640	0.9
2011-12	387,818	0	0	387,818	(0.7)
2012-13	390,640	0	0	390,640	(0.7
2013-14	343,718	0	0	343,718	(12.0)
2014-15	344,531	0	0	344,531	0.2

Total District

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2008-09	$10,753,054,377	$3,316,268	$545,472,031	$11,301,842,676	--
2009-10	10,389,442,326	3,316,268	578,950,233	10,971,708,827	(2.9)
2010-11	10,454,451,694	3,316,268	597,472,614	11,055,240,576	0.8
2011-12	10,653,076,801	739,258	603,488,285	11,257,304,344	1.8
2012-13	10,826,667,365	166,912	626,606,879	11,453,441,156	1.7
2013-14	11,093,272,277	166,662	619,993,673	11,713,432,612	2.3
2014-15	11,671,477,115	166,662	637,661,231	12,309,305,008	5.1

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of property in the District, as measured by assessed valuation and the number of parcels for fiscal year 2014-15. As shown, the majority of the District's assessed valuation is represented by residential property.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
2014-15 Assessed Valuation and Parcels by Land Use

Non-Residential:	**2014-15 Assessed Valuation (1)**	**% of Total**	**No. of Parcels**	**% of Total**
Agricultural	$1,043,952,072	8.94%	1,407	3.63%
Commercial	1,330,748,498	11.40	1,279	3.30
Vacant Commercial	53,818,096	0.46	101	0.26
Industrial	768,505,831	6.58	629	1.62
Oil & Gas	600,310,874	5.14	142	0.37
Vacant Industrial	56,720,539	0.49	179	0.46
Recreational	26,467,504	0.23	339	0.87
Government/Social/Institutional	100,154,188	0.86	46	0.12
Miscellaneous	44,700,576	0.38	257	0.66
Subtotal Non-Residential	$4,025,378,178	34.49%	4,379	11.30%
Residential:				
Single Family Residence	$5,779,683,939	49.52%	26,333	67.97%
Rural Single Family Residential	352,660,737	3.02	777	2.01
Condominium/Townhouse	386,977,807	3.32	2,525	6.52
Hotel/Motel	91,383,953	0.78	43	0.11
Mobile Home	89,356,727	0.77	2,339	6.04
Mobile Home Park	58,061,555	0.50	21	0.05
2-4 Residential Units	242,310,862	2.08	1,025	2.65
5+ Residential Units/Apartments	486,725,122	4.17	304	0.78
Vacant Residential	158,938,235	1.36	997	2.57
Subtotal Residential	$7,646,098,937	65.51%	34,364	88.70%
Total	$11,671,477,115	100.00%	38,743	100.00%

(1) Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Appeals of Assessed Value

There are two types of appeals of assessed values that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" in Appendix B.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the County Assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the 2014 Bonds to increase accordingly, so that the fixed debt service on the 2014 Bonds (and other outstanding general obligation bonds, if any) may be paid.

Tax Rates

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in two representative tax rate areas during fiscal years 2010-11 through 2014-15.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
Typical Tax Rates
(TRA 3-000)
Dollars per $100 of Assessed Valuation
Fiscal Years 210-11 through 2014-15

	2010-11	2011-12	2012-13	2013-14	2014-15
General Tax Rate	1.000000	1.000000	1.000000	1.000000	1.000000
Santa Maria JUHSD	0.043050	0.043750	0.044470	0.045220	0.045220
Allan Hancock Community College District	0.025000	0.025000	0.025000	0.025000	0.025000
Total Tax Rate	1.068050	1.068750	1.069470	1.070220	1.070220

Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

The Board of Supervisors of the Counties have adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, each entity levying property taxes in a County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. The District participates in the Teeter Plan, and thus receives 100% of secured property taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes. Currently, the Counties includes the District's general obligation bond levies in its Teeter Plan.

So long as the Teeter Plan remains in effect and the Counties continue to include the District in the Teeter Plan, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes will not be dependent upon actual collections of the *ad valorem* property taxes by the County. However, under the statute creating the Teeter Plan, a Board of Supervisors could under certain circumstances terminate the Teeter Plan in its entirety and, in addition, a Board of Supervisors could terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%. In the event that the Teeter Plan were terminated with regard to the secured tax roll, the amount of the levy of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

The table below shows the secured tax charge and delinquency rate for fiscal years 2009-2010 through 2013-14.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
2009-10 through 2013-14
Secured Tax Charges and Delinquency Rates

Fiscal Year	Secured Tax Charge (1)	Amt. Del. June 30	% Del. June 30
2007-08	$4,288,642	$177,038	4.13%
2008-09	4,351,179	157,401	3.62
2009-10	4,322,963	142,667	3.30
2010-11	4,415,809	108,526	2.46
2011-12	4,571,076	84,358	1.85
2012-13	4,741,952	50,267	1.06
2013-14	4,945,656	40,168	0.81

(1) All taxes collected by the County on property in the District.
Source: California Municipal Statistics, Inc.

Major Taxpayers

The twenty taxpayers in District with the greatest combined secured assessed valuation of taxable property on the fiscal year 2014-15 tax roll, and the assessed valuations thereof, are shown below. The more property (by assessed value) which is owned by a single taxpayer in the District, the greater amount of tax collections are exposed to weaknesses in the taxpayer's financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
Largest 2014-15 Local Secured Taxpayers

	Property Owner	Primary Land Use	2014-15 Assessed Valuation	% of Total (1)
1.	Breitburn Energy Holdings LLC	Petroleum/Gas	$ 279,285,903	2.39%
2.	ERG Resources LLC	Petroleum/Gas	164,568,305	1.41
3.	Windset Farms California Inc.	Nursery/Greenhouse	160,439,871	1.37
4.	Jackson Family Estates II LLC	Vineyards	112,873,633	0.97
5.	Greka Oil & Gas Inc.	Petroleum/Gas	93,385,757	0.80
6.	Okonite Company Inc.	Industrial	82,390,233	0.71
7.	Premiere Agricultural Properties LLC	Vineyards	58,958,172	0.51
8.	Beringer Wine Estates Company	Vineyards	50,278,423	0.43
9.	Sierra Resource Inc.	Petroleum/Gas	45,208,824	0.39
10.	Santa Maria Land Partners LLC	Apartments	44,412,136	0.38
11.	Arc Vineyard LLC	Vineyards	41,682,948	0.36
12.	MGP 50 LLC	Rest Home	40,853,461	0.35
13.	Betteravia Investments LLC	Agricultural/Food Processing	40,170,590	0.34
14.	Rice Ranch Ventures LLC	Residential Development	39,744,004	0.34
15.	Santa Maria Partners LLC	Apartments	32,920,125	0.28
16.	ERGS XIV REO Owner LLC	Shopping Center	31,717,106	0.27
17.	Dario L. Pino	Apartments	31,640,757	0.27
18.	Wal-Mart Real Estate Business Trust	Commercial	31,301,082	0.27
19.	Tri-M Rental Group	Agricultural/Food Processing	30,752,433	0.26
20.	Country Oaks LLC	Apartments	27,405,000	0.23
			$1,439,988,763	12.34%

(1) 2014-15 Local Secured Assessed Valuation: $11,671,477,115.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. for debt issued as of November 1, 2014. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
(Debt Issued as of November 1, 2014)

2014-15 Assessed Valuation: $12,309,305,008

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 11/1/14	
Allan Hancock Community College District	52.532%	$ 98,213,604	
Santa Maria Joint Union High School District	**100.000**	**62,113,095**	(1)
Los Alamos School District	100.000	1,360,000	
Orcutt Union School District	100.000	11,270,000	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$172,956,699	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Santa Barbara County Certificates of Participation	17.960%	$11,737,758	
San Luis Obispo County and Community College District Obligations	0.001	1,540	
Santa Maria Joint Union High School District General Fund Obligations	**100.000**	**4,006,104**	
Santa Maria-Bonita School District Certificates of Participation	100.000	43,443,470	
City of Santa Maria General Fund Obligations	100.000	2,230,000	
Santa Maria Cemetery District Certificates of Participation	100.000	820,000	
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$62,238,872	
OVERLAPPING TAX INCREMENT DEBT:			
Guadalupe Redevelopment Agency (Successor Agency)	100.000 %	$5,310,000	
TOTAL OVERLAPPING TAX INCREMENT DEBT		$5,310,000	
COMBINED TOTAL DEBT		$240,505,571	(2)

(1) Excludes issue to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2014-15 Assessed Valuation:
Direct Debt ($62,113,095).. 0.50%
Total Direct and Overlapping Tax and Assessment Debt . 1.41%
Combined Direct Debt ($66,119,199) 0.54%
Combined Total Debt 1.95%

Ratios to Redevelopment Incremental Valuation ($271,315,754):
Overlapping Tax Increment Debt 1.96%

Source: California Municipal Statistics, Inc.

BOND INSURANCE

The District has applied for municipal bond insurance for the 2014 Bonds, and will decide prior to the sale of the 2014 Bonds whether to purchase such insurance.

TAX MATTERS

In the opinion of Garcia, Hernández, Sawhney & Bermudez, LLP, San Diego, California, Bond Counsel, based on existing statutes, regulations, rulings and court decisions, interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. A copy of the proposed opinion of Bond Counsel is set forth in APPENDIX D hereto.

The Internal Revenue Code of 1986 (the "Code"), imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has covenanted to comply with certain restrictions designed to assure that interest on the Bonds will not be includable in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being includable in federal gross income, possibly from the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may affect the value of, or the tax status of interest on the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective owners are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Bond Counsel is further of the opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. Bond Counsel observes, however, that interest on the Bonds is included in adjusted current earnings in calculating corporate alternative minimum taxable income.

Prospective purchasers of the Bonds should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest with respect to the Bonds, (ii) interest with respect to the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income, including interest with respect to the Bonds, may be subject to federal income taxation under Section 1375 of the Code for subchapter S corporations having subchapter C earnings and profits at the close of the taxable year and gross receipts more than 25% of which constitute passive investment income, and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Bonds.

If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then the excess of the tax basis of a purchaser of such Bond (other than a purchaser who holds such Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) over the principal amount of such Bond constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes.

Under the Code, original issue discount is excludable from gross income for federal income tax purposes to the same extent as the interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each such Bond and the basis of such Bond acquired at such initial offering price by an initial purchaser of each such Bond will be increased by the amount of such accrued discount. The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the such Bonds who purchase such Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such Bonds. All holders of such Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition to the extent that calculation of such loss is based on accrued original issue discount.

Under the Code, original issue premium is amortized for federal income tax purposes over the term of such a Bond based on the purchaser's yield to maturity in such Bond, except that in the case of such a Bond callable prior to its stated maturity, the amortization period and the yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Bond. A purchaser of such a Bond is required to decrease his or her adjusted basis in such Bond by the amount of bond premium attributable to each taxable year in which such purchaser holds such Bond. The amount of bond premium attributable to a taxable year is not deductible for federal income tax purposes. Purchasers of such Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the amount of bond premium attributable to each taxable year and the effect of bond premium on the sale or other disposition of such a Bond, and with respect to the state and local tax consequences of owning and disposing of such a Bond.

Certain agreements, requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in those documents, upon the advice or with the approving opinion of nationally recognized bond counsel. Bond Counsel expresses no opinion as to the effect on any Bond or the interest payable with respect thereto if any change occurs or action is taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excludable from federal gross income, and is exempt from State of California personal income taxes, the ownership or disposition of the Bonds, and the accrual or receipt of interest on the Bonds may otherwise affect an Owner's state or federal tax liability. The nature and extent of these other tax consequences will depend upon each Owner's particular tax status and the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future rulings, court decisions, legislative proposals, if enacted into law, or clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. For example, Representative Dave Camp, Chair of the House Ways and Means Committee released draft legislation that would subject interest on the Bonds to a federal income tax at an effective rate of 10% or more for individuals, trusts, and estates in the highest tax bracket, and the Obama Administration proposed legislation that would limit the exclusion from gross income of interest on the Bonds to some extent for high-income individuals. There can be no assurance that such future rulings, court decisions, legislative proposals, if enacted into law, or clarification of the Code enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax exempt status or market price of the Bonds.

Internal Revenue Service Audit of Tax-Exempt Issues

The Internal Revenue Service ("IRS") has initiated an expanded program for the auditing of tax-exempt issues, including both random and targeted audits. It is possible that the 2014 Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2014 Bonds might be affected as a result of such an audit of the 2014 Bonds (or by an audit of similar obligations).

Information Reporting and Backup Withholding

Information reporting requirements apply to interest (including original issue discount) paid after March 31, 2007 on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

CERTAIN LEGAL MATTERS

Legality for Investment

Under provisions of the California Financial Code, the 2014 Bonds are legal investments for commercial banks in California to the extent that the 2014 Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and under provisions of the California Government Code, the 2014 Bonds are eligible to secure deposits of public moneys in California.

Absence of Litigation

No litigation is pending or threatened concerning the validity of the 2014 Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the 2014 Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* taxes or to collect other revenues or (iii) contests the District's ability to issue and retire the 2014 Bonds.

The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

Compensation of Certain Professionals

Payment of the fees and expenses of Garcia, Hernández, Sawhney & Bermudez, LLP, as Bond Counsel and Jones Hall, A Professional Law Corporation, as Disclosure Counsel to the District, Caldwell Flores Winters, Inc., as financial advisor to the District, and _____, _____, California, as Underwriter's Counsel, is contingent upon issuance of the 2014 Bonds.

CONTINUING DISCLOSURE

The District will execute a Continuing Disclosure Certificate in connection with the issuance of the 2014 Bonds in the form attached hereto as Appendix E. The District has covenanted therein, for the benefit of holders and beneficial owners of the 2014 Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an **"Annual Report"**) not later than nine months after the end of the District's fiscal year (which currently is June 30), commencing March 31, 2015 with the report for the 2013-14 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in "APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter of the 2014 Bonds in complying with S.E.C. Rule 15c2-12(b)(5) (the **"Rule"**).

The District has made prior undertakings pursuant to the Rule. In the previous five years, specific instances of non-compliance are: [*Disclosure from 2013 FOS:* The District failed to comply in a timely manner with its annual report disclosure undertakings under the Rule related to its fiscal years ended June 30, 2008 and June 30, 2011. The District has implemented procedures to assist with the preparation and filing of annual reports.] [ADD FURTHER DISCUSSION OF COMPLIANCE ISSUES AND UPDATES]

The District has engaged ______________ to serve as its dissemination agent with respect to both of its undertakings pursuant to the Rule.

Neither the Counties nor any other entity other than the District shall have any obligation or incur any liability whatsoever with respect to the performance of the District's duties regarding continuing disclosure.

RATING

Moody's Investor Services, Inc. ("**Moody's**") and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("**S&P**") has assigned ratings of "___" and "___", respectively, to the 2014 Bonds. The District has provided certain additional information and materials to Moody's and S&P (some of which may not appear in this Official Statement). Such ratings reflect only the view of Moody's and S&P and explanations of the significance of such rating may be obtained only from Moody's and S&P. There is no assurance that any credit ratings given to the 2014 Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by Moody's or S&P if, in such agency's judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the 2014 Bonds.

UNDERWRITING

The 2014 Bonds are being purchased by _____________ (the "**Underwriter**"). The Underwriter has agreed to purchase the 2014 Bonds at a price of $___________ which is equal to the initial principal amount of the 2014 Bonds of $_____________, plus original issue premium of $_________, less an Underwriter's discount of $___________. The purchase contract relating to the 2014 Bonds provides that the Underwriter will purchase all of the 2014 Bonds (if any are purchased), and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

The Underwriter may offer and sell 2014 Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter.

ADDITIONAL INFORMATION

The discussions herein about the Bond Resolution and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the Underwriter and following delivery of the 2014 Bonds will be on file at the offices of the Paying Agent in Los Angeles, California.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the 2014 Bonds.

The execution and delivery of this Official Statement have been duly authorized by the District.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT

By: ___________________________________
Superintendent

APPENDIX A

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2012-13

APPENDIX B

GENERAL AND FINANCIAL INFORMATION
FOR THE SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT

GENERAL DISTRICT INFORMATION

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the 2014 Bonds is payable from the general fund of the District. The 2014 Bonds are payable from the proceeds of an ad valorem tax required to be levied by the Counties in an amount sufficient for the payment thereof. See "SECURITY FOR THE 2014 BONDS" in the front half of the Official Statement.

General Information

The District, established in 1891, is located in the coastal communities of Santa Maria, within Santa Barbara County and a very small portion of San Luis Obispo County. Although the District overlaps two counties, the Santa Barbara County Superintendent of Schools maintains jurisdiction over the District. The District provides public education within an approximately 553 square mile area, including the cities of Santa Maria and Guadalupe. The District currently operates three comprehensive high schools, one continuation high school, and alternative education programs. The total enrollment for the 2014-15 school year is estimated to be _________. For demographic information regarding the County of Santa Barbara and the City of Santa Maria, see Appendix C hereto.

Administration

Board of Education. The District is governed by a five-member Board of Education, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board of Education, together with their office and the date their term expires, are listed below:

Name	Office	Term Expires
Dr. Jerry Walsh	President	December, 2014
Victor Tognazzini	Clerk	December, 2016
Dr. Jack Garvin	Member	December, 2016
Dr. Carol Karamitsos	Member	December, 2014
Diana Perez	Member	December, 2014

Superintendent and Administrative Personnel. The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Short educational professional backgrounds of the Superintendent and the District's Business Manager are set forth below.

> Dr. Mark Richardson, Superintendent. Dr. Mark Richardson has served as Superintendent with the District since September 2012. Prior to that, Dr. Richardson served as the Superintendent of the Taft Union High School District for five years. Before becoming a District Superintendent, Dr. Richardson was an

administrator and educator for over 19 years in the Kern High School District. During that time Dr. Richardson served as a classroom teacher, program coordinator, Dean of Students, Assistant Principal, District Director, and site Principal. Dr. Richardson is an active member of the Association of California School Administrators and has been honored by many local and statewide organizations for his outstanding leadership. Dr. Richardson received his Bachelor of Arts degree from the University of California at Berkeley, a Master's in Educational Administration from Cal Lutheran University, and a doctorate in Organizational Leadership from the University of LaVerne.

