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INDENTURE OF TRUST

between the

**CALIFORNIA QUALIFIED SCHOOL BOND
JOINT POWERS AUTHORITY**

and

**U.S. BANK NATIONAL ASSOCIATION,
*as Trustee***

Dated as of July 1, 2011

Relating to

**\$14,900,000
California Qualified School Bond Joint Powers Authority
2011 General Obligation Revenue Bonds
(Taxable Direct-Pay)
(John Swett Unified School District Qualified School Construction Bonds)**

TABLE OF CONTENTS

		<u>Page</u>
ARTICLE I		
Definitions; Authorization and Purpose of Bonds		
Section 1.01.	Definitions	2
Section 1.02.	Authorization	2
Section 1.03.	Interpretation.	2
ARTICLE II		
Terms of Bonds		
Section 2.01.	Authorization of Bonds	3
Section 2.02.	Terms of the Bonds.	3
Section 2.03.	Redemption of Bonds.	4
Section 2.04.	Book Entry System	6
Section 2.05.	Form and Execution of Bonds	8
Section 2.06.	Transfer and Exchange of Bonds	8
Section 2.07.	Registration Books	8
ARTICLE III		
Issuance of Bonds; Application of Proceeds		
Section 3.01.	Issuance of Bonds	9
Section 3.02.	Deposit and Application of Proceeds.	9
Section 3.03.	Costs of Issuance Fund	9
Section 3.04.	Validity of Bonds	10
ARTICLE IV		
Revenues; Flow of Funds		
Section 4.01.	Pledge of Revenues; Assignment of Rights	10
Section 4.02.	Debt Service Fund	11
Section 4.03.	Investments	11
Section 4.04.	Valuation and Disposition of Investments	12
ARTICLE V		
Covenants of the Authority		
Section 5.01.	Punctual Payment	13
Section 5.02.	Against Encumbrances	13
Section 5.03.	Power to Issue Bonds and Make Pledge and Assignment	13
Section 5.04.	Accounting Records and Financial Statements	13
Section 5.05.	No Additional Debt	13
Section 5.06.	Tax Covenants Relating to Bonds	13
Section 5.07.	Covenants With Respect to District Bonds	14
Section 5.08.	Further Assurances	15
ARTICLE VI		
Bond Subsidy Payments		
Section 6.01.	Pledge and Application of Bond Subsidy Payments	15
Section 6.02.	Filing of Forms To Receive Bond Subsidy Payments	15
Section 6.03.	Notice of Failure to Receive Bond Subsidy Payments	15
ARTICLE VII		
The Trustee		
Section 7.01.	Appointment of Trustee	16
Section 7.02.	Acceptance of Trusts	16
Section 7.03.	Fees, Charges and Expenses of Trustee	20
Section 7.04.	Notice to Bond Owners of Default	20
Section 7.05.	Intervention by Trustee	20
Section 7.06.	Removal of Trustee	20

Section 7.07	Resignation by Trustee	20
Section 7.08	Appointment of Successor Trustee	21
Section 7.09	Merger or Consolidation	21
Section 7.10	Concerning any Successor Trustee	21
Section 7.11	Appointment of Co-Trustee	21
Section 7.12	Indemnification; Limited Liability of Trustee	22
ARTICLE VIII		
Modification and Amendment Hereof		
Section 8.01	Amendment Hereof	23
Section 8.02	Effect of Supplemental Agreement	24
Section 8.03	Endorsement or Replacement of Bonds After Amendment	24
Section 8.04	Amendment by Mutual Consent	24
ARTICLE IX		
Events of Default and Remedies		
Section 9.01	Events of Default	24
Section 9.02	Remedies Upon Event of Default	25
Section 9.03	Application of Revenues and Other Funds After Default	26
Section 9.04	Power of Trustee to Control Proceedings	26
Section 9.05	Appointment of Receivers	26
Section 9.06	Non-Waiver	27
Section 9.07	Rights and Remedies of Bond Owners	27
Section 9.08	Termination of Proceedings	28
ARTICLE X		
Miscellaneous		
Section 10.01	Limited Liability of Authority	28
Section 10.02	Benefits of Indenture Limited to Parties	28
Section 10.03	Discharge of Bonds	28
Section 10.04	Successor Is Deemed Included in All References to Predecessor	29
Section 10.05	Waiver of Personal Liability	29
Section 10.06	Execution of Documents by Bond Owners	29
Section 10.07	Disqualified Bonds	30
Section 10.08	Partial Invalidity	30
Section 10.09	Destruction of Canceled Bonds	30
Section 10.10	Funds and Accounts	31
Section 10.11	Payment on Business Days	31
Section 10.12	Notices	31
Section 10.13	Unclaimed Moneys	31
Section 10.14	Execution in Counterparts	32
Section 10.15	Governing Law	32
Appendix A	Definitions	A-1
Appendix B-	Form of Bond	B-1

INDENTURE OF TRUST

This INDENTURE OF TRUST (this "Indenture"), dated as of July 1, 2011, is between the CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority") and U S BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee")

BACKGROUND:

1. The Authority is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, and is authorized under Article 4 thereof (the "Bond Law") to borrow money for the purpose of providing funds to purchase local obligations issued by local agencies in the State of California and for the purpose of financing the acquisition and construction of public capital improvements.

2. The John Swett Unified School District (the "District") is a member of the Authority, and has an allocation to issue Qualified School Construction Bonds in the aggregate principal amount of \$14,900,000 under §54F(d) of the Internal Revenue Code of 1986, as amended

3. The District has requested the Authority to issue such Qualified School Construction Bonds on its behalf under the Bond Law and this Indenture, to be designated the "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)" in the aggregate principal amount of \$14,900,000 (the "Bonds").

4. Proceeds of Qualified School Construction Bonds are authorized to be expended for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue, and the District has determined to apply the proceeds of the Bonds to finance facilities for which the proceeds of its General Obligation Bonds are authorized to be issued in accordance with Measure A which was approved by the requisite 55% of the voters at an election held on November 4, 2008.

5. In order to provide a source of repayment of the Bonds, the Board of Education of the District has authorized the issuance of its John Swett Unified School District (Contra Costa County, California) General Obligation Bonds 2008 Election, Series B in the aggregate principal amount of \$11,963,754.69 (the "District Bonds"), and the Authority and the District have entered into a Bond Purchase Agreement dated as of June 22, 2011 (the "Bond Purchase Agreement"), under which the Authority has agreed to purchase the District Bonds from the District and the District has agreed to deliver the District Bonds to the Trustee to be held for the security of the Bonds as provided in this Indenture.

6. Payments of principal of and interest on the District Bonds, together with amounts payable with respect to the Bonds by the Federal government under Section

6431 of the Tax Code, which the District and the Authority have elected to receive under Section 6431(f)(2) of the Tax Code ("Bond Subsidy Payments") and which the District has assigned to the Authority, have been determined to be sufficient to pay the principal of and interest on the Bonds when due, and will be pledged together with other amounts for the security of the Bonds

7. The Authority has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken.

A G R E E M E N T :

In order to secure the payment of the principal of and interest on all the Outstanding Bonds under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Authority and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS

SECTION 1.01. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms defined in Appendix A attached to this Indenture have the respective meanings specified in Appendix A when used in this Indenture.

SECTION 1.02. *Authorization.* Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. *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 do not affect the meaning, construction or effect hereof.

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

ARTICLE II

TERMS OF BONDS

SECTION 2.01. *Authorization of Bonds.* The Bonds are authorized to be issued by the Authority under and subject to the Bond Law and the terms of this Indenture. The Bonds shall be designated the "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds(Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)" and shall be issued in the aggregate principal amount of \$14,900,000. The Bonds are authorized to be issued for the purpose of providing funds to purchase the District Bonds from the District in accordance with the Bond Purchase Agreement, to acquire the right to issue the Bonds as Qualified School Construction Bonds and thereby acquire the right to receive the Bond Subsidy Payments, all for the purpose of financing the Qualified Purposes and paying the costs of issuing the Bonds.