Yolanda Ortiz, Assistant Superintendent of Business Services. Mrs. Yolanda Ortiz has served as Assistant Superintendent of Business Services with Santa Maria Joint Union High School District since July 2012. Prior to becoming the Assistant Superintendent of Business Services, Mrs. Ortiz was an administrator and worked in education for over 16 years. During that time Mrs. Ortiz served as an Accountant, Assistant Director of Fiscal Services, Payroll Coordinator and Associate Superintendent of Business.

Recent Enrollment Trends

The following table shows recent enrollment history for the District with projections for fiscal years 2014-15 and 2015-16. Enrollment is projected to [remain stable/grow/decline.]

ANNUAL ENROLLMENT
Fiscal Years 2007-08 through 2015-16
Santa Maria Joint Union High School District

Fiscal Year	Student Enrollment	% Change
2007-08	7,746	--
2008-09	7,752	0.1%
2009-10	7,608	(1.9)
2010-11	7,793	2.4
2011-12	7,633	(2.1)
2012-13	7,636	0.0
2013-14	7,720	1.1
2014-15	_____	
2015-16	_____	

Source: California Department of Education for 2006-07 through 2013-14; District for 2014-15.

Employee Relations

The certificated and classified employees of the District are represented by two bargaining units, as set forth in the following table.

BARGAINING UNITS
Santa Maria Joint Union High School District

Employee Group	Representation	Number of Employees Represented	Contract Expiration Date
Certificated	California Teachers Association	[___] FTEs	June 30, 20___
Classified	California Schools Employees Association	[___] FTEs	June 30, 20___

Source: Santa Maria Joint Union High School District.

DISTRICT FINANCIAL INFORMATION

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the 2014 Bonds is payable from the General Fund of the District. The 2014 Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof.

Education Funding Generally

School districts in California receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the one percent general *ad valorem* tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly affect a school district's revenues and operations.

From 1973-74 to 2012-13, California school districts operated under general purpose revenue limits established by the State Legislature. In general, revenue limits were calculated for each school district by multiplying (1) the average daily attendance ("**ADA**") for such district by (2) a base revenue limit per unit of ADA. The revenue limit calculations were adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type. Funding of the District's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments amounted to the difference between the District's revenue limit and its local property tax revenues.

The fiscal year 2013-14 State budget package replaced the previous K-12 finance system with a new formula known as the Local Control Funding Formula (the **"LCFF"**). Under the LCFF, revenue limits and most state categorical programs were eliminated. School districts instead receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that reflect student demographic factors. The LCFF includes the following components:

- A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is $2,375 more than the average revenue limit provided prior to LCFF implementation. The base grants will be adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.

- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.

- An additional concentration grant of up to 22.5% of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.

- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and will be phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget (based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**")), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts will have the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

Based on revenue projections, districts will reach what is referred to as "full funding" in eight years, being fiscal year 2020-21. This projection assumes that the State's economy will improve each year; if the economy falters it could take longer to reach full funding.

The target LCFF amounts for State school districts and charter schools based on grade levels and Targeted Students is shown below.

Grade Span Funding at Full LCFF Implementation (Target Amount)

Grade Span	Base Grant[(1)]	K-3 Class Size Reduction and 9-12 Adjustments	Average Assuming 0% Targeted Students	Average Assuming 25% Targeted Students	Average Assuming 50% Targeted Students	Average Assuming 100% Targeted Students
K-3	$6,845	$712	$7,557	$7,935	$8,313	$10,769
4-6	6,947	N/A	6,947	7,294	7,642	9,899
7-8	7,154	N/A	7,154	7,512	7,869	10,194
9-12	8,289	$216	8,505	8,930	9,355	12,119

(1) Does not include adjustments for cost of living.
Source: California Department of Education.

The new legislation included a “hold harmless” provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its 2012-13 level, unadjusted for changes in ADA or cost of living adjustments.

The LCFF includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts, county offices of education, and charter schools are required to develop and adopt local control and accountability plans, which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the 2013-14 Budget created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

District Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts.

District accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30.

District expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The Governmental Accounting Standards Board ("**GASB**") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting, (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iv) required supplementary information.

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's June 30, 2013 Audited Financial Statements were prepared by Christy White, A Professional Accountancy Corporation, San Diego, California and are attached hereto as Appendix A. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Office of the Assistant Superintendent, Business and Fiscal Services of the District, Santa Maria Joint Union High School District, 2560 Skyway Drive, Santa Maria, California 93455 telephone (805) 922-4573. The District has not requested, and the auditor has not provided, any review or update of such Financial Statements in connection with inclusion in this Official Statement. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. This District may impose a charge for copying, mailing and handling.

General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited income and expense statements for the District for the fiscal years 2009-10 through 2012-13.

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2009-10 through 2012-13 (Audited)
Santa Maria Joint Union High School District

	Audited 2009-10	**Audited 2010-11**	**Audited 2011-12**	**Audited 2012-13**
SOURCES				
Revenue Limit Sources	$42,384,490	$44,553,582	$44,933,381	$45,286,756
Federal Revenue	6,240,466	6,258,244	6,265,275	5,106,308
Other State Revenue	8,143,209	10,739,889	10,062,282	10,591,805
Other Local Revenue	1,401,947	1,598,867	1,540,293	1,172,325
Total Revenue Limit	58,170,112	63,150,582	62,801,231	62,157,194
EXPENDITURES				
Instruction	33,350,457	36,037,032	36,538,522	35,764,496
Instruction – Related Services				
Supervision and administration	1,482,245	1,604,408	1,606,158	1,784,764
Library, media and technology	1,774,781	1,823,132	2,005,249	1,978,769
School site administration	4,816,266	4,992,163	4,893,626	4,801,575
Pupil Services				
Home-to-school transportation	1,058,981	1,362,762	1,638,251	1,060,253
Food services		4,834	4,794,073	
All other pupil services	4,945,315	4,826,358		4,874,979
General Administration			252,665	
Centralized data procession	217,039	229,046	2,873,829	237,269
All other general administration	2,936,231	2,868,350	7,842,646	3,091,340
Plant Services	7,278,299	7,237,148	32,737	8,167,712
Facility acquisition, maintenance	312,292	146,207	1,461,737	3,064,302
Ancillary services	1,241,782	1,396,099	6,849	1,485,174
Community services	3,191	995	--	6,583
Transfers to other agencies	--	--	--	6,841
Debt service- principal	104,599	53,107	31,606	945,265
Debt service- interest and other	16,745	16,546	14,381	85,894
Total Expenditures	59,538,223	62,598,187	63,992,329	67,355,216
Excess of (Deficiency) of Revenues Over Expenditures	(1,368,111)	552,395	(1,191,118)	(5,198,022)
OTHER FINANCING SOURCES				
Operating Transfers In	290,914	231,280	30,685	133,487
Other sources (uses)	(250,000)	--	--	3,858,968
Total Other Financing Sources (uses)	40,914	231,280	30,685	3,992,455
Net Change in Fund Balance	(1,327,197)	783,675	(1,160,433)	(1,205,567)
Fund Balance, July 1 [(1)]	12,954,310	12,800,634	13,584,309	12,423,876
Fund Balance, June 30	$11,627,113	$13,584,309	$12,423,876	$11,218,309

(1) Beginning fund balance in 2010-11 was restated due to implementation of GASB Statement No. 54.
Source: Santa Maria Joint Union High School District - Audited Financial Statements.

District Budget and Interim Financial Reporting

Budgeting and Interim Reporting Procedures. State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Ventura County Superintendent of Schools (the **"County Superintendent"**).

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) after also consulting with the district's board, develop and impose revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 (**"A.B. 1200"**) imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district's repayment of indebtedness is probable.

District's Budget Approval/Disapproval and Certification History. During the past five years, each of the District's adopted budgets have been approved by the County Superintendent and the District has received positive certifications on all of its interim reports.

Copies of the District's budget, interim reports and certifications may be obtained upon request from the District Office at Santa Maria Joint Union High School District, 2560 Skyway Drive, Santa Maria, California 93455 telephone (805) 922-4573. The District may impose charges for copying, mailing and handling.

District's 2013-14 and 2014-15 Figures. The following table shows the income and expense statements for the District for fiscal year 2013-14 (budgeted and unaudited actuals), along with budgeted figures for fiscal year 2014-15.

REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Year 2013-14 (Adopted Budget and Unaudited Actuals)[1]
Fiscal Year 2014-15 (Adopted Budget)
Santa Maria Joint Union High School District

Revenues	Unaudited Actuals 2013-14	Budgeted Fiscal Year 2014-15
LCFF Sources[2]	$55,086,401	$62,914,780
Federal revenues	4,431,320	3,676,130
Other state revenues	7,829,182	7,112,458
Other local revenues	1,506,749	622,548
Total Revenues	68,853,652	74,325,916
Expenditures		
Certificated salaries	30,896,967	34,953,444
Classified salaries	12,344,591	12,471,058
Employee benefits	11,545,825	14,710,895
Books and supplies	4,564,039	5,677,844
Contract services & operating exp.	7,487,646	8,866,572
Capital outlay	2,326,102	644,468
Other outgo (excluding indirect costs)	762,973	393,906
Other outgo – transfers of indirect costs	(130,861)	(157,103)
Total expenditures	69,797,282	77,561,084
Excess of revenues over/(under) expenditures	(943,630)	(3,235,168)
Other financing sources (Uses)		
Interfund transfers in	100,000	--
Interfund transfers out	(357,878)	(375,000)
Other sources	20,047	--
Total other financing sources (uses)	(237,831)	(375,000)
Net change in fund balance	(1,181,461)	(3,610,168)
Fund balance, July 1	9,787,332	8,605,871
Fund balance, June 30	$8,605,871	$4,995,703

(1) Totals may not foot due to rounding.
(2) LCFF commenced in fiscal year 2013-14. [The District has a high proportion of English language learners, students from low income families and foster youth (___% of student population). Therefore, funding under the LCFF includes base grant funding, supplemental funding and concentration grant funding.]
Source: Santa Maria Joint Union High School District Adopted Budget for Fiscal Year 2014-15.

Assumptions Used with Respect to 2014-15 Budget. The District's fiscal year 2014-15 Budget was adopted on June 11, 2014. Financial assumptions for budget development included: an increase in LCFF aid, with a COLA adjustment of 0.85%, gap funding of 28.06%, and an ADA of 7,266. The District updates its budget three times following original adoption.

District Reserves. The District's ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State's minimum required reserve of 5% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by the District in the future. The District maintains an unrestricted reserve which meets the State's minimum requirements.

In connection with legislation adopted in connection with the State's fiscal year 2014-15 Budget (**"SB 858"**), the Education Code was amended to provide that, beginning in fiscal year 2015-16, if a district's proposed budget includes a local reserve above the minimum recommended level, the governing board must provide the information for review at the annual public hearing on its proposed budget. In addition, pursuant to SB 858, a constitutional amendment will be presented to State voters at the December 10, 2014 general election which, if approved by State voters, could limit the amount of reserves maintained at the District level. The District cannot predict how this legislation will impact its reserves and future spending. See "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS- 2014-15 State Budget."

Attendance - Revenue Limit and LCFF Funding

As described herein, prior to fiscal year 2013-14, school districts in California derived most State funding based on a formula which considered a revenue limit per unit of average daily attendance (**"ADA"**). With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following two tables set forth historical revenue limit funding for the District through fiscal year 2012-13, and LCFF funding for the District for fiscal year 2013-14 and 2014-15 (Budgeted).

AVERAGE DAILY ATTENDANCE AND FUNDED REVENUE LIMIT
Fiscal Years 2008-09 through 2012-13
Santa Maria Joint Union High School District

Fiscal Year	P-2 ADA	Funded Revenue Limit Per ADA
2008-09	7,183	$6,493
2009-10	7,115	5,997
2010-11	7,230	6,003
2011-12	7,198	5,939
2012-13	7,175	6,003

Source: Santa Maria Joint Union High School District.

AVERAGE DAILY ATTENDANCE AND LCFF
Fiscal Years 2013-14 and 2014-15
Santa Maria Joint Union High School District
ADA, Enrollment and Target Student Percentages (LCFF Implemented)
Fiscal Years 2013-14 and 2014-15 (Budgeted)

Fiscal Year	ADA(1)	LCFF "Phase-In" Entitlement Per ADA	% of Target Student Enrollment Under LCFF
2013-14	7,258.71		
2014-15	7,278.97		

(1) Unaudited actuals and Budgeted, as shown in FY 2013-14 Unaudited Actuals.
Source: Santa Maria Joint Union High School District.

Revenue Sources

The District categorizes its general fund revenues into four sources, being LCFF, Federal Revenues, Other State Revenues and Local Revenues. Each of these revenue sources is described below.

LCFF Sources. District funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding under the LCFF. Generally, the State apportionments will amount to the difference between the District's LCFF funding entitlement and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under No Child Left Behind, the Individuals With Disabilities Education Act, and specialized programs such as Drug Free Schools.

Other State Revenues. As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's revenue limit and its property tax revenues. In addition to such apportionment revenue, the District receives other State revenues.

The District receives State aid from the California State Lottery (the "**Lottery**"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the increase in Lottery revenues over 1997-98 levels must be restricted to use on instruction material.

For additional discussion of State aid to school districts, see "-State Funding of Education."

Other Local Revenues. In addition to local property taxes, the District receives additional local revenues from items such as interest earnings and other local sources.

District Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (“**STRS”**) and classified employees are members of the Public Employees' Retirement System (“**PERS”**).

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teacher's Retirement Law. Active plan members are required to contribute 8.0% of their salary and the District is required to contribute a legislatively determined rate. The required employer contribution rate for fiscal year 2012-13 was 8.25% of annual payroll. The District's contributions to STRS for the past three and current projected fiscal years are set forth in the following table.

STRS Contributions
Santa Maria Joint Union High School District
Fiscal Years 2011-12 through 2014-15 (Projected)

Fiscal Year	Amount
2011-12	$2,308,108
2012-13	2,298,361
2013-14*	2,437,761
2014-15†	3,035,034

**Unaudited actual.*
†Budgeted.
Source: Santa Maria Joint Union High School District.

<u>New Legislation Regarding STRS Contributions Implemented in FY 2014-15</u>. In connection with the State's adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 (**“AB 1469”**), which represents a legislative effort to address the unfunded liabilities of the STRS pension plan (see below section entitled “State Pension Trusts”). AB 1469 addresses the funding gap by increasing contributions of plan members, employers (including the District) and the State commencing in fiscal year 2014-15. Pursuant to AB 1469, employer contribution rates to the STRS plan will increase over the next seven years, from the contribution rate of 8.25% in fiscal year 2013-14 to 19.1% in fiscal year 2020-21. Thereafter, employer contribution rates will be determined by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046. STRS employer contribution rates under AB 1469 for fiscal years 2014-15 through 2020-21 are summarized in the following table.

AB 1469 STRS Employer Contribution Rates

Fiscal Year	% Increase From FY 2013-14 Rate* Under AB 1469	Total Contribution Rate
2014-15	0.63%	8.88%
2015-16	2.48	10.73
2016-17	4.33	12.58
2017-18	6.18	14.43
2018-19	8.03	16.28
2019-20	9.88	18.13
2020-21	10.85	19.10

**Fiscal year 2013-14 rate of 8.25%.*

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The District is part of a "cost-sharing" pool within PERS. Active plan members are required to contribute 7.0% of their salary and the District is required to contribute an actuarially determined rate (11.417% for fiscal year 2012-13). One actuarial valuation is performed for those employers participating in the pool, and the same contribution rate applies to each. The District's contributions to PERS for the past three and current projected fiscal years are set forth in the following table.

PERS Contributions
Santa Maria Joint Union High School District
Fiscal Years 2011-12 through 2014-15 (Projected)

Fiscal Year	Amount
2011-12	$1,387,073
2012-13	1,437,067
2013-14*	1,427,449
2014-15†	1,578,177

**Unaudited actual.*
†Budgeted.
Source: Santa Maria Joint Union High School District.

PERS Board Adopts New Employer Contribution Rates. On April 16, 2014, the Board of Administration of PERS approved new contribution rates beginning on July 1, 2014. School district employer contribution rates will reflect new demographic assumptions and other changes in actuarial assumptions which were adopted by the Board in February 2014. The new assumptions, which are aimed eliminating the unfunded liability of PERS in approximately 30 years, will be implemented for school districts beginning in fiscal year 2016-17, with the costs spread over twenty years and the increases phased in over the first five years. These new employer contribution rates continue to recognize asset losses from prior years. Projected employer contribution rates for school districts are as follows:

Projected PERS Contribution Rates for School Districts

2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
11.7%	12.6%	15.0%	16.6%	18.2%	19.9%	20.4%

Source: California Public Employees' Retirement System

State Pensions Trusts. Both the PERS and STRS systems are operated on a statewide basis. District contribution rates to PERS can vary annually depending on changes in actuarial assumptions and other factors, such as liability. Contributions to STRS can only be changed legislatively. Both PERS and STRS have substantial State unfunded actuarial liabilities, being $57 billion for PERS as of June 30, 2012 (the date of the last actuarial valuation for PERS) and $73.7 billion for STRS as of June 30, 2013 (the date of the last actuarial valuation for STRS). As described above, AB 1469 was enacted in connection with the State's 2014-15 Budget in an attempt to reduce and eliminate the unfunded liability of the STRS pension plan, and the PERS Board has recently taken actions to increase contribution rates in order to address unfunded liabilities.

Both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. However, information in the financial reports and on the websites is not incorporated in this Official Statement by reference. See also the following paragraph on recent pension reform legislation.