SECTION 2.02. *Terms of the Bonds.*

(a) **Maturities of and Interest Rates on the Bonds.** The Bonds shall be issued in fully registered form without coupons in Authorized Denominations. The Bonds shall be dated as of the Closing Date and mature on September 1 in the years, in the principal amounts, and bear interest at the rates per annum set forth below:

<u>Maturity Date</u>	<u>Principal</u>	<u>Interest Rate</u>
9/1/13	\$ 500,000	2.374%
9/1/14	700,000	3.176
9/1/15	800,000	3.844
9/1/16	1,050,000	4.294
9/1/17	1,100,000	4.760
9/1/18	1,150,000	5.260
9/1/19	1,200,000	5.639
9/1/20	1,200,000	5.889
9/1/21	1,200,000	6.089
9/1/26*	6,000,000	6 739

**Term Bond subject to mandatory sinking fund redemption*

The Trustee will pay the principal of the Bonds at maturity in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Trust Office of the Trustee

(b) Payments on the Bonds Interest on the Bonds is payable from the Interest Payment Date next preceding the date of authentication thereof unless

- (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,
- (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or
- (iii) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest is payable on the Bonds on each Interest Payment Date to the persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than 10 days prior to such special record date.

The Trustee will pay interest on the Bonds by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner. The Trustee will pay principal of the Bonds in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Trust Office of the Trustee.

SECTION 2.03. *Redemption of Bonds.*

(a) Mandatory Sinking Account Redemption. The Term Bonds are subject to mandatory sinking account redemption, in part, on September 1, 2022 and on each September 1 thereafter to and including September 1, 2026, at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any, to the redemption date, without premium, as follows.

<u>Redemption Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
2022	\$ 1,200,000
2023	1,200,000
2024	1,200,000
2025	1,200,000
2026 (Maturity)	1,200,000

(b) Mandatory Redemption from Unspent Bond Proceeds If and to the extent that the District fails to expend all of the proceeds of the Bonds within the Expenditure Period, the Bonds shall be subject to extraordinary mandatory redemption on any date which is not more than 90 days following the Expenditure Period, on a pro rata basis among maturities and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Outstanding Bonds to be redeemed, together with interest thereon accrued to the redemption date, without premium. The principal amount of the Bonds to be redeemed shall be equal to the amount held by the County Treasurer in the Qualified School Construction Bond Building Fund at the expiration of the Expenditure Period, and the redemption price of any Bonds to be redeemed under this subsection (b) shall be payable solely from amounts held by the County Treasurer in such fund

As provided in Section 3.03 of the Paying Agent Agreement, in the event that any amounts remain on deposit in the Building Fund at the expiration of the Expenditure Period, (i) the County Treasurer shall notify the District in writing of the amount then on deposit in the Building Fund, (ii) the District shall notify the Trustee in writing that the Expenditure Period has expired and of the amount then on deposit in the Building Fund, which notice shall further identify the date on which the Bonds are to be redeemed, and (iii) such amount shall be withdrawn therefrom by the County Treasurer and transferred to the Trustee. Within five Business Days following receipt of such notice and transfer of funds, the Trustee shall give notice of the redemption of Bonds under this subsection (b) on the redemption date so identified by the District.

(c) Special Optional Redemption Following Determination of Loss of Bond Subsidy Payments. The Bonds are subject to redemption prior to their maturity at the option of the Authority, the exercise of which option shall be agreed to by the District, as a whole, from the proceeds of the redemption of District Bonds redeemed in accordance with Section 2.03(c) of the Paying Agent Agreement, on any date following the occurrence of a Determination of Loss of Bond Subsidy Payments, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed together with accrued interest thereon to the redemption date, without premium.

(d) Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of Bonds and less than all Outstanding Bonds of any maturity are called for redemption, the Trustee shall select Bonds of such maturity for redemption by lot, pro rata among maturities. For the purposes of such selection, Bonds shall be deemed to be composed of \$5,000 portions, and any such portion may be separately prepaid. The Trustee shall promptly notify the District and the Authority in writing of the Bonds or portions thereof so selected for redemption.

(e) Notice of Redemption. The Trustee on behalf and at the expense of the Authority shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and to one or more Information Services, at least 30 but not more than 60 days prior to the date fixed for redemption, *provided, however*, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and must designate the CUSIP numbers, the Bond numbers (if less than all Bonds of a maturity are to be redeemed) and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities

in whole) of the Bonds to be redeemed, and must require that such Bonds be then surrendered at the Trust Office of the Trustee identified in such notice for redemption at the redemption price.