Pension Reform Act of 2013 (Assembly Bill 340). On September 12, 2012, Governor Brown signed AB 340, enacting the California Public Employees' Pension Reform Act of 2013 ("**PEPRA**") and amending various sections of the California Education and Government Codes. AB 340 (i) increased the retirement age for new State, school, and city and local agency employees depending on job function, (ii) capped the annual PERS and STRS pension benefit payouts, (iii) addressed numerous abuses of the system, and (iv) required State, school, and certain city and local agency employees to pay at least half of the costs of their PERS pension benefits. PEPRA applies to all public employers *except* the University of California, charter cities and charter counties (except to the extent they contract with PERS.)

The provisions of AB 340 went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on that date and after; existing employees who are members of employee associations, including employee associations of the Districts, have a five-year window to negotiate compliance with AB 340 through collective bargaining. If no deal is reached by January 1, 2018, a city, public agency or school district could force employees to pay their half of the costs of PERS pension benefits, up to 8 percent of pay for civil workers and 11 percent or 12 percent for public safety workers.

PERS has predicted that the impact of AB 340 on employees and employers, including the Districts and other employers in the STRS system, will vary, based on each employer's current level of benefits. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn. Additionally, PERS has noted that changes arising from AB 340 could ultimately have an adverse impact on public sector recruitment in areas that have historically experienced recruitment challenges due to higher pay for similar jobs in the private sector.

With respect to STRS, the provisions of AB 1469 effective as of July 1, 2014 effectively addressed the contribution requirements of STRS members, employers and the State.

More information about AB 340 can be accessed through the PERS's web site at www.calpers.ca.gov/index.jsp?bc=/member/retirement/pension-reform-impacts.xml&pst=ACT&pca=ST and through the STRS web site at http://www.calstrs.com/Newsroom/whats_new/AB340_detailed_impact_analysis.pdf. *The references to these internet websites are shown for reference and convenience only; the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated herein by reference.*

Other Post-Employment Retirement Benefits

The Plan Generally. The Santa Maria Joint Union High School District Postemployment Benefits Plan (the **"Plan"**) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical, dental and vision insurance benefits to eligible retirees and their spouses. Membership of the Plan as of June 30, 2013 consisted of 61 retirees and beneficiaries currently receiving benefits and 636 active plan members.

Three-tiered rates (Single, Two-Party, and Family) are used for all benefits. The rates for early retirees are the same as those for active employees under the Certificated Plan, meaning that the early retirees are being subsidized by premiums charged to the District for its active employees. Upon attainment of a minimum age (55 for Certificated and Certificated Management, 50 for Classified, Classified Management and Confidential) and a completion of a minimum District service requirement (5 years for Management, 10 years for all other groups), an employee may retire and remain covered at the District's expense for a period depending on employment classification, and subject to making monthly retiree contributions.

District paid coverage ends at age 65 for all Certificated, Certificated Management, and Classified Management retirees. Classified and Confidential retirees' benefits continue until the earlier of 10 years of benefits or age 65. District-paid benefits include medical/prescription drug for all eligible retirees, and dental and vision insurance for Certificated retirees. For groups other than Certificated, the District's contribution towards medical/prescription drug benefits is limited to the amount of the premium (by tier) for the base plan.

Contribution Information. The District's contribution is currently based on a projected pay-as-you-go funding method. The District contributed $571,000 in fiscal year 2012-13, has an estimated contribution of $431,807 in fiscal year 2013-14, and has a budgeted contribution of $651,834 in fiscal year 2014-15. As of June 30, 2013, the District had not established a plan or equivalent that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the plan and that are legally protected from creditors.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (**"OPEB"**) cost is calculated based on the annual required contribution of the employer (**"ARC"**), an amount actuarially determined in accordance with the parameters of Government Accounting Standards Board Statement No. 45 (**"GASB 45"**). GASB 45 requires local government employers who provide OPEB as part of the compensation offered to employees to recognize he expense and related liabilities and assets in their financial statements.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (**"UAAL"**) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year:

OPEB Components for Fiscal Year 2012-13
Santa Maria Joint Union High School District

Annual required contribution	$1,947,250
Interest on net OPEB obligation	298,260
Adjustment to annual required contribution	(431,210)
Annual OPEB cost (expense)	1,814,300
Contributions made	(571,000)
Increase in net OPEB obligation	1,243,300
Net OPEB obligation, beginning of year	7,456,497
Net OPEB obligation, end of year	$8,699,797

Source: Santa Maria Joint Union High School District Audited Financial Statement for Fiscal Year 2012-13.

OPEB Funded Status and Funding Progress. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits:

Schedule of OPEB Funding Progress
Santa Maria Joint Union High School District

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
July 1, 2012	-	$14,416,969	$14,416,969	0%	$53,538,923	27%

Source: Santa Maria Joint Union High School District Audited Financial Statement for Fiscal Year 2012-13.

Actuarial Methods and Assumptions. In the July 1, 2012, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.0% return on assets. Healthcare cost trend rate was 8.0%. The remaining amortization period at July 1, 2013, was 29 years. See also Note 10 to audited financial statements for fiscal year ending June 30, 2013.

Existing Debt Obligations

Long Term Debt. The District has multiple series of general obligation bonds and refunding general obligation bonds outstanding, which have been issued pursuant to voter authorizations received in 2000 and 2004. In addition, the District has one series of certificates of participation outstanding. Each of these is described in more detail below.

General Obligation Bonds. The following summarizes the District's outstanding general obligation bonds. See also "DEBT SERVICE SCHEDULES" in the body of this Official Statement.

Outstanding General Obligation Bond Indebtedness
Santa Maria Joint Union High School District

Series	Date of Issuance	Final Maturity Date	Original Principal Amount	Amount Outstanding 11/1/2014
Election 2000, Series B	3/1/2003	8/1/2025	$12,000,000	
Election 2004, Series 2005	2/23/2005	8/1/2031	34,998,222	
2006 Refunding	5/17/2006	8/1/2021	24,452,727	
Election 2004, Series 2013*	4/23/13	8/1/2037	14,999,873	
2013 Refunding	4/23/13	8/1/2026	26,820,000	
			$113,270,822	

**Consists of current interest bonds and capital appreciation bonds.*

Certificates of Participation. On May 5, 2004, the District caused the delivery of $27,400,000 Variable Rate Demand Certificates of Participation (the **"2004 Certificates"**), for the purpose of financing a portion of the construction of a new high school and refunding certain outstanding lease obligations. The 2004 Certificates are secured by lease payments payable from the District's general fund, and further secured by an irrevocable direct-pay letter of credit issued by Bank of America, N.A.. The 2004 Certificates are currently outstanding in the principal amount of $21,860,000, and have a final maturity dated of June 1, 2033.

Capital Lease. On February 1, 2013, the District entered into a lease agreement with DELL Financial Services to lease VMware virtual servers for its network infrastructure. There is one remaining payment of $60,190 due in fiscal year 2014-15.

Loan Payable. During fiscal year 2012-13 the District received a loan from Pacific Gas and Electric through their energy retrofit loan program in the amount of $111,023, which is payable in monthly installments of $2,414 for a term of 46 months.

Investment of District Funds

In accordance with Government Code Section 53600 *et seq*., the Santa Barbara County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq*. In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code.

Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts generally receive the majority of their operating revenues from various State sources. The primary source of funding for school districts is LCFF funding, which is derived from a combination of State funds and local property taxes (see "—State Funding of Education – Revenue Limits" above). State funds typically make up the majority of a district's LCFF funding. School districts also receive funding from the State for some specialized programs such as special education.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. The District cannot predict how education funding may further be changed in the future, or the state of the economy which in turn can impact the amounts of funds available from the State for education funding. See "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS" below.

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

State Funding of Education

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55% of their operating revenues from various State sources. The primary source of funding for school districts is funding under the LCFF, which is a combination of State funds and local property taxes (see "DISTRICT FINANCIAL INFORMATION – Education Funding Generally" above). State funds typically make up the majority of a district's LCFF entitlement

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The following information concerning the State's budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. Neither the District, the County, nor the Underwriter is responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

The Budget Process. The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "**Governor's Budget**"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a majority vote of each house of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each house of the Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each house of the Legislature, and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets

Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. *The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated herein by reference.*

- The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget", includes the text of proposed and adopted State Budgets.

- The State Legislative Analyst's Office prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)".

Prior Years' Budgeting Techniques. Declining revenues and fiscal difficulties which arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools, until a later date in the fiscal year, or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures which were implemented or could have been implemented if certain State budgeting goals were not met, among others, and the dissolution of local redevelopment agencies in part to make available additional funding for local agencies. Although the fiscal year 2014-15 State Budget is balanced and projects a balanced budget for the foreseeable future, largely attributable to the additional revenues generated due to the passage of Proposition 30 at the November 2, 2004 statewide election, there can be no certainty that budget-cutting strategies such as those used in recent years will not be used in the future should the State Budget again be stressed and if projections included in such budget do not materialize.

2013-14 State Budget: Significant Change in Education Funding. As described previously herein, the 2013-14 State Budget and its related implementing legislation enacted significant reforms to the State's system of K-12 education finance with the enactment of the LCFF. Significant reforms such as the LCFF and other changes in law may have significant impacts on the District's finances.

2014-15 Adopted State Budget

On June 20, 2014, Governor Brown approved the 2014-15 Budget Act (the **"2014-15 Budget"**), projecting $108 billion in general fund revenues, which is $7.3 million more in general fund revenues than in fiscal year 2013-14. The 2014-15 Budget is balanced and projects paying down more than $10 billion in unprecedented amounts of budgetary debt from past years, including paying down deferral of payments to schools by $5 billion, paying off Economic Recovery Bonds, repaying various special fund loans, and funding $100 million in mandate claims that have been owed to local governments since 2004. The budgetary deficit is projected to be reduced to below $5 billion by the end of 2016-17. The fiscal year begins with a 2014-15 State Budget reserve of $2 billion dollars, including $1.6 billion in the State's Budget Stabilization Account, also known as the State's rainy day fund. Temporary revenues provided by the passage of Proposition 30 (Sales and Income Tax Revenue Increase approved by State voters at an election held on November 8, 2011) and spending cuts have allowed for continued economic growth in the State. The 2014-15 State Budget also contains triggers allowing for additional spending, if various revenue benchmarks are exceeded. If revenues surpass certain estimates, then the 2014-15 Budget calls for more funds to be applied to higher education and to pay down debt. Certain highlights of the 2014-15 Budget are described below.

Plan for Reducing STRS Unfunded Liability. The California State Teachers' Retirement System ("**STRS**") has funded significant unfunded liability. Without changes to how the system is funded, STRS is expected to run out of money in about 33 years. To prevent this, the 2014-15 Budget sets forth a plan that shares responsibility among the school districts, the State, and teachers to better fund STRS. Increased contributions for the first year from all three of these sources will total $275 million. Contributions will increase in subsequent years, reaching more than $5 billion annually. This plan is projected to eliminate unfunded liability by 2046.

Constitutional Amendment on November, 2014 Ballot: Rainy Day Fund. The 2014-15 State Budget includes a proposed constitutional amendment which will be placed before State voters in November, 2014. The measure, upon approval, would alter the State's existing requirements for the Budget Stabilization Account, the State's existing rainy day account. If approved, this amendment would:

- Require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues, and would set the maximum size of the Rainy Day Fund at 10% of State general fund revenues.

- Require half of each year's deposit for the next 15 years be used for supplemental payments of debt or other long-term liabilities.

- Allow for withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years. The maximum amount that could be withdrawn in the first year of a recession would be limited to half of the Rainy Day Fund's balance.

- Require that the State provide a multiyear budget forecast to better manage the State's long-term finances.

- Create a Proposition 98 reserve, known as the Public School System Stabilization Account, where spikes in funding would be saved for future years. This is intended to smooth school spending and minimize future cuts to education funding.

In addition, if approved in November, additional legislation will become effective which could limit the amount school districts may maintain in reserves. Specifically, the legislation provides that in any fiscal year immediately after a fiscal year in which a transfer is made to the Public School System Stabilization Account, a school district may not adopt a budget that contains a reserve in excess of twice the applicable minimum reserve amount, which for the District is 2%.

K - 12 Budget Adjustments. The 2014-15 State Budget includes total funding of $76.6 billion ($45.3 billion general fund and $31.3 billion other funds) for all K-12 education programs. Proposition 98 funding has contributed $10 billion to the total funding amount and the 2014-15 State Budget provides $1,954 more per K-12 student in 2014-15 than was provided in 2011-12. The 2014-15 State Budget also provides $4.7 billion for the second year of implementing the LCFF and continues to commit most new funding to districts serving English language learners, students from low-income families, and youth in foster care. The Education Budget Trailer Bill ("**SB 858**") is included in the 2014-15 State Budget and contains two separate provisions that have the potential to affect district reserve funds. In addition, the 2014-15 State Budget includes the following:

- Local Control Funding Formula. The 2014-15 State Budget contains an increase of $4.75 billion in the Proposition 98 funding to continue the State's transition to the LCFF. This increase will close the remaining funding implementation gap by more than 29%. Additionally, the 2014-15 State Budget addresses an administrative problem related to the collection of income eligibility forms that are used to determine student eligibility for free or reduced-price meals.

- K-12 Deferrals. The 2014-15 State Budget repays nearly $4.7 billion in Proposition 98 funding for K-12 expenses that had been deferred from one year to the next during the past few years. This repayment will leave an outstanding balance of less than $900 million in K-12 deferrals. The 2014-15 State Budget also contains a trigger mechanism that will appropriate any additional funding resources attributable to the 2013-14 and 2014-15 fiscal years subsequent to the enactment of the 2014-15 State Budget for the purpose of retiring the remaining $900 million in K-12 deferrals.

- Independent Study. The 2014-15 State Budget reduces administrative burdens and frees up time for teachers to spend on student instruction and support, making it easier for schools to offer and expand instructional opportunities available to students through non-classroom based instruction.

- K-12 Mandates. The 2014-15 State Budget provides $400.5 million in one-time Proposition 98 funding to reimburse K-12 local educational agencies for the costs of state-mandated programs. These funds will make a significant down payment on outstanding mandate debt, while providing school districts, county offices of education, and charter schools with discretionary resources to support critical investments such as Common Core implementation.

- K-12 High-Speed Internet Access. The 2014-15 State Budget increases the one-time Proposition 98 funding for the K-12 High Speed Network by $26.7 million. This fund provides technical assistance and grants to local educational agencies to address the technology requirements necessary for Common Core implementation.

- Career Technical Education Pathways Program. The 2014-15 State Budget increases by $250 million the one-time Proposition 98 funding to support a second cohort of competitive grants for participating K-12 local educational agencies. Established in the 2013 Budget Act, the Career Pathways Trust Program provides grant awards to improve career technical programs and linkages between employers, schools and community colleges.

Higher Education and Healthcare. The 2014-15 State Budget includes total funding of $26.2 billion ($14.7 billion general fund and local property tax and $11.5 billion other funds). It also provides for up to a 20% increase in general fund appropriations over a four-year period. The 2014-15 Budget includes a 5% increase in 2014-15 for each university system, which equals $284 million total. Regarding healthcare, the State's adoption of the optional expansion of Medi-Cal under the federal law known as the Affordable Care Act created major new spending commitments. The 2014-15 Budget assumes an additional Medi-Cal caseload of 2.5 million individuals and a rise in costs of $2.4 billion over fiscal year 2012-13.

Emergency Drought Response. On January 17, 2014, Governor Brown proclaimed a state of emergency due to the severe drought conditions faced by the State. Legislation was enacted in February which provided $687.4 million to support drought relief. The 2014-15 State Budget includes additional one-time resources to continue immediate drought-related efforts started in 2014, such as an increase of $53.8 million from the State's general fund and $12.2 million other funds for firefighting efforts, and an increase of $18.1 million from the State's general fund to aid in assessing water conditions and provide public outreach regarding water conservation.

Numerous Factors Affecting Budget and Projections. The execution of the 2014-15 State Budget may be affected by numerous factors, including but not limited to: (i) shifts of costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risk associated with spending reductions, including the elimination of redevelopment agencies, (iv) rising health care costs (v) large unfunded liabilities for retired State employee's pensions and healthcare, (vi) deferred maintenance of State's critical infrastructure and (vii) other factors, all or any of which could cause the revenue and spending projections made in 2014-15 State Budget to be unattainable. The District cannot predict the impact that the 2014-15 State Budget, or subsequent budgets, will have on its own finances and operations. Additionally, the District cannot predict the accuracy of any projections made in the State's 2014-15 State Budget.

The complete 2014-15 State Budget is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated in this Official Statement by such reference. The information referred to above should not be relied upon in making an investment decision with respect to the Series D Bonds.

California Spending Plan. In October 2014 the Legislative Analyst's Office released its *California Spending Plan* (a publication summarizing the State's current spending plan, including legislative and gubernatorial action through October 2014). The Spending Plan reports, among other things:

- The State General Fund and Education Protection Fund are $107 billion in 2014-15 (an increase of nearly 5% over the prior year's levels).

- The State's 2014-15 fiscal year is projected to end with $2.1 billion in total reserves.

- The 2014-15 Proposition 98 minimum guarantee is up $2.6 billion over the revised 2013-14 levels.

- In 2014-15, $5.2 billion in outstanding K-14 deferrals and $450 million in outstanding education mandates are expected to be paid down.

- An expected $4.7 billion in additional funding for LCFF implementation (12% higher than the 2013-14 level, and sufficient to close 29% of the funding gap).

These gains are largely due to modest revenue growth assumed in 2014-15 from personal income taxes, sales and use taxes, and corporation taxes. The complete California Spending Plan may be accessed at the following link: http://lao.ca.gov/Publications/Detail/3049, although the information available through such site is not incorporated herein by reference.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State Legislature and the Governor to address the State's current or future budget deficits. Future State budgets will be affected by national and state economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its budgets.

The State has not entered into any contractual commitment with the District, the County, or the Owners of the 2014 Bonds to provide State budget information to the District or the owners of the 2014 Bonds. Although they believe the State sources of information listed above are reliable, neither the District nor the Underwriter assumes any responsibility for the accuracy of the State Budget information set forth or referred to in this Official Statement or incorporated herein. However, the 2014 Bonds are secured by *ad valorem* taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory regulations has been the subject of various legal challenges in recent years, and is likely to be further challenged in the future. For a discussion of how the provisions of Proposition 98 have been applied to school funding see "-State Funding of Education" and "-Recent State Budgets" above.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the 2014 Bonds are payable from the proceeds of an *ad valorem* tax levied by the Counties for the payment thereof. Articles XIIIA, XIIIB, XIIIC, and XIIID of the State Constitution, Propositions 62, 98, 111, 187 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the 2014 Bonds. The tax levied by the Counties for payment of the 2014 Bonds was approved by the District's voters in compliance with Article XIIIA and all applicable laws.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIIIA to the State Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness (which provided the authority for the issuance of the Refunded Bonds), and (iii) (as a result of an amendment to Article XIIIA approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness).

The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIIIA, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIIIB of the California Constitution

Article XIIIB (**"Article XIIIB"**) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (**"unitary property"**). Under the State Constitution, such property is assessed by the State Board of Equalization (**"SBE"**) as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Articles XIIIC and XIIID

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, **"Article XIIIC"** and **"Article XIIID"**), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections , and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay Lease Payments and therefore debt service on the Notes.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "**Accountability Act**"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K 14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K 14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" (**"Proposition 111"**) which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the **"first test"**) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to *per capita* personal income) and enrollment (the **"second test"**). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the **"third test"**). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as **"Proposition 39"**) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55 percent (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1 percent limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1 percent of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55 percent of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary school district or high school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 30

Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as **"Proposition 30"**), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax will be levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $340,000 but less than $408,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $408,000 but less than $680,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $680,000 for joint filers).

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "Proposition 98" and "Proposition 111" above. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the **"EPA"**). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning, in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provisions of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 111, 1A, 22, 26, 30 and 39 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR SANTA BARBARA COUNTY AND THE CITY OF SANTA MARIA

*The following information concerning the City of Santa Maria (the "**City**") and the County of Santa Barbara (the "**County**") is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt of the City, the County, the State or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.*

Location of District. The District is located in the City of Santa Maria, in the County of Santa Barbara (the **"County"**). A small percentage of the District's boundaries (less than one percent of total assessed value) includes property located in San Luis Obispo County.

The County. The County was established by an act of the State Legislature on February 18, 1850. It occupies an area of 2,774 square miles, of which one-third is located in the Los Padres National Forest. There are seven incorporated cities located wholly or partially within Santa Barbara County: Buellton, Santa Barbara, Lompoc, Carpinteria, Guadalupe, Solvang, and Santa Maria. The City of Santa Maria is the largest city in the County, in terms of population.

The City. Santa Maria is a city in Southern California, in Santa Barbara County. It is approximately 120 miles (190 km) northwest of Los Angeles (city limits). The 2014 population was 101,103, putting it ahead of Santa Barbara (the county seat) and making it the most populous city in the county. The city is notable for its wine industry and Santa Maria-style barbecue. Sunset Magazine called Santa Maria "The West's Best BBQ Town".

Population

The table below shows population estimates for the City, the County and the State of California for the last five years.

CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA AND STATE OF CALIFORNIA
Population Estimates

	2010	2011	2012	2013	2014
State of California	37,223,900	37,427,946	37,668,804	37,984,138	38,340,074
County of Santa Barbara	423,740	424,732	426,344	429,631	433,398
Buellton	4,828	4,854	4,847	4,868	4,893
Carpinteria	13,044	13,045	13,051	13,113	13,442
Goleta	29,888	29,887	29,863	29,994	30,202
Guadalupe	7,080	7,080	7,081	7,108	7,144
Lompoc	42,434	42,063	42,766	42,771	43,314
Santa Barbara	88,410	88,827	88,884	89,773	90,385
Santa Maria	99,553	99,582	99,975	100,411	101,103
Solvang	5,245	5,264	5,270	5,298	5,363

Source: State Department of Finance estimates.

Employment and Industry

The following table shows civilian labor force and wage and salary employment data for the Santa Barbara-Santa Maria-Goleta Metropolitan Statistical Area ("**MSA**"), which is coterminous with Santa Barbara County and, therefore, includes the City of Santa Maria, for the past five calendar years. The unemployment rate in the County was 5.6 percent in August 2014, down from a revised 6.0 percent in July 2014, and below the year-ago estimate of 6.6 percent. This compares with an unadjusted unemployment rate of 7.4 percent for California and 6.3 percent for the nation during the same period.

These figures are area-wide statistics and may not necessarily accurately reflect employment trends in the City. Annual figures are not yet available for the calendar year 2014.

SANTA BARBARA SANTA MARIA GOLETA MSA
(Santa Barbara County)
Annual Average Civilian Labor Force, Employment and Unemployment and Employment, Unemployment by Industry
(March 2013 Benchmark)

	2009	2010	2011	2012	2013
Civilian Labor Force (1)	220,000	220,600	221,600	224,400	224,000
Employment	201,500	199,800	201,400	206,400	208,700
Unemployment	18,500	20,900	20,200	18,000	15,300
Unemployment Rate	8.4%	9.5%	9.1%	8.0%	6.8%
Wage and Salary Employment: (2)					
Agriculture	17,600	18,600	18,200	18,800	19,400
Natural Resources and Mining	900	1,000	1,100	1,200	1,100
Construction	7,800	7,000	6,800	6,800	7,200
Manufacturing	11,900	11,300	11,700	12,000	12,100
Wholesale Trade	4,200	4,000	4,000	4,200	4,600
Retail Trade	18,600	18,000	17,800	18,500	19,000
Trans., Warehousing and Utilities	3,000	2,800	2,800	2,900	3,000
Information	3,500	3,500	3,600	4,200	4,300
Finance and Insurance	4,100	3,700	3,700	3,600	3,600
Professional and Business Services	20,300	21,100	21,500	22,400	23,200
Educational and Health Services	22,200	22,400	22,800	23,500	24,000
Leisure and Hospitality	22,100	21,900	22,100	22,900	24,000
Other Services	5,600	5,300	5,200	5,300	5,500
Federal Government	3,700	4,100	4,000	4,000	3,700
State Government	34,100	34,100	33,800	33,800	34,200
Local Government	23,200	23,500	23,300	23,100	23,200
Total, All Industries (3)	**182,100**	**181,400**	**182,000**	**187,000**	**191,800**

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

Largest Employers

The following tables list the largest employers within the County as of October 2014, and within the City as of June 30 2013.

COUNTY OF SANTA BARBARA
Major Employers
October 2014

Employer Name	Location	Industry
Adam Brothers Farming Inc.	Santa Maria	Farming Service
Bacara Resort & Spa	Goleta	Resorts
Chumash Casino	Santa Ynez	Casinos
Citrix Online LLC	Goleta	Website Hosting
Cottage Health System	Santa Barbara	Non-Profit Organizations
D B Specialty Farms	Santa Maria	Farms
Deckers Outdoor Corp	Goleta	Shoes-Retail
Den Mat Holdings LLC	Santa Maria	Physicians & Surgeons Equip & Supls-Mfrs
Devereux Foundation	Goleta	Schools
Four Seasons-Santa Barbara	Santa Barbara	Hotels & Motels
Hacienda Harvesting Inc.	Santa Maria	General Contractors
Jordano's Foodservice	Santa Barbara	Food Products (Whls)
Lompoc Valley Medical Ctr-Hospital	Lompoc	Hospitals
Mission Linen Supply Inc.	Santa Barbara	Linen Supply Service
Montecito FM Inc.	Santa Barbara	Radio Stations & Broadcasting Companies
Santa Barbara City College	Santa Barbara	Schools-Universities & Colleges Academic
Santa Barbara Cottage Hospital	Santa Barbara	Health Services
Santa Barbara County Coroner	Santa Barbara	Government Offices-County
Santa Barbara Sheriff's Dept.	Santa Barbara	Sheriff
Santa Ynez Tribal Gaming Committee	Santa Ynez	Government Ofcs-Authorities/Commissions
Score	Santa Barbara	Business Development
University of Ca. Santa Barbara	Santa Barbara	Schools-Universities & Colleges Academic
Vandenberg Air Force Base	Vandenberg AFB	Military Bases
Zodiac Aerospace	Santa Maria	Aircraft Equipment Parts & Supls-Mfrs

Source: California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2014 2nd Edition.

The following table lists the largest employers within the City.

CITY OF SANTA MARIA
Major Employers
June 30, 2013

	Employer	# of Employees
1	Vandenberg Air Force Base	6,623
2	Santa Maria-Bonita School District	1,835
3	Marian Regional Medical Center	1,480
4	Allan Hancock College	1,150
5	C&D Zodiac Aerospace	1,100
6	Santa Maria Joint Union High School District	722
7	City of Santa Maria	622
8	Betteravia Farms	450
9	VTC Enterprises	366
10	Wal-Mart	300

Source: City of Santa Maria, Department of Administrative Services, Comprehensive Annual Financial Report for Fiscal Year Ended June 30,2013.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City, the County, the State of California and the United States for the years 2009 through 2013. Effective Buying Income data is not yet available for calendar year 2014.

COUNTY OF SANTA BARBARA
Effective Buying Income
2009 through 2013

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2009	City of Santa Maria	$1,241,048	$39,568
	County of Santa Barbara	9,647,723	49,751
	California	844,823,319	49,736
	United States	6,571,536,768	43,252
2010	City of Santa Maria	$1,164,070	$37,319
	County of Santa Barbara	9,119,834	47,065
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	City of Santa Maria	$1,178,608	$37,482
	County of Santa Barbara	9,258,783	47,004
	California	814,578,458	47,062
	United States	6,438,704,664	41,253
2012	City of Santa Maria	$1,400,355	$41,444
	County of Santa Barbara	9,638,395	47,879
	California	864,088,828	47,307
	United States	6,737,867,730	41,358
2013	City of Santa Maria	$1,548,058	$45,323
	County of Santa Barbara	10,106,778	51,502
	California	858,676,636	48,340
	United States	6,982,757,379	43,715

Source: The Nielsen Company (US), Inc.

Commerce

In 2009, the State Board of Equalization converted the business codes of sales and use tax permit holders to North American Industry Classification System codes. As a result of the coding change, retail stores data for 2009 and after is not comparable to that of prior years. The valuations of taxable transactions in the City and in the County are presented in the following table. Annual figures are not yet available for calendar year 2013 or 2014.

Total taxable sales reported during the first two quarters of calendar year 2013 in the City were reported to be $757,221,000, a 0.39% increase over the total taxable sales of $754,265,000 reported during the first two quarters of calendar year 2012.

CITY OF SANTA MARIA
Valuation of Taxable Transactions
(Dollars in thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions (1)	Number of Permits	Taxable Transactions (1)
2008	1,043	$1,145,127	2,149	$1,487,670
2009(1)	1,217	990,069	2,008	1,297,874
2010(1)	1,237	1,016,831	2,034	1,337,014
2011(1)	1,261	1,076,127	2,054	1,456,858
2012(1)	1,245	1,151,216	2,060	1,546,037

(1) Not comparable to prior years. "Retail" category now includes "Food Services."
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales reported during the first two quarters of calendar year 2013 in the County were reported to be $3,003,431,000, a 1.15% increase over the total taxable sales of $2,969,373,000 reported during the first two quarters of calendar year 2012.

COUNTY OF SANTA BARBARA
Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2008	5,176	$4,097,313	13,114	$5,883,938
2009(1)	7,815	3,634,081	12,303	5,104,186
2010(1)	7,803	3,737,532	12,298	5,309,768
2011(1)	7,814	4,014,173	12,302	5,716,474
2012(1)	7,862	4,302,083	12,400	6,051,129

(1) Not comparable to prior years. "Retail" category now includes "Food Services."
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Construction Activity

The following tables show five-year summary of the valuation of building permits issued in the City and in the County. Annual figures are not yet available for calendar year 2014.

CITY OF SANTA MARIA
Building Permit Valuation
(Valuation in Thousands of Dollars)

	2009	2010	2011	2012	2013
Permit Valuation					
New Single-family	$1,448.6	$2,293.5	$ 4,928.8	$8,079.0	$15,268.5
New Multi-family	316.8	17,287.4	1,793.0	200.6	0.0
Res. Alterations/Additions	2,399.4	2,898.7	4,092.7	3,765.2	2,919.1
Total Residential	4,164.8	22,479.6	10,814.5	12,044.8	18,187.7
New Commercial	10,803.2	9.577.4	7,244.9	521.0	51,495.2
New Industrial	0.0	7.300.0	7,601.3	256.5	0.0
New Other	3,884.7	27.920.5	704.9	0.0	3,186.4
Com. Alterations/Additions	11,420.4	12,087.3	16,667.0	12,861.7	19,720.5
Total Nonresidential	$26,108.4	$56,885.2	$32,218.1	$13,639.2	$74,402.0
New Dwelling Units					
Single Family	8	15	22	35	66
Multiple Family	3	138	20	2	0
TOTAL	11	153	42	37	66

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF SANTA BARBARA
Building Permit Valuation
(Valuation in Thousands of Dollars)

	2009	2010	2011	2012	2013
Permit Valuation					
New Single-family	$98,827.0	$139,458.3	$84,328.5	$104,823.4	$104,499.7
New Multi-family	7,230.8	26,303.6	26,783.6	30,340.1	14,185.0
Res. Alterations/Additions	54,059.9	56,258.7	88,881.9	72,544.9	85,603.4
Total Residential	160,117.8	222,020.6	199,994.0	207,708.4	204,288.1
New Commercial	21,062.2	15,223.6	50,704.0	49,125.8	127,986.0
New Industrial	8,901.3	7,300.0	9,499.6	11,084.3	2,024.0
New Other	33,708.1	47,116.7	21,694.0	1,686.7	8,102.0
Com. Alterations/Additions	66,546.1	57,160.5	51,510.9	56,807.9	80,341.4
Total Nonresidential	$130,217.8	$126,800.8	$133,408.5	$118,704.7	$218,453.4
New Dwelling Units					
Single Family	182	250	172	251	307
Multiple Family	31	210	192	245	119
TOTAL	213	460	364	496	426

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____________
SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
(Santa Barbara and San Luis Obispo Counties, California)
General Obligation Bonds,
Election of 2004, Series 2014

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "**Disclosure Certificate**") is executed and delivered by the Santa Maria Joint Union High School District (the "**District**") in connection with the execution and delivery of the captioned bonds (the "**Bonds**"). The Bonds are being executed and delivered pursuant to a resolution adopted by the Board of Education of the District on December 10, 2014 (the "**Resolution**"). U.S. Bank National Association, is initially acting as paying agent for the Bonds (the "**Paying Agent**").

The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date not later than nine months after the end of each fiscal year of the District (currently June 30th), or March 31.

"*Dissemination Agent*" means, initially, ________________, or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

"*Paying Agent*" means U.S. Bank National Association, Los Angeles, California, or any successor thereto.

"*Participating Underwriter*" means the original Underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2015 with the report for the 2013-14 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A, with a copy to the Paying Agent and Participating Underwriter.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District, as follows:

(i) the average daily attendance in the District's schools on an aggregate basis for the most recently completed fiscal year and for the current fiscal year;

(ii) pension plan contributions made by the District for the most recently completed fiscal year and for the current fiscal year;

(iii) aggregate principal amount of short-term borrowings, lease obligations and other long-term borrowings of the District as of the end of the most recently completed fiscal year;

(vi) description of amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year;

(v) the District's total LCFF revenue for the most recently completed fiscal year and estimates for the current fiscal year;

(vi) total secured property tax levy and collections for the most recently completed fiscal year, showing current collections as a percent of the total levy; and

(vii) assessed valuation of the taxable property in the District, including assessed valuation of the top ten property tax payers, for the most recently completed fiscal year and for the current fiscal year, if available.

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District.

(13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Resolution.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the District. Any Dissemination Agent may resign by providing 30 days’ written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

> (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;
>
> (b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolution for amendments to the Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. <u>Duties, Immunities and Liabilities of Dissemination Agent</u>.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. <u>Beneficiaries</u>. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _________, 2014

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT

By: ______________________________

Name: _________________________________

Title: __________________________________

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Santa Maria Joint Union High School District (the "District")
Name of Bond Issue:	Santa Maria Joint Union High School District General Obligation Bonds, Election of 2004, Series 2014
Date of Issuance:	December ___, 2014

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate, dated as of December ___, 2014. The District anticipates that the Annual Report will be filed by _____________.

Dated:___________________

DISSEMINATION AGENT:

By: ___________________________
Its: ___________________________

cc: Paying Agent and Participating Underwriter

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the 2014 Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the 2014 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2014 Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the 2014 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2014 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is

a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as

possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

APPENDIX G

SANTA BARBARA COUNTY INVESTMENT POOL

INVESTMENT POLICY AND QUARTERLY REPORT

APPENDIX H

TABLE OF ACCRETED VALUES

$_________
SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
(Santa Barbara and San Luis Obispo Counties, California)
General Obligation Bonds,
Election of 2004, Series 2014

BOND PURCHASE AGREEMENT

______, 2014

Board of Education
Santa Maria Joint Union School District
Santa Maria, California

Ladies and Gentlemen:

The undersigned, on behalf of ___________ (the "Underwriter"), offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the Santa Maria Joint Union School District (the "District"), which, upon acceptance hereof by the District, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to the Underwriter at its office 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 District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of $_________ in aggregate principal amount of the Santa Maria Joint Union School District (Santa Barbara and San Luis Obispo Counties, California) General Obligation Bonds, Election of 2004, Series 2014 (the "Bonds"). The purchase price of the Bonds shall be $_________ (representing the principal amount of the Bonds, plus net original issue premium of $______, less Underwriter's discount of $______). The Bonds are issued as Current Interest Bonds and Capital Appreciation 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 District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the District, (iii) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the District with respect to (a) the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the District on other matters) or (b) any other obligation to the District except the obligations expressly set forth in this Purchase Agreement and (iv) the District has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the Bonds. The District also acknowledges that it previously received from the Underwriter a letter regarding Municipal Securities Rulemaking Board ("MSRB") Rule G-17 Disclosures and that it has provided the Underwriter acknowledgment of such letter.

2. **The Bonds**. The Bonds shall be dated their date of delivery, and shall otherwise be as described in, and shall be issued and secured pursuant to, the provisions of Resolutions of the District (the "Bond Resolution") adopted on December 10, 2014, and the California Government Code (the "Act").

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Bond Resolution. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form initially, registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York.

3. **Redemption**. The Bonds shall be subject to redemption as provided in the Bond Resolution and herein, as set forth on Appendix A.

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

5. **Public Offering of the Bonds**. The Underwriter agrees to make a bonafide public offering of all the Bonds at the initial public offering price or yield to be set forth on the inside cover page of the Official Statement. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as it deems necessary in connection with the marketing of the Bonds.

6. **Review of Official Statement**. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated December ___, 2014 (the "Preliminary Official Statement"). The District represents that it deems the Preliminary Official Statement to be final, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, Underwriter's discount, aggregate principal amount, principal amount per maturity, 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 the final Official Statement relating to the Bonds 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 each such request is received.

7. **Closing**. At 8:00 a.m., California Time, on December __, 2014 or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (the "Closing"), the District will deliver to the Underwriter, through the facilities of The Depository Trust Company ("DTC"), or at such other place as the District and the Underwriter 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 at the offices of Jones Hall, A Professional Law Corporation, in San Francisco, California, the other documents hereinafter mentioned, and the Underwriter will accept such delivery and pay the purchase price

thereof set forth in Section 1 hereof in immediately available funds by check, draft or wire transfer to or upon the order of the District.

8. **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 issue 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 Purchase Agreement, to adopt the Bond Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Agreement and the Bond Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Bond Resolution, and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes a valid and legally binding obligation of the District; (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement; and (vi) the Bond Resolution was duly adopted at a meeting of the Board.

(c) Consents. 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. The District gives no representation or warranty with regard to compliance with Blue Sky or similar securities requirements.

(d) Internal Revenue Code. The District has complied 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 Purchase Agreement, the Bond Resolution and the Bonds, and the compliance with the provisions hereof and thereof, do not conflict with or constitute on the part of the District a violation of or material 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 material 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 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 title 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 or levy of any taxes contemplated by the Bond Resolution to pay the principal of and interest on the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the Bond Resolution or contesting the powers of the District or the Bond Resolution or this Purchase Agreement; (iii) contesting the completeness or accuracy of the Preliminary Official Statement, or (iv) 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 Purchase Agreement or the Bond Resolution, (b) declare this 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, the District will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Tax 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 Tax Certificates may not be relied upon.

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

(j) Continuing Disclosure. The District shall undertake, pursuant to the Rule, the Bond Resolution and a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), to provide certain annual financial information and notices of the occurrence of certain events to the MSRB. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Except as disclosed in the Preliminary Official Statement and the Official Statement, the District is in compliance with its prior undertaking pursuant to the Rule.

(k) Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Final Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

(l) Financial Information. The financial statements of, and other financial information regarding the District contained in the Official Statement fairly present the financial position of the District as of the dates and for the periods therein set forth, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, (ii) the unaudited financial statements (if any) have been prepared on a basis substantially consistent with the audited financial statements included in the Official Statement and reflect all adjustments necessary to that affect, and (iii) the other financial information has been determined on a basis substantially consistent with that of the District's audited financial statements included in the Official Statement.

(m) Levy of Taxes. The District agrees to take all steps required by law and by the County of Los Angeles (the "County") to ensure that the Board of Supervisors of the County annually levies a tax on all taxable property in the District sufficient to pay the debt service on the Bonds when due.

9. **Underwriter Representations, Warranties and Agreements**. The Underwriter represents, warrants to and agrees with the District that, as of the date hereof and as of the Closing Date:

(a) The execution and delivery hereof and the consummation of the transactions contemplated hereby does not and will not violate any of the prohibitions set forth in Rule G-37 promulgated by the Municipal Securities Rulemaking Board (the "MSRB");

(b) All reports required to be submitted to the MSRB pursuant to Rule G-37 have been and will be submitted to the MSRB;

(c) The Underwriter has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm, or person (including, but not limited to the District's Municipal Financing Consultant, or any officer, agent or employee thereof), other than a bona fide officer, agent or employee working for Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Agreement; and

(d) The Underwriter is duly authorized to execute this Purchase Agreement.

10. **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, and at the expense of, 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) 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 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 called the "Official Statement") in such reasonable quantities as may be requested by the Underwriter not later than five (5) business days following the date this Purchase Agreement is signed, in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(c) 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 until the date which is ninety (90) days following the Closing;

(d) Amendments to Official Statement. For a period of ninety (90) days after the end of the Underwriting Period (as determined in accordance with Section 16, hereof), 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 reasonably 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 Underwriter 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 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;

If between the date of this Purchase Agreement and that date which is 25 days after the end of the Underwriting Period (as determined in accordance with Section 16 hereof) any event known to the District shall occur affecting the District which might adversely affect the marketability of the Bonds or the market prices thereof, or cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter thereof, and if in the reasonable opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will assist in supplementing or amending the Official Statement in a form and in a manner approved by the Underwriter; and

(e) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Bond Resolution.

11. **Conditions to Closing**. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of 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 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 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 the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Agreement, and the Bond 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 us; (ii) all actions under the Act which, in the opinion of Garcia, Hernández, Sawhney & Bermudez, LLP, bond counsel ("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 District shall perform or have performed all of its obligations required under or specified in the Bond Resolution, this 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 Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened which has any of the effects described in Section 8(f) 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, shall not have been materially adversely affected 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) the declaration of war or engagement in or escalation of major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial community in the United States;

(3) 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;

(4) 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;

(5) 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 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;

(6) the withdrawal or downgrading of any underlying rating or credit watch status or negative outlook of the District's outstanding indebtedness by a national rating agency; or

(7) any event occurring, or information becoming known which 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, the Underwriter shall receive two 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 and Reliance Letter. 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 District, together with a reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described above;

(2) Supplemental Opinion. A supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriters, dated the Closing Date and addressed to the District and the Underwriter, to the effect that:

(i) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions "INTRODUCTION" (excluding any and all information relating to DTC and the book-entry only system), "THE BONDS" (excluding any and all information contained with respect to the Book-Entry Only System of DTC), and "TAX MATTERS," to the extent they purport to summarize certain provisions of the Bond Resolution, the Continuing Disclosure Certificate and California law or federal law, fairly and accurately summarize the matters purported to be summarized therein;

(ii) the Continuing Disclosure Certificate and this Purchase Agreement have been duly authorized, executed and delivered by the District and constitute legal, valid and binding agreements of the District and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought; and

(iii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Bond Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(3) Disclosure Counsel Letter. A letter of Jones Hall, A Professional Law Corporation, Disclosure Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement, but on the basis of their participation in conferences with representatives of the District, the Underwriter and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Preliminary Official Statement or the Official Statement as of their respective dates and as of the Closing Date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any financial or statistical data contained in the Official Statement);

(4) Certificates of the District. A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, (ii) the representations, agreements and warranties of 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 Bond Resolution and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such official 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, (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Bond Resolution, (vi) the District has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, and (vii) no further consent is required for inclusions of the audit in the Official Statement;

(5) Arbitrage. A nonarbitrage certificate of the District in form satisfactory to Bond Counsel;

(6) Bond Resolution. A certificate, together with fully executed copies of the Bond Resolution, of the Clerk of the District Board of Education to the effect that:

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

(ii) the Bond 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;

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

(8) Continuing Disclosure Certificate. The Continuing Disclosure Certificate, duly executed by the District;

(9) Rating. Evidence that the Bonds have been rated "_____" by Standard & Poor's, a Division of McGraw-Hill Companies, Inc., and that such rating has not been withdrawn or downgraded.

(10) Underwriter's Counsel Opinion. The opinion of ________, counsel for the Underwriter, dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter.

(11) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, (iii) the truth and accuracy, as of the time of Closing, of the Official Statement and (iv) the due performance or satisfaction by 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.

(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 December ___, 2014, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this 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 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 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.

12. **Conditions to Obligations of the District**. The performance by 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 the opinion and certificates being delivered at the Closing by persons and entities other than the District.

13. **Costs and Expenses**. The District shall pay through a costs of issuance custodian, the expenses incident to the issuance of the Bonds, including but not limited to the following: (i)

the fees and disbursements of the District's financial advisor; (ii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for Bond ratings, including all necessary travel expenses; (v) the cost of the printing and distribution of the Official Statement; (vi) the initial fees of the Paying Agent; and (viii) all other fees and expenses incident to the issuance and sale of the Bonds. Any amount of such expenses in excess of such amount shall be the sole responsibility of the District payable from the proceeds of the Bonds or any other lawfully available funds.

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), Underwriter's counsel fee and other expenses, shall be paid by the Underwriter.

14. **Notices**. Any notice or other communication to be given under this 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 District, to the Superintendent (or Superintendent's designee), at the address set forth on page 1 hereof, or if to the Underwriter as follows:

____
____
[address and contact]

15. **Parties in Interest; Survival of Representations and Warranties**. This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the District and the Underwriter. This Purchase Agreement is made solely for the benefit of 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 the representations, warranties and agreements of the District in this 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 Purchase Agreement.

16. **Determination of End of the Underwriting Period**. For purposes of this Purchase Agreement, the "end of the underwriting period" for the Bonds shall mean the earlier of (a) the day of the Closing unless the District has been notified in writing by the Underwriter, on or prior to the day of the Closing, that the "end of the underwriting period" for the Bonds for all purposes of Rule 15c2-12 of the Securities and Exchange Act of 1934 (the "Rule") will not occur on the day of the Closing, or (b) the date on which notice is given to District pursuant to clause (a) above that the "end of the underwriting period" for the Bonds will not occur on the day of the Closing, the Underwriter agrees to notify the District in writing as soon as practicable following the "end of the underwriting period" for the Bonds for all purposes of the Rule.

17. **Severability**. In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

18. **Nonassignment**. Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior written consent of the other party hereto.

19. **Entire Agreement**. This Purchase Agreement, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto (including their permitted successors and assigns, respectively).

20. **Execution in Counterparts**. This 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.

21. **Applicable Law**. This 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,

[UNDERWRITER]

By: ____________________________________
Authorized Officer

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

SANTA MARIA JOINT UNION SCHOOL DISTRICT

By: ____________________________________
Superintendent
Time of Execution: ____________________

APPENDIX A

<u>Maturity Schedule</u>

<u>Redemption Provisions</u>

Certification

The Governing Board recognizes that the district's ability to provide a high-quality educational program is dependent upon the employment of certificated staff who are adequately prepared and have demonstrated proficiency in basic skills and in the subject matter to be taught. The Superintendent or designee shall ensure that persons employed to fill positions requiring certification qualifications possess the appropriate credential, permit, or other certification document from the Commission on Teacher Credentialing (CTC) and fulfill any additional state, federal, or district requirements for the position.

(cf. 4111/4211/4311 - Recruitment and Selection)
(cf. 4112.21 - Interns)
(cf. 4112.22 - Staff Teaching English Language Learners)
(cf. 4112.23 - Special Education Staff)
(cf. 4112.24 - Teacher Qualifications Under the No Child Left Behind Act)
(cf. 4112.5/4312.5 - Criminal Record Check)
(cf. 4113 - Assignment)
(cf. 4121 - Temporary/Substitute Personnel)
(cf. 5148 - Child Care and Development)
(cf. 6178 - Career Technical Education)
(cf. 6200 - Adult Education)

The Superintendent or designee may provide assistance and support to teachers holding preliminary credentials to help them meet the qualifications required for the clear credential.

(cf. 4131 - Staff Development)
(cf. 4131.1 - Teacher Support and Guidance)

Priorities for Hiring Based on Unavailability of Credentialed Teacher

The Superintendent or designee shall make reasonable efforts to recruit a fully prepared teacher for each assignment. Whenever a teacher with a clear or preliminary credential is not available, the Superintendent or designee shall make reasonable efforts to recruit an individual for the assignment in the following order: (Education Code 44225.7)

1. A candidate who is qualified to participate in and enrolls in an approved intern program in the region of the district

2. A candidate who is scheduled to complete preliminary credential requirements within six months and who holds a provisional internship permit (PIP) or short-term staff permit issued by the CTC

The Board shall approve, as an action item at a public Board meeting, a notice of its intent to employ a PIP applicant for a specific position. (5 CCR 80021.1)

3. As a last resort, an individual who holds an emergency permit issued by the CTC or for whom a credential waiver has been granted by the CTC

Prior to requesting that the CTC issue an emergency permit pursuant to item #3 above or a limited assignment permit which allows a fully credentialed teacher to teach outside of his/her area of certification while working toward an added or supplementary authorization, the Board shall annually approve a Declaration of Need for Fully Qualified Educators. The Declaration of Need shall be approved by the Board as an action item at a regularly scheduled public Board meeting, with the entire Declaration of Need being included in the Board agenda. (Education Code 44225, 44225.7; 5 CCR 80023.2, 80026, 80027, 80027.1)

The Declaration of Need shall certify that there is an insufficient number of certificated persons who meet the district's specified employment criteria for the position(s) and that the district has made reasonable efforts to recruit individuals who meet the qualifications specified in items #1-2 above. The Declaration of Need shall also indicate the number and type of emergency permits that the district estimates it will need during the valid period of the Declaration of Need, based on the previous year's actual needs and projections of enrollment. Whenever the actual number of permits needed exceeds the estimate by 10 percent, the Board shall revise and resubmit the Declaration of Need. (5 CCR 80026)

Whenever it is necessary to employ noncredentialed teachers to fill a position requiring certification qualifications, the Superintendent or designee shall provide support and guidance in accordance with law to ensure the quality of the instructional program.

National Board for Professional Teaching Standards Certification

The Board encourages district teachers to voluntarily complete the requirements for the advanced certification awarded by the National Board for Professional Teaching Standards.

The Superintendent or designee shall inform all teachers about the program and how to acquire the necessary application and information materials. In accordance with the collective bargaining agreement and the district budget, the Superintendent or designee may provide release time, fee support, a stipend upon completion, or other support to teachers participating in the program.

(cf. 4161.3 - Professional Leaves)

Legal Reference: see next page

Certification

Legal Reference:
EDUCATION CODE
8360-8370 Qualifications of child care personnel
32340-32341 Unlawful issuance of a credential
35186 Complaints regarding teacher vacancy or misassignment
44066 Limitations on certification requirements
44200-44399.1 Teacher credentialing, especially:
44250-44277 Credential types; minimum requirements
44300-44302 Emergency permit
44325-44328 District interns
44330-44355 Certificates and credentials
44420-44440 Revocation and suspension of credentials
44450-44468 University intern program
44830-44929 Employment of certificated persons; requirement of proficiency in basic skills
56060-56063 Substitute teachers in special education
CODE OF REGULATIONS, TITLE 5
6100-6126 Teacher qualifications, No Child Left Behind Act
80001-80674.6 Commission on Teacher Credentialing
UNITED STATES CODE, TITLE 20
6319 Highly qualified teachers
7801 Definitions, highly qualified teacher
CODE OF FEDERAL REGULATIONS, TITLE 34
200.55-200.57 Highly qualified teachers
200.61 Parent notification regarding teacher qualifications
COURT DECISIONS
Association of Mexican-American Educators et al. v. State of California and the Commission on Teacher Credentialing, (1993) 836 F.Supp. 1534

Management Resources:
COMMISSION ON TEACHER CREDENTIALING PUBLICATIONS
CL-667 Basic Skills Requirement
CL-856 Provisional Internship Permit
CL 858 Short-Term Staff Permit
13-01 Hiring Hierarchy in Education Code 44225.7, Coded Correspondence, January 30, 2013
Subject Matter Authorization Guideline Book, 2012
Supplementary Authorization Guideline Book, 2012
California Standards for the Teaching Profession, 2009
The Administrator's Assignment Manual, rev. September 2007

Certification

Verification of Credentials

The Superintendent or designee shall verify that each employee in a position requiring certification qualifications possesses a valid certification document issued by the Commission on Teacher Credentialing (CTC). Such verification shall occur not later than 60 days after the commencement of employment or the renewal of a credential. (Education Code 44857)

(cf. 4112.21 - Interns)
(cf. 4112.22 - Staff Teaching English Language Learners)
(cf. 4112.23 - Special Education Staff)
(cf. 4112.24 - Teacher Qualifications Under the No Child Left Behind Act)
(cf. 4121 - Temporary/Substitute Personnel)
(cf. 5148 - Child Care and Development)
(cf. 6178 - Career Technical Education)
(cf. 6200 - Adult Education)

The Superintendent or designee shall maintain records of the appropriate certification of all employees serving in certificated positions.

(cf. 3580 - District Records)
(cf. 4112.6/4212.6/4312.6 - Personnel Files)

Basic Skills Proficiency

The district shall not initially hire a person in a position requiring certification, on a permanent, temporary, or substitute basis, unless that person has demonstrated basic skills proficiency in reading, writing, and mathematics or is specifically exempted from the requirement by law. (Education Code 44252, 44252.6, 44830)

The district may hire a certificated employee who has not taken a test of basic skills proficiency if he/she has not yet been afforded the opportunity to take the test, provided that he/she takes the test at the earliest opportunity. The employee may remain employed by the district pending the receipt of his/her test results. (Education Code 44830)

An out-of-state prepared teacher shall meet the basic skills requirement within one year of being issued a California preliminary credential by the CTC unless he/she has completed a basic skills proficiency test in another state or is otherwise exempted by law. The district shall develop a basic skills proficiency test, which shall be at least equivalent to the district test required for high school graduation, for purposes of assessing out-of-state prepared teachers pending completion of the basic skills requirement. (Education Code 44252, 44274.2; 5 CCR 80071.4, 80413.3)

(cf. 6146.1 - High School Graduation Requirements)

Certification

(cf. 6146.2 - Certificate of Proficiency)
(cf. 6162.5 - High School Exit Examination)

Any person holding or applying for a "designated subjects special subjects" credential which does not require possession of a bachelor's degree shall pass a district proficiency test in lieu of meeting the state basic skills proficiency requirement. (Education Code 44252, 44830)

The district may charge a fee to cover the costs of developing, administering, and grading the district proficiency test. (Education Code 44252, 44830)

Short-Term Staff Permit

The district may request that the CTC issue a short-term staff permit (STSP) to a qualified applicant whenever there is a need to immediately fill a classroom based on unforeseen circumstances, including, but not limited to: (5 CCR 80021)

1. Enrollment adjustments requiring the addition of another teacher

2. Inability of the teacher of record to finish the school year due to approved leave or illness

3. The applicant's need for additional time to complete preservice requirements for enrollment into an approved intern program

4. Inability of the applicant to enroll in an approved intern program due to timelines or lack of space in the program

5. Unavailability of a third-year extension of an intern program or the applicant's withdrawal from an intern program

The Superintendent or designee shall ensure that the applicant possesses a bachelor's or higher degree from a regionally accredited college or university, has met the basic skills proficiency requirement unless exempted by state law or regulations, and has satisfied the coursework/experience requirements specified in 5 CCR 80021 for the multiple subject, single subject, or education specialist STSP as appropriate. (5 CCR 80021)

When requesting issuance of an STSP, the Superintendent or designee shall submit to the CTC: (5 CCR 80021)

1. Verification that the district has conducted a local recruitment for the permit being requested

2. Verification that the district has provided the permit holder with orientation to the curriculum and to instruction and classroom management techniques and has assigned a mentor teacher for

the term of the permit

(cf. 4131 - Staff Development)
(cf. 4131.1 - Teacher Support and Guidance)

3. Written justification for the permit signed by the Superintendent or designee

The holder of an STSP may be assigned to provide the same service as a holder of a multiple subject, single subject, or education specialist credential in accordance with the authorizations specified on the permit. (5 CCR 80021)

Provisional Internship Permit

Before requesting that the CTC issue a provisional internship permit (PIP), the district shall conduct a diligent search for a suitable credentialed teacher or intern, including, but not be limited to, distributing job announcements, contacting college and university placement centers, and advertising in print or electronic media. (5 CCR 80021.1)

(cf. 4111/4211/4311 - Recruitment and Selection)

Whenever a suitable credentialed teacher cannot be found after a diligent search, the Superintendent or designee may request that the CTC issue a PIP to an applicant who possesses a bachelor's or higher degree from a regionally accredited college or university, has met the basic skills proficiency requirement unless exempted by state law or regulations, and has satisfied the coursework/experience requirements specified in 5 CCR 80021.1 for the multiple subject, single subject, or education specialist PIP as appropriate. (5 CCR 80021.1)

When submitting the request for a PIP, the district shall provide verification of all of the following: (5 CCR 80021.1, 80026.5)

1. A diligent search has been conducted for a suitable credentialed teacher or suitable qualified intern as evidenced by documentation of the search.

2. Orientation, guidance, and assistance shall be provided to the permit holder as specified in 5 CCR 80026.5.

The orientation shall include, but not be limited to, an overview of the curriculum the permit holder is expected to teach and effective instruction and classroom management techniques at the permit holder's assigned level. The permit holder also shall receive guidance and assistance from an experienced educator who is a certificated district employee or a certificated retiree from a California district or county office of education and who has completed at least three years of full-time classroom teaching experience.

Certification

3. The district shall assist the permit holder in developing a personalized plan through a district-selected assessment that would lead to subject-matter competence related to the permit.

4. The district shall assist the permit holder to seek and enroll in subject-matter training, such as workshops or seminars and site-based courses, along with training in test-taking strategies, and shall assist the permit holder in meeting the credential subject-matter competence requirement related to the permit.

5. A notice of intent to employ the applicant in the identified position has been made public.

The district shall submit a copy of the agenda item presented at a public Governing Board meeting which shall state the name of the applicant, the assignment in which the applicant will be employed including the name of the school, subject(s), and grade(s) that he/she will be teaching, and that the applicant will be employed on the basis of a PIP. The district also shall submit a signed statement from the Superintendent or designee that the agenda item was acted upon favorably.

6. The candidate has been apprised of steps to earn a credential and enroll in an intern program.

The holder of a PIP may be assigned to provide the same service as a holder of a multiple subject, single subject, or education specialist credential in accordance with the authorizations specified on the permit. (5 CCR 80021.1)

Long-Term Emergency Permits

As necessary, the Superintendent or designee may request that the CTC issue an emergency resource specialist permit, emergency teacher librarian services permit, emergency crosscultural language and academic development permit, or emergency bilingual authorization permit. (5 CCR 80024.3.1, 80024.6, 80024.7, 80024.8)

The Superintendent or designee shall provide any first-time recipient of an emergency teaching permit with an orientation which, to the extent reasonably feasible, shall occur before he/she begins a teaching assignment. The Superintendent or designee may vary the nature, content, and duration of the orientation to match the amount of training and experience previously completed by the emergency permit teacher. The orientation shall include, but not be limited to, the curriculum the teacher is expected to teach and effective techniques of classroom instruction and classroom management at the assigned grade-level span. The emergency permit holder also shall receive guidance and assistance from an experienced educator who is a certificated district employee or a certificated retiree from a California district or county office of education and who has completed at least three years of full-time classroom teaching experience. (5 CCR 80026.5)

(cf. 4117.14/4317.14 - Postretirement Employment)

Certification

Emergency Substitute Teaching Permits

For day-to-day substitute teaching at any grade level, the district may employ a person with an emergency substitute permit issued by the CTC, provided that:

1. A person holding an emergency 30-day substitute teaching permit, or any valid teaching or services credential that requires at least a bachelor's degree and completion of the CBEST, shall not serve as a substitute for more than 30 days for any one teacher during the school year. He/she shall not serve as a substitute in a special education classroom for more than 20 days for any one teacher during the school year. (5 CCR 80025, 80025.3, 80025.4)

2. A person with an emergency career substitute teaching permit shall not serve as a substitute for more than 60 days for any one teacher during the school year. (5 CCR 80025.1)

3. A person with an emergency substitute teaching permit for prospective teachers shall not serve as a substitute for more than 30 days for any one teacher during the school year and not more than 90 days total during the school year. (5 CCR 80025.2)

4. A person with an emergency designated subjects 30-day substitute teaching permit for career technical education shall teach only in a program of technical, trade, or vocational education and not serve as a substitute for more than 30 days for any one teacher during the school year. (5 CCR 80025.5)

Before employing a person with an emergency substitute permit pursuant to item #1 or 4 above, the Superintendent or designee shall prepare and keep on file a signed Statement of Need for the school year. The Statement of Need shall describe the situation or circumstances that necessitate the use of a 30-day substitute permit holder and state either that a credentialed person is not available or that the available credentialed person does not meet the district's specified employment criteria. (5 CCR 80025, 80025.5)

Interns

The district may employ interns as necessary to fulfill the need for sufficient instructional staff and to provide future teachers an opportunity to link teaching theory with practice in order to meet state credentialing requirements. In addition, the district may employ teachers who already possess a preliminary or clear credential and are pursuing a credential in a different specialization as interns for positions that require such other credential.

(cf. 4112.2 - Certification)
(cf. 4112.22 - Staff Teaching English Language Learners)
(cf. 4112.23 - Special Education Staff)

The district may enter into partnership agreements with one or more approved teacher preparation programs sponsored by colleges or universities and/or may provide a district intern program with approval of the Commission on Teacher Credentialing (CTC). Any intern program in which the district participates shall be aligned with the preconditions and program standards adopted by the CTC.

The Superintendent or designee shall make reasonable efforts to recruit an intern from an approved program within the region whenever a teacher with a preliminary or clear credential is not available for a position requiring certification. (Education Code 44225.7)

(cf. 4111/4211/4311 - Recruitment and Selection)

The Superintendent or designee shall ensure that any intern employed by the district possesses an appropriate intern credential and is adequately prepared for the responsibilities of the position.

An intern may be assigned to provide the same service as a holder of a regular multiple subject, single subject, or education specialist credential in accordance with the authorizations and grade/age level specified on the intern credential. (Education Code 44454, 44325, 44326, 44830.3)

(cf. 4113 - Assignment)

An intern may be assigned to teach core academic subjects, as defined in law, if he/she meets the definition of a "highly qualified" teacher adopted by the State Board of Education. (20 USC 6319, 7801; 5 CCR 6100-6112)

(cf. 4112.24 - Teacher Qualifications Under the No Child Left Behind Act)

Terms of employment for interns shall be consistent with law and the district's collective bargaining agreement, as applicable.

(cf. 4116 - Probationary/Permanent Status)

Interns

(cf. 4141/4241 - Collective Bargaining Agreement)

Interns shall receive intensive, structured supervision and ongoing support by qualified personnel in order to enhance their instructional skills and knowledge. The Superintendent or designee shall ensure that district staff serving as supervisors, mentor teachers, or other support providers receive appropriate training to fulfill their responsibilities and that they maintain frequent communication with the interns they are assigned to assist.

(cf. 4131 - Staff Development)
(cf. 4131.1 - Teacher Support and Guidance)

Interns shall be provided with ongoing feedback regarding their performance and shall be formally evaluated in accordance with Board policy and the district's collective bargaining agreement.

(cf. 4115 - Evaluation/Supervision)

Upon receiving notification from the Superintendent or designee that an intern has successfully completed the program, the Governing Board may recommend to the CTC that the intern be awarded a preliminary credential. (Education Code 44328, 44468, 44830.3)

The Board shall regularly evaluate the effectiveness of the intern program(s) to determine whether changes are needed in the support and/or assignment of interns. The Board's evaluation shall be based on a report by the Superintendent or designee, including, but not limited to, data on student performance in classes taught by interns, feedback from interns and supervisors, and the number of interns who successfully complete the program and obtain general education or education specialist credentials.

(cf. 0500 - Accountability)

Legal Reference:
EDUCATION CODE
300-340 English language education for immigrant children
44225 Credentials, responsibilities of Commission on Teacher Credentialing
44225.7 Priority for hiring fully prepared teacher
44253.3-44253.4 Certificate to provide services to English learners
44253.10 Qualifications to provide specially designed academic instruction in English
44259 Minimum requirements for teaching credential
44314 Diversified or liberal arts program
44321 CTC approval of intern programs

Interns

44325-44328 District interns
44339-44341 Teacher fitness
44450-44468 Teacher Education Internship Act of 1967 (university interns)
44830.3 Employing district interns
44885.5 District interns classified as probationary employees
CODE OF REGULATIONS, TITLE 5
6100-6126 No Child Left Behind teacher requirements
80021.1 Provisional internship permit
80033 Intern teaching credential
80055 Intern credential, extension for extenuating circumstances
UNITED STATES CODE, TITLE 20
6319 Highly qualified teachers
7801 Definitions, highly qualified teacher
7801 Note Applicability of federal regulation defining interns as highly qualified teachers
COURT DECISIONS
Renee v. Duncan, 686 F.3d 1002 (2012)

Management Resources:
COMMISSION ON TEACHER CREDENTIALING PUBLICATIONS
CL-840 Early Completion Option
SB 2042 Multiple Subject and Single Subject Preliminary Credential Program Standards, rev. February 2014
Intern Preservice, Support and Supervision Requirements: Preparation to Teach English Learners, Program Sponsor Alert 13-06, June 3, 2013
Education Specialist Teaching and Other Related Services Credential Program Standards, rev. May 2013
California Standards for the Teaching Profession, October 2009
Hiring Hierarchy in Education Code 44225.7, Coded Correspondence 13-01, January 30, 2013
Administrator's Assignment Manual, 2008
Preparation of Intern Credential Holders Prior to Service as Teacher of Record as an Intern, Coded Correspondence 08-03, March 3, 2008
U.S. DEPARTMENT OF EDUCATION GUIDANCE
Improving Teacher Quality State Grants, rev. October 5, 2006
WEB SITES
CSBA: http://www.csba.org
Commission on Teacher Credentialing, Interns: http://www.ctc.ca.gov/educator-prep/intern
U.S. Department of Education: http://www.ed.gov

Interns

Memorandum of Understanding

Before interns employed by the district assume daily teaching responsibilities, a signed memorandum of understanding shall be in place between the district and the partner college/university detailing the support and supervision that will be provided to interns. (5 CCR 80033)

(cf. 4112.2 - Certification)

The memorandum of understanding shall include, but not be limited to:

1. Specific responsibilities of the program supervisor

2. Qualifications, identification, terms of employment, roles and responsibilities, and training of individual(s) to provide on-site support to interns

3. Allocation of additional personnel, time, and resources for interns who have not yet earned an English learner authorization

4. Expectations regarding the type and frequency of support

5. The process of communication between the program supervisor and on-site support personnel

6. Documentation, monitoring, and evaluation of site support

The district may enter into an agreement to employ college/university staff to supervise interns and may pay for the supervision of interns out of district funds. Salary payments may be met by proportionately reducing the salaries of paid interns, provided that no more than eight interns are supervised by one staff member, the district salary normally paid to interns is not reduced by more than one-eighth, and the intern is not paid less than the minimum salary required by the state for a regularly certificated teacher. (Education Code 44461-44462)

Support and Supervision of Interns

The Superintendent or designee shall collaborate with the college/university teacher preparation program to design structured guidance of interns, regular site-based support and supervision, and a sequence of supervised fieldwork that includes planned observations, consultations, reflections, and individual and small-group teaching opportunities.

(cf. 4131 - Staff Development)
(cf. 4131.1 - Teacher Support and Guidance)

Support and supervision provided to interns shall include the following: (Education Code 44830.3; 5 CCR 80033)

1. Professional Development Plan: The Superintendent or designee shall, in cooperation with the college/university, counsel each intern and, with the concurrence of the intern, shall develop a plan for the intern to complete the requirements to earn a credential in the content or specialty area(s) of the intern credential.

The plan shall include the components described in Education Code 44830.3, including, but not limited to, provisions for at least 120 clock hours (or the semester or quarter unit equivalent) of mandatory preservice training tailored to the grade level or class to be taught, additional instruction during the first semester or first year of service when required, and an annual evaluation of the intern.

2. Assignment of Mentor Teacher: Before an intern assumes daily teaching responsibilities, the Superintendent or designee shall assign him/her a mentor teacher who possesses a valid corresponding life or clear teaching credential and a minimum of three years of successful teaching experience.

The intern shall receive support from a mentor teacher who is assigned to the same school. If two or more mentor teachers are assigned to an intern, at least one of them shall be experienced in the curricular area(s) of the intern's assignment.

3. Support During School Year: Support and supervision shall include coaching, modeling, and demonstrating within the classroom. In addition, the intern shall receive assistance with course planning and with problem-solving regarding students, curriculum, and effective teaching methodologies.

Such support and supervision shall be provided for a minimum of 144 hours per school year or, for late hires, four hours multiplied by the number of instructional weeks remaining in the school year. At least two hours of support and supervision shall be provided every five instructional days.

4. Additional Support Addressing the Needs of English Learners: For any intern who enters the intern program without a valid English learner authorization, bilingual authorization, or crosscultural, language, and academic development certificate, the Superintendent or designee shall identify an individual who will be immediately available to assist the intern with planning lessons that are appropriately designed and differentiated for English learners, for assessing language needs and progress, and for support of language-accessible instruction through in-classroom modeling and coaching as needed. This individual may be the same mentor identified in item #2 above, provided he/she possesses an English learner authorization and will be immediately available to assist the intern.

Interns

In addition, the district and college/university shall provide such interns with additional support and supervision, including in-classroom coaching, specific to the needs of English learners. Such support and supervision shall be provided for 45 hours per school year or, for late hires, five hours multiplied by the number of months remaining in the school year.

An intern who passes the California Teaching English Learners examinations may be exempted from these requirements.

(cf. 4112.22 - Staff Teaching English Language Learners)

Early Completion Option

The Superintendent or designee shall inform qualified interns preparing for a multiple or single subject credential of the early completion option which allows them to challenge certain requirements of the intern program in areas where they have demonstrated competence.

In order to complete the intern program early and be recommended for a preliminary credential, candidates shall meet all requirements of the intern credential and the additional assessments and coursework specified in Education Code 44468.

Evaluation/Supervision

The Governing Board believes that regular, comprehensive evaluations designed to hold instructional staff accountable for their performance, are key to improving their teaching skills and raising students' levels of achievement.

(cf. 4141/4241 - Collective Bargaining Agreement)
(cf. 4315 - Evaluation/Supervision)

Evaluations shall be used to recognize the exemplary skills and accomplishments of staff and to identify areas needing improvement. When areas needing improvement are identified, the Board expects employees to accept responsibility for improving their performance and encourages them to take initiative to request assistance as necessary, including participation in appropriate staff development and/or individualized teacher support and guidance programs.

(cf. 4117.4 - Dismissal)
(cf. 4117.6 - Decision Not to Rehire)
(cf. 4131 - Staff Development)
(cf. 4131.1 - Teacher Support and Guidance)

The Superintendent or designee shall assess the performance of certificated instructional staff as it reasonably relates to the following criteria: (Education Code 44662)

1. Students' progress toward meeting district standards of expected achievement for their grade level in each area of study and, if applicable, towards the state-adopted content standards as measured by state-adopted criterion-referenced assessments

(cf. 6011 - Academic Standards)
(cf. 6162.5 - Student Assessment)
(cf. 6162.51 - State Academic Achievement Tests)

2. The instructional techniques and strategies used by the employee

3. The employee's adherence to curricular objectives

4. The establishment and maintenance of a suitable learning environment within the scope of the employee's responsibilities

With the agreement of the exclusive representative of the certificated staff when applicable, the Superintendent or designee may incorporate objective standards from the National Board for Professional Teaching Standards and/or the California Standards for the Teaching Profession into district evaluation standards.

(cf. 4119.21/4219.21/4319.21 - Professional Standards)

Evaluation/Supervision

(cf. 4140/4240/4340 - Bargaining Units)

The evaluation of certificated employee performance shall not include the use of publishers' norms established by standardized tests. (Education Code 44662)

Noninstructional certificated employees shall be evaluated on their performance in fulfilling their defined job responsibilities. (Education Code 44662)

The Superintendent or designee shall ensure that evaluation ratings have uniform meaning and are uniformly applied throughout the district.

Legal Reference:
EDUCATION CODE
33039 State guidelines for teacher evaluation procedures
35171 Availability of rules and regulations for evaluation of performance
44660-44665 Evaluation and assessment of performance of certificated employees (the Stull Act)
GOVERNMENT CODE
3543.2 Scope of representation
UNITED STATES CODE, TITLE 20
6319 Highly qualified teachers
7801 Definition of highly qualified teacher

Management Resources:
COMMISSION ON TEACHER CREDENTIALING PUBLICATIONS
California Standards for the Teaching Profession, 2009
WEB SITES
CSBA: http://www.csba.org
California Department of Education: http://www.cde.ca.gov
California Commission on Teacher Credentialing: http://www.ctc.ca.gov
National Board for Professional Teaching Standards: http://www.nbpts.org

Evaluation/Supervision

Evaluation of certificated employees shall be conducted in accordance with the procedures established in this administrative regulation and applicable collective bargaining agreements. To the extent that any of those provisions conflict, the procedures in the collective bargaining agreement shall be implemented.

(cf. 4141/4241 - Collective Bargaining Agreement)

The Superintendent or designee shall print and make available to certificated employees written regulations related to the evaluation of their performance in their assigned duties. (Education Code 35171)

(cf. 4112.9 - Employee Notifications)

Frequency of Evaluations

Each probationary certificated employee shall be evaluated at least once each school year. (Education Code 44664)

(cf. 4116 - Probationary/Permanent Status)
(cf. 4117.6 - Decision Not to Rehire)

Each certificated employee with permanent status shall be evaluated and assessed at least every other year. If the employee receives an unsatisfactory evaluation, he/she shall be annually evaluated until he/she achieves a positive evaluation or is separated from the district. (Education Code 44664)

(cf. 4117.4 - Dismissal)

Alternatively, if the evaluator and employee agree, a permanent employee shall be evaluated at least every five years provided he/she has been employed by the district at least 10 years, was rated in his/her previous evaluation as meeting or exceeding standards, and meets the qualifications of a highly qualified teacher as defined in 20 USC 7801, if his/her position requires such qualifications. Either the evaluator or the employee may withdraw consent for the alternative schedule at any time. (Education Code 44664)

(cf. 4112.24 - Teacher Qualifications Under the No Child Left Behind Act)

Evaluation Results

Certificated instructional employees shall receive a written copy of their evaluation no later than 30 days before the last scheduled school day of the school year in which the evaluation takes place. Before the last scheduled school day of the school year, the employee and the evaluator shall meet to discuss the evaluation. (Education Code 44663)

Noninstructional certificated staff members employed on a 12-month basis shall receive a copy of their evaluation no later than June 30 of the year in which the evaluation takes place. Before July 30, the employee and the evaluator shall meet to discuss the evaluation. (Education Code 44663)

Instructional and noninstructional certificated employees shall have the right to respond in writing to their evaluation. This response shall become a permanent attachment to the employee's personnel file. (Education Code 44663)

(cf. 4112.6/4212.6/4312.6 - Personnel Files)

Evaluations shall include recommendations, if necessary, as to areas in need of improvement in the employee's performance. If an employee is not performing satisfactorily according to teaching standards approved by the Governing Board pursuant to Education Code 44662, the Superintendent or designee shall so notify the employee in writing and shall describe the unsatisfactory performance. The Superintendent or designee shall confer with the employee, make specific recommendations as to areas needing improvement, and endeavor to provide assistance to the employee in his/her performance. (Education Code 44664)

The Superintendent or designee may require any certificated employee who receives an unsatisfactory rating in the area of teaching methods or instruction to participate in a program designed to improve appropriate areas of performance and to further student achievement and the district's instructional objectives. (Education Code 44664)

(cf. 4131 - Staff Development)
(cf. 4131.1 - Teacher Support and Guidance)

Qualifications of Evaluators

The Superintendent or designee shall assign the principal or other appropriate supervisory personnel to evaluate certificated staff. He/she shall ensure that the evaluator:

1. Possesses a valid administrative credential;

2. Is competent in the instructional methodologies used by the teachers being evaluated;

3. Is skilled in the supervision of instruction and in techniques and procedures related to the evaluation of instruction; and

4. Is familiar with district curriculum priorities and practices, district standards for student progress, and district policies and procedures related to personnel supervision, performance evaluation, and staff development.

Personnel Reduction

The Governing Board may reduce the number of probationary and permanent certificated employees when, in its opinion, any of the following conditions makes such reduction necessary:

1. Average daily attendance (ADA) in all of the schools in the district during the first six months of the school year has declined below the level for the same period in either of the previous two school years. (Education Code 44955)

2. A particular kind of service is to be reduced or discontinued not later than the beginning of the following school year. (Education Code 44955)

3. Attendance in the district will decline in the following year as a result of the termination of an interdistrict tuition agreement. (Education Code 44955)

4. An amendment of state law requires modification of the curriculum. (Education Code 44955)

5. During the time period between five days after the enactment of the Budget Act and August 15 of that fiscal year, the Board determines that the district's total revenue limit per ADA for the fiscal year of that Budget Act has not increased by at least two percent. (Education Code 44955.5)

Determination of the Order of Layoffs

When it is necessary to reduce the number of certificated employees for any of the reasons listed above, the services of employees shall be terminated in the inverse of the order in which they were employed by the district in probationary status, except as otherwise authorized by law. (Education Code 44844, 44955)

The Superintendent or designee shall maintain the seniority list for this purpose and shall make it available upon request.

Unless otherwise provided by law, a permanent employee shall have the right to be retained over a probationary employee or any employee with less seniority if the position is one for which he/she is certificated and competent to render service. (Education Code 44955)

(cf. 4112.2 - Certification)
(cf. 4112.22 - Staff Teaching English Language Learners)
(cf. 4112.23 - Special Education Staff)
(cf. 4112.24 - Teacher Qualifications Under the No Child Left Behind Act)
(cf. 4113 - Assignment)
(cf. 4116 - Probationary/Permanent Status)

Personnel Reduction

To determine the order of termination between employees who first rendered paid service on the same date, the Board shall rank order those employees solely on the basis of the needs of the district and students. Upon the request of an employee whose order of termination is to be determined based on such ranking, the Board shall furnish the employee, no later than five days prior to the commencement of the administrative hearing on the layoff, a written statement of the specific criteria used in determining the order of termination and the application of the criteria in ranking the employee relative to the other employees in the group. (Education Code 44955)

The district may deviate from terminating certificated employees in order of seniority for either of the following reasons: (Education Code 44955, 44956)

1. To fill a demonstrated specific need for personnel to teach a specific course or courses of study, or to provide services authorized by a services credential with a specialization in either student personnel services or health for a school nurse, when the certificated employee has the necessary special training and experience which others with more seniority do not possess

2. To maintain or achieve compliance with constitutional requirements related to equal protection of the law

Notice and Hearing Rights

When it becomes necessary to reduce the number of permanent and/or probationary employees pursuant to Education Code 44955 as specified in items #1-4 above, the district shall give notice to the affected employees, no later than March 15, stating the reasons for the action and the employees' right to a hearing. The district shall adhere to the notice, hearing, and layoff procedures in Education Code 44949, 44955, and other applicable provisions of law.

(cf. 4112.9/4212.9/4312.9 - Employee Notifications)

When an employee has requested a hearing before an administrative law judge regarding the reduction or discontinuation of services, the Board shall make a final decision regarding the sufficiency of the cause and disposition of the layoff upon receipt of the administrative law judge's proposed decision. None of the findings, recommendations, or determinations of the administrative law judge shall be binding on the Board. (Education Code 44949)

The Board may conduct its own hearing, adopt the administrative law judge's proposed decision, refer the case back to the administrative law judge for additional evidence, or reject or modify the proposed decision and make its own determination based upon its review of the record.

Following the Board's decision, the Superintendent or designee shall give final notice, in the manner specified, to the affected employees before May 15 unless the parties agree otherwise in accordance with procedures required by law. (Education Code 44955)

Personnel Reduction

When layoffs become necessary pursuant to Education Code 44955.5 as specified in item #5 above, layoff proceedings shall be carried out as required by law but in accordance with a schedule of notice and hearing adopted by the Board. (Education Code 44955.5)

Reappointment

If the number of employees is increased or the discontinued service reestablished, permanent certificated employees shall have the right to reappointment, in order of seniority, for 39 months from the date of termination. Probationary certificated employees shall have the same right for 24 months after being terminated, subject to the prior reappointment rights of permanent employees. (Education Code 44846, 44956, 44957)

During the period of the preferred right to reappointment, permanent certificated employees shall, in the order of original employment, be offered first opportunity for substitute service during the absence of any employee who has been granted a leave of absence or who is temporarily absent from duty. Such substitute service may be terminated upon the return to duty of the other employee. Such substitute service shall not affect the retention of the employees' previous classification and rights. Probationary certificated employees shall have the same right to substitute service during the period of preferred right to reappointment to the extent required by law, subject to the rights of permanent certificated employees. (Education Code 44918, 44956, 44957)

(cf. 4121 - Temporary/Substitute Employees)

Before reappointing any certificated employee to teach a subject which he/she has not previously taught and for which he/she does not have a teaching credential or which is not within the employee's major area of postsecondary study, the Board shall require the employee to pass a subject matter competency test in the appropriate subject. (Education Code 44956)

Reappointed certificated employees shall not be subject to any requirements that were not imposed on employees who continued in service. Their period of absence shall be treated as a leave of absence and not considered a break in the continuity of their service. (Education Code 44956, 44957)

Legal Reference:
EDUCATION CODE
44830 Employment of certificated persons
44949 Dismissal of probationary employees
44955 Reduction in number of permanent employees
44955.5 Termination of certificated employees

Personnel Reduction

44956-44959.5 Rights of employees
GOVERNMENT CODE
3543.2 Scope of representation
UNEMPLOYMENT INSURANCE CODE
1089 Notification of unemployment insurance benefits
CODE OF REGULATIONS, TITLE 22
1089-1 Notification of unemployment insurance benefits
COURT DECISIONS
Vergara v. State of California, (2014) Superior Court State of California, County of Los Angeles, Case. No. BC 484642
California Teachers Association v. Vallejo City Unified School District, (2007) 149 Cal.App.4th 135
Bakersfield Elementary Teachers Association v. Bakersfield City School District, (2006) 145 Cal.App.4th 1260
Cousins v. Weaverville Elementary School District, (1994) 24 Cal.App.4th 1846
Forker v. Board of Trustees, (1984) 160 Cal.App.3d 13
Moreland Teachers Assoc. v. Kurze, (1980) 109 Cal.App.3d 648
King v. Berkeley Unified School District, (1979) 89 Cal.App.3d 1016

Management Resources:
WEB SITES
CSBA: http://www.csba.org

Teacher Support and Guidance

The Governing Board recognizes the link between teacher effectiveness and student learning and desires to provide structured, individualized support and guidance to teachers as necessary to enhance their performance and support teacher retention. The Superintendent or designee shall develop a program of intensive professional development and consultation to help interns and beginning teachers apply their academic preparation more effectively in the classroom and to assist other teachers who need additional development in subject matter knowledge, instructional methods, and/or classroom management.

(cf. 4112.21 - Interns)

The Superintendent or designee shall coordinate individualized teacher support and guidance activities developed pursuant to this policy with other district staff development programs and staff evaluation processes.

(cf. 4115 - Evaluation/Supervision)
(cf. 4131 - Staff Development)

Teachers may volunteer to participate in a teacher support and guidance program or may be referred to such services based on their performance evaluation.

Support providers shall be experienced certificated personnel who are knowledgeable about teacher development and needed competencies and have strong interpersonal and communication skills. Support may include, but is not limited to, classroom observations, regular meetings with the support provider, and an individualized plan for professional development or coursework that takes into consideration the teacher's assignment and prior preparation and experience. The roles and responsibilities of support providers shall be clearly defined in writing and communicated to all participants.

The Superintendent or designee shall ensure the timely assignment of qualified support providers to participating teachers and for reassignment as needed. He/she shall also ensure that each support provider receives appropriate training to serve in a support capacity and is provided adequate time and resources to assist other teachers.

The district may provide a stipend to support providers in accordance with the collective bargaining agreement and district budget.

(cf. 3100 - Budget)
(cf. 4141/4241 - Collective Bargaining Agreement)

The performance of a participating teacher shall be monitored by the support provider, Superintendent or designee, and/or a panel of teachers and administrators in order to determine whether the teacher has met program goals and to make recommendations for follow-up support or employment action, as appropriate.

(cf. 4112.6/4212.6/4312.6 - Personnel Files)
(cf. 4117.4 - Dismissal)
(cf. 4117.6 - Decision Not to Rehire)
(cf. 4118 - Suspension/Disciplinary Action)

The Superintendent or designee shall regularly evaluate the district's teacher support and guidance programs and shall report to the Board regarding program effectiveness in meeting district goals for teacher quality and retention. Evaluation reports may include, but are not limited to, data on program enrollment and completion, subsequent retention rates of participating teachers, and interviews or surveys of program participants.

(cf. 0500 - Accountability)

Beginning Teacher Induction Program

The Superintendent or designee shall inform beginning teachers who possess a preliminary credential about induction programs or other options that are available to help them fulfill the requirements of the clear multiple subject, single subject, or education specialist credential pursuant to Education Code 44259.

(cf. 4112.2 - Certification)
(cf. 4112.24 - Teacher Qualifications Under the No Child Left Behind Act)

Legal References: (see next page)

Teacher Support and Guidance

Legal Reference:
EDUCATION CODE
44259 Credential requirements
44259.5 Standards for professional preparation programs
44275.4 Credential requirements, induction, out-of-state teachers
44325-44328 District interns
44450-44468 University interns
44830.3 Interns, professional development and guidance
CODE OF REGULATIONS, TITLE 5
6100-6126 Teacher qualifications, No Child Left Behind Act
80021 Short-term staff permit
80021.1 Provisional internship permit
80026.5 Orientation, guidance, and assistance for emergency permit holders
80033 Intern teaching credential
80055 Intern credential
80413 Credential requirements
80413.3 Credential requirements; teachers with out-of-state credentials
UNITED STATES CODE, TITLE 20
6319 Highly qualified teachers
6601-6702 Preparing, training and recruiting high quality teachers and principals
7801 Definitions, highly qualified teacher
Management Resources:
COMMISSION ON TEACHER CREDENTIALING PUBLICATIONS
SB 2042 Multiple Subject and Single Subject Preliminary Credential Program Standards, rev. February 2014
Intern Preservice, Support and Supervision Requirements: Preparation to Teach English Learners, Program Sponsor Alert 13-06, June 3, 2013
Education Specialist Teaching and Other Related Services Credential Program Standards, rev. May 2013
Multiple and Single Subject Induction Programs (program standards, preconditions, and language addressing the teaching of English learners), rev. January 2013
California Standards for the Teaching Profession, October 2009
WEB SITES
California Department of Education: http://www.cde.ca.gov
California Federation of Teachers: http:/www.cft.org
California Teachers Association: http://www.cta.org
Commission on Teacher Credentialing: http://www.ctc.ca.gov

Teacher Support and Guidance

Selection of Support Providers

The Superintendent or designee shall design a written application for certificated personnel who want to be mentor teachers or support providers.

Any employee designated by the Superintendent or designee as a support provider shall, at a minimum, meet the following qualifications:

1. Possess a clear credential

(cf. 4112.2 - Certification)

2. Have at least three years of full-time teaching experience

3. Have demonstrated effective communication skills, subject matter knowledge, and mastery of a range of teaching strategies necessary to meet the needs of students

The Superintendent or designee may establish a districtwide or school site advisory committee to verify that candidates fulfill the qualifications established by the district, interview candidates, and recommend candidates to the Superintendent or designee.

The Superintendent or designee shall make the final selection of support providers and shall assign support providers to participating teachers. To the extent possible, the assigned support provider shall be one who teaches at the same school, the same grade levels, and/or in the same subject matter as the teacher(s) to whom he/she is assigned. No support provider shall be assigned to more than five teachers during a school year.

(cf. 4113 - Assignment)

The Superintendent or designee shall regularly evaluate the effectiveness of the support provider and may reassign or revoke his/her designation as a support provider.

Evaluation/Supervision

The Governing Board believes that regular, comprehensive evaluations designed to hold administrative and supervisory staff accountable for their performance, are key to improving their instructional leadership and management skills. Evaluations shall be linked to the district's vision and goals and school improvement plans.

(cf. 0000 - Vision)
(cf. 0200 - Goals for the School District)
(cf. 0460 - Local Control and Accountability Plan)
(cf. 0500 - Accountability)
(cf. 2140 - Evaluation of the Superintendent)
(cf. 4300 - Administrative and Supervisory Personnel)

Evaluations shall be used to recognize the exemplary skills and accomplishments of administrative and supervisory employees, serve as a criterion for contract renewals, and identify areas needing improvement. When the evaluation indicates areas needing improvement, the Board expects employees to take the initiative to improve their performance and for their supervisors to assist them in obtaining needed job skills.

(cf. 4331 - Staff Development)

Administrative and supervisory employees shall be evaluated in accordance with provisions of employee contracts and/or applicable collective bargaining agreements as appropriate.

(cf. 4140/4240/4340 - Bargaining Units)
(cf. 4312.1 - Contracts)

The Superintendent or designee shall make written evaluation procedures available to all administrative and supervisory employees.

(cf. 4112.9 - Employee Notifications)

An employee shall be evaluated annually for the first and second years of employment as an administrator or supervisor in the district, and at least every two years thereafter, unless otherwise provided for in an employee contract or collective bargaining agreement. Evaluations may occur between scheduled periods at the request of the employee, his/her supervisor, or the Superintendent or designee.

The Superintendent or designee shall establish clear, objective criteria for evaluation based on the job responsibilities of each administrative or supervisory position.

Evaluation criteria for certificated school site administrators may be based on the California Professional Standards for Educational Leaders (CPSEL) and also may include, but not be limited to, evidence of: (Education Code 44671)

1. Academic growth of students, based on multiple measures which may include student work as well as student and school longitudinal data that demonstrate academic growth over time

   Assessments used for this purpose shall be valid and reliable and used for the intended purposes and for the appropriate student populations. Local and state academic assessments may include, but are not limited to, state standardized assessments and formative, summative, benchmark, end-of-chapter, end-of-course, Advanced Placement, International Baccalaureate, college entrance, and performance assessments.

(cf. 6162.5 - Student Assessment)
(cf. 6162.51 - State Academic Achievement Tests)
(cf. 6141.5 - Advanced Placement)

2. Effective and comprehensive teacher evaluations, including, but not limited to, curricular and management leadership, ongoing professional development, teacher-principal teamwork, and professional learning communities

3. Culturally responsive instructional strategies to address and eliminate the achievement gap

4. The ability to analyze quality instructional strategies and provide effective feedback that leads to instructional improvement

5. High expectations for all students and leadership to ensure active student engagement and learning

6. Collaborative professional practices for improving instructional strategies

7. Effective school management, including personnel and resource management, organizational leadership, sound fiscal practices, a safe campus environment, and appropriate student behavior

8. Meaningful self-assessment to improve as a professional educator, which may include, but not be limited to, a self-assessment based on the CPSEL and the identification of areas of strengths and areas for professional growth to engage in activities to foster professional growth

9. Consistent and effective relationships with students, parents/guardians, teachers, staff, and other administrators

(cf. 4119.21/4219.21/4319.21 - Professional Standards)

Evaluation/Supervision

The evaluation shall be dated and signed by the employee and evaluator. The employee may respond in writing to the evaluation within a reasonable time after receiving a copy of the evaluation. The response shall be attached to the evaluation and placed in the employee's personnel file.

(cf. 4112.6/4212.6/4312.6 - Personnel Files)

Legal Reference:
EDUCATION CODE
35171 Availability of rules and regulations for evaluation of performance
44660-44665 Evaluation and assessment of performance of certificated employees
44670-44671 Principal evaluation
45113 Rules and regulations for the classified service in districts not incorporating the merit system
GOVERNMENT CODE
3540.1 Meeting and negotiating in public educational employment, definitions
3543.2 Scope of representation
3545 Determination of bargaining units

Management Resources:
COMMISSION ON TEACHER CREDENTIALING PUBLICATIONS
California Professional Standards for Educational Leaders
WEB SITES
CSBA: http://www.csba.org
Association of California School Administrators: http://www.acsa.org
California Department of Education: http://www.cde.ca.gov
Commission on Teacher Credentialing: http://www.ctc.ca.gov

Professional Standards

California Professional Standards For Educational Leaders

Standard 1: Development and Implementation of a Shared Vision: Education leaders facilitate the development and implementation of a shared vision of learning and growth of all students.

1A. Student-Centered Vision: Leaders shape a collective vision that uses multiple measures of data and focuses on equitable access, opportunities, and outcomes for all students.

1B. Developing Shared Vision: Leaders engage others in a collaborative process to develop a vision of teaching and learning that is shared and supported by all stakeholders.

1C. Vision Planning and Implementation: Leaders guide and monitor decisions, actions, and outcomes using the shared vision and goals.

Standard 2: Instructional Leadership: Education leaders shape a collaborative culture of teaching and learning informed by professional standards and focused on student and professional growth.

2A. Professional Learning Culture: Leaders promote a culture in which staff engages in individual and collective professional learning that results in their continuous improvement and high performance.

2B. Curriculum and Instruction: Leaders guide and support the implementation of standards-based curriculum, instruction, and assessments that address student expectations and outcomes.

2C. Assessment and Accountability: Leaders develop and use assessment and accountability systems to monitor, improve, and extend educator practice, program outcomes, and student learning.

Standard 3: Management and Learning Environment: Education leaders manage the organization to cultivate a safe and productive learning and working environment.

3A. Operations and Facilities: Leaders provide and oversee a functional, safe, and clean learning environment.

3B. Plans and Procedures: Leaders establish structures and employ policies and processes that support students to graduate ready for college and career.

Professional Standards

3C. Climate: Leaders facilitate safe, fair, and respectful environments that meet the intellectual, linguistic, cultural, social-emotional, and physical needs of each learner.

3D. Fiscal and Human Resources: Leaders align fiscal and human resources and manage policies and contractual agreements that build a productive learning environment.

Standard 4: Family and Community Engagement: Education leaders collaborate with families and other stakeholders to address diverse student and community interests and mobilize community resources.

4A. Parent and Family Engagement: Leaders meaningfully involve all parents and families, including underrepresented communities, in student learning and support programs.

4B. Community Partnerships: Leaders establish community partnerships that promote and support students to meet performance and content expectations and graduate ready for college and career.

4C. Community Resources and Services: Leaders leverage and integrate community resources and services to meet the varied needs of all students.

Standard 5: Ethics and Integrity: Education leaders make decisions, model, and behave in ways that demonstrate professionalism, ethics, integrity, justice, and equity and hold staff to the same standard.

5A. Reflective Practice: Leaders act upon a personal code of ethics that requires continuous reflection and learning.

5B. Ethical Decision-Making: Leaders guide and support personal and collective actions that use relevant evidence and available research to make fair and ethical decisions.

5C. Ethical Action: Leaders recognize and use their professional influence with staff and the community to develop a climate of trust, mutual respect, and honest communication necessary to consistently make fair and equitable decisions on behalf of all students.

Standard 6: External Context and Policy: Education leaders influence political, social, economic, legal, and cultural contexts affecting education to improve education policies and practices.

Professional Standards

6A. Understanding and Communicating Policy: Leaders actively structure and participate in opportunities that develop greater public understanding of the education policy environment.

6B. Professional Influence: Leaders use their understanding of social, cultural, economic, legal, and political contexts to shape policies that lead all students to graduate ready for college and career.

6C. Policy Engagement: Leaders engage with policymakers and stakeholders to collaborate on education policies focused on improving education for all students.

Administrative Regulation
High School Graduation Requirements

AR 6146.1
Instruction

Requirements for graduation and specified alternative means for completing the prescribed course of study shall be made available to students, parents/guardians, and the public. (Education Code 51225.3)

(cf. 5126 - Awards for Achievement)
(cf. 6146.11 - Alternative Credits Toward Graduation)
(cf. 6145.6 - International Exchange)
(cf. 6146.2 - Certificate of Proficiency/High School Equivalency)

Students shall not be required to have resided within the district for any minimum length of time as a condition of high school graduation. (Education Code 51411)

If a student successfully completes the district's graduation requirements while attending a juvenile court school or nonpublic, nonsectarian school or agency, the district shall issue the student a diploma from the school the student last attended. (Education Code 48645.5)

Comprehensive High School Graduation Course Requirements

Beginning with the 2012-13 school year, students who have not completed the Foreign Language or Visual and Performing Arts requirement of 10 credits for graduation, will have the option of fulfilling this requirement by taking an approved Career-Technical Education course.

1. English (4 Years) - 40 Credits*

   * *English 4 or other senior English course must be taken in the senior year.

   * English Requirement for English Learners: Effective with the Class of 2009, English Learners may earn a maximum of 30 English credits from English Language Development (ELD) and remediation courses. The remaining English credits must be earned from L2 or mainstream English courses.

   * Students taking intervention classes may earn a maximum of 20 credits in district approved intervention courses and must earn an additional 20 credits in Regular English classes.

2. Math (2 years) - 20 Credits**

   * **Must include 10 credits of Algebra or 20 credits of 2-year Algebra

   * At least one mathematics course, or a combination of the two mathematics courses required for completion in grades 9-12, shall meet or exceed state academic content standards for Algebra I. Students may satisfy the Algebra I course requirement prior to grade 9.

3. Science (2 Years) - 20 Credits

   * 10 Credits of Physical Science and 10 Credits Biological Science

4. Social Studies (3 years) - 30 Credits

   * 10 Credits Modern World History

   * 10 Credits US History

   * 5 Credits Government and 5 Credits Economics

5. Visual and Performing Arts, Foreign Language, CTE, or American Sign Language (1 year) - 10 Credits

6. Physical Education (2 years in grades 9-10) - 20 Credits

   * No more than five credits may be earned in non-physical education classes and applied toward the 20-unit physical education requirement. Non-physical education courses approved by the site in excess of the five credits will earn elective credit.

7. Health - 5 Credits

8. Electives - 75 Credits

   * Starting with the Class of 2012, a maximum of 10 credits of any combination of teacher aide/student clerk may be applied towards completion of graduation requirements.

9. Total Minimum Credits Required - 220 Credits

Ninth, tenth, and eleventh grade comprehensive high school students must be enrolled in a minimum of 60 credits (6 periods on a traditional bell schedule and 3 blocks on a block bell schedule). Twelfth grade students in good academic standing and not credit deficient may be approved to take a reduced class schedule of a minimum of 40 credits (4 periods on a traditional bell schedule and 2 blocks on a block bell schedule) per school year.

Continuation High School and Alternative Education Differential Graduation Course Requirements

Beginning with the Class of 2011, students attending the continuation high school or other district alternative education programs must earn a minimum of 205 credits in the subjects listed below. Students earn five credits for each semester class passed with a grade "D" or better. Students must pass the California High School Exit Examination.

1. English (4 years) - 40 Credits*

   * *English 4 or other senior English course must be taken in the senior year.

* English Requirement for English Learners: Effective with the Class of 2009, English Learners may earn a maximum of 30 English credits from English Language Development (ELD) and remediation courses. The remaining English credits must be earned from L2 or mainstream English courses.

* Students taking intervention classes may earn a maximum of 20 credits in district approved intervention courses and must earn an additional 20 credits in Regular English classes.

2. Math (2 years) - 20 Credits**

    * **Must include 10 credits of Algebra or 20 credits of 2-year Algebra

    * At least one mathematics course, or a combination of the two mathematics courses required for completion in grades 9-12, shall meet or exceed state academic content standards for Algebra I. Students may satisfy the Algebra I course requirement prior to grade 9.

3. Science (2 years) - 20 Credits

    * 10 Credits of Physical Science and 10 Credits Biological Science

4. Social Studies (3 years) - 30 Credits

    * 10 Credits Modern World History

    * 10 Credits US History

    * 5 Credits Government and 5 Credits Economics

5. Visual and Performing Arts, Foreign Language, CTE, or American Sign Language (1 year) - Credits

6. Physical Education (2 years in grades 9-10) - 20 Credits

    * No more than five credits may be earned in non-physical education classes and applied toward the 20-unit physical education requirement. Non-physical education courses approved by the site in excess of the five credits will earn elective credit.

7. Health - 5 Credits

8. Electives - 60 Credits

    * Starting with the Class of 2012, a maximum of 10 credits of any combination of teacher aide/student clerk may be applied towards completion of graduation requirement.

9. Total Minimum Credits Required - 205 Credits

Senior English Approved Courses

The following courses have been approved to fulfill the Senior English requirement in lieu of the student taking English 4. These courses must be taken in the student's senior year:

1. Agriculture Communication and Leadership
2. Communication Technology
3. Developmental Psychology of Children
4. Fashion Design
5. Introduction to Education
6. Music History
7. Theatre History
8. Technology Concepts for Communication
9. Professional Business Communication

Health Requirement Approved Courses

Courses that may count towards the 5-unit health requirement include:

1. Health
2. Home Living A/B
3. Child and the Family A/B
4. Family Health
5. Women and Family Health
6. Marriage and Family
7. Marriage and Family/Family Health
8. Child and Family A/B
9. Single Living
10. Women and Family Health
11. Health 11/12
12. Developmental Psychology of Children A/B

Non-Graduating Seniors from the Class of 2010

The above revised diploma requirements do not apply to the non-graduating seniors from the Class of 2010. These students will still be required to fulfill the Class of 2010 course and diploma requirements. With administrative approval, these non-graduating seniors from the Class of 2010 may be permitted to continue for an additional senior year provided that they maintain continuous enrollment, minimum course loads of 40 credits (4 periods on a traditional bell schedule and 2 blocks on a block bell schedule) per school year, and satisfactory attendance.

Upon satisfactory progress and continuous enrollment throughout the first semester of this additional senior year, these students will be reclassified beginning with the start of the second semester or third term of the 2010-2011 as students under the guidelines of the Class of 2011. These students will then be considered members of the Class of 2011 and therefore the Class of 2011 course and diploma requirements will apply.

Regulation adopted: October 12, 2005

CSBA: March 14, 2012

Regulation revised: November 3, 2014

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
Santa Maria, California

Board Policy
Intradistrict Open Enrollment

BP 5116.1
Students

The Board of Trustees desires to provide enrollment options that meet the diverse needs and interests of district students and parents/guardians, while also balancing enrollment in order to maximize the efficient use of district facilities. The Superintendent or designee shall establish procedures for the selection and transfer of students among district schools in accordance with law, Board policy, and administrative regulation.

(cf. 5117 - Interdistrict Attendance)

The parents/guardians of any student who resides within district boundaries may apply to enroll their child in any district school, regardless of the location of residence within the district. (Education Code 35160.5)

(cf. 5111.1 - District Residency)
(cf. 5111.12 - Residency Based on Parent/Guardian Employment)

The Board shall annually review this policy. (Education Code 35160.5, 48980)

Enrollment Priorities

No student currently residing within a school's attendance area shall be displaced by another student transferring from outside the attendance area. (Education Code 35160.5)

The Superintendent or designee shall grant priority to any district student to attend another district school, including a charter school, outside of his/her attendance area as follows:

1. Any student enrolled in a district school that has been identified on the state's Open Enrollment List. (Education Code 48354)

2. Any student enrolled in a district school receiving Title I funds that has been identified for program improvement (PI), corrective action, or restructuring. (20 USC 6316)

(cf. 0420.4 - Charter Schools)
(cf. 0520.2 - Title I Program Improvement Schools)
(cf. 6171 - Title I Programs)

3. Any student enrolled in a district school designated by the California Department of Education as "persistently dangerous." (20 USC 7912; 5 CCR 11992)

(cf. 0450 - Comprehensive Safety Plan)

4. Any student who is a victim of a violent crime while on school grounds. (20 USC 7912)

5. Upon a finding that special circumstances exist that might be harmful or dangerous to the student in the current attendance area. Special circumstances, include, but are not limited to, threats of bodily harm or threats to the emotional stability of the student. Any such student may transfer to a district school that is at capacity and otherwise closed to transfers.

To grant priority under these circumstances, the Superintendent or designee must have received either: (Education Code 35160.5)

   a. A written statement from a representative of an appropriate state or local agency, such as a law enforcement official, social worker, or a properly licensed or registered professional, such as a psychiatrist, psychologist, or marriage and family therapist

   b. A court order, including a temporary restraining order and injunction

A student's intradistrict agreement may be revoked because of excessive truancy or continual disruption of the educational program.

6. Any sibling of a student already in attendance in that school.

7. Any student whose parent/guardian is assigned to that school as his/her primary place of employment.

Application and Selection Process

In order to ensure that priorities for enrollment in district schools are implemented in accordance with law, applications for intradistrict open enrollment shall be submitted between November 1st and December 15th of the school year preceding the school year for which the transfer is requested.

The Superintendent or designee shall calculate each school's capacity in a nonarbitrary manner using student enrollment and available space. (Education Code 35160.5)

Except for priorities listed above, the Superintendent or designee shall use a random, unbiased selection process to determine who shall be admitted whenever the school receives admission requests that are in excess of the school's capacity. (Education Code 35160.5)

Enrollment decisions shall not be based on a student's academic or athletic performance, except that existing entrance criteria for specialized schools or programs may be used provided that the criteria are uniformly applied to all applicants. Academic performance may be used to determine eligibility for, or placement in, programs for gifted and talented students. (Education Code 35160.5)

(cf. 6172 - Gifted and Talented Student Program)

Transportation

Except as required by 20 USC 6316 for transfers out of Title I PI schools, the district shall not be obligated to provide transportation for students who attend school outside their attendance area.

(cf. 3250 - Transportation Fees)
(cf. 3540 - Transportation)

Legal Reference:
EDUCATION CODE
200 Prohibition against discrimination
35160.5 District policies; rules and regulations
35291 Rules
35351 Assignment of students to particular schools
46600-46611 Interdistrict attendance agreements
48200 Compulsory attendance
48204 Residency requirements for school attendance
48300-48316 Student attendance alternatives, school district of choice program
48350-48361 Open Enrollment Act
48980 Notice at beginning of term
CODE OF REGULATIONS, TITLE 5
11992-11994 Definition of persistently dangerous schools
UNITED STATES CODE, TITLE 20
6316 Transfers from program improvement schools
7912 Transfers from persistently dangerous schools
CODE OF FEDERAL REGULATIONS, TITLE 34
200.36 Dissemination of information
200.37 Notice of program improvement status, option to transfer
200.39 Program improvement, transfer option
200.42 Corrective action, transfer option
200.43 Restructuring, transfer option
200.44 Public school choice, program improvement schools
200.48 Transportation funding for public school choice
COURT DECISIONS
Crawford v. Huntington Beach Union High School District, (2002) 98 Cal.App.4th 1275
ATTORNEY GENERAL OPINIONS
85 Ops.Cal.Atty.Gen. 95 (2002)

Management Resources:

U.S. DEPARTMENT OF EDUCATION NONREGULATORY GUIDANCE
Public School Choice, January 2009
Unsafe School Choice Option, May 2004
WEB SITES
CSBA: http://www.csba.org
California Department of Education, Unsafe School Choice Option: http://www.cde.ca.gov/ls/ss/se/usco.asp
U.S. Department of Education, No Child Left Behind: http://www.nclb.gov

CSBA: October 9, 2013

Policy revised: November 3, 2014	SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT Santa Maria, California