(f) Partial Redemption of Bonds If only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same series and maturity date, of Authorized Denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed. For purposes of the selection of Bonds for redemption, each Bond shall be deemed to consist of \$5,000 multiples which may be separately redeemed.

(g) Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest on the Bonds so called for redemption have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price. Unless otherwise directed in writing by the Authority, the Trustee shall cancel and destroy all Bonds redeemed under this Section 2.03.

SECTION 2.04. *Book Entry System.*

(a) Original Delivery. The Bonds will be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the Trustee shall register the ownership of each Bond on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which is registered in the name of the Nominee, the Authority and the Trustee have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Nominee holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the Authority and the Trustee have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the Bonds, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed if the Authority elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal of and interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds.

The Authority and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal of and interest on such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal

of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Authority to make payments of principal under this Indenture. Upon delivery by the Depository to the Authority of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes, and upon receipt of such a notice the Authority shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Authority shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the Authority may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Authority determines to terminate the Depository as such, then the Authority shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Authority and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Authority fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

If the Authority determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Authority may notify the Depository System Participants of the availability of such certificated Bonds through the Depository. In such event, the Trustee will issue, transfer and exchange Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Authority shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the Bonds to any Depository System Participant having Bonds credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Bonds, all at the Authority's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest on such Bond and all notices with

respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository

SECTION 2.05. *Form and Execution of Bonds.* The Bonds shall be in substantially the form set forth in Appendix B attached hereto and by this reference incorporated herein, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The President of the Authority shall execute and the Secretary of the Authority shall attest each Bond. Any or all of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. Any Bond may be signed and attested on behalf of the Authority by such persons as at the actual date of the execution of such Bond are the proper officers of the Authority, duly authorized to execute debt instruments on behalf of the Authority, although on the date of such Bond any such person was not an officer of the Authority.

Only those Bonds bearing a certificate of authentication in the form set forth in Appendix B, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.07. *Transfer and Exchange of Bonds.*

(a) **Transfer.** Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on any transfer under this subsection (a). Whenever any Bond or Bonds is surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond of like series, maturity and aggregate principal amount. The Authority shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any such transfer.

(b) **Exchange.** The Bonds may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount of Bonds of other Authorized Denominations and of the same series and maturity. The Trustee shall collect any tax or other governmental charge on any exchange under this subsection (b). The Authority shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange thereof.

(c) **Limitations on Transfers and Exchange.** The Trustee is not obligated to make any transfer or exchange of Bonds under this Section during the period established by the Trustee for the selection thereof for redemption, or with respect to any Bonds selected for redemption.

SECTION 2.08 *Registration Books.* The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the

Bonds which must at all times during normal business hours, and upon reasonable notice, be open to inspection by the Authority, and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Bonds, as hereinbefore provided

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. *Issuance of Bonds.* Upon the execution and delivery of this Indenture, the Authority shall execute and deliver the Bonds to the Trustee. The Trustee shall authenticate and deliver the Bonds to Stone & Youngberg LLC, as the original purchaser of the Bonds, upon receipt of a Request of the Authority therefor.

SECTION 3.02. *Deposit and Application of Proceeds.* On the Closing Date, the Trustee shall deposit the proceeds of the Bonds received by it (being \$14,773,350.00) into a special fund to be held by the Trustee and known as the "Bond Proceeds Account." On the Closing Date, the Trustee shall apply the amounts on deposit in the Bond Proceeds Account in the amounts and for the respective purposes as follows.

- (a) The Trustee shall transfer the amount of \$11,963,754.69 to the County Treasurer, representing the purchase price of the District Bonds, for application in accordance with the Paying Agent Agreement. Such transfer shall be made in accordance with wire transfer instructions provided to the Trustee not later than the Closing Date.
- (b) The Trustee shall transfer the amount of \$2,513,245.31 to the County Treasurer for deposit in the Qualified School Construction Bond Building Fund which is established under the Paying Agent Agreement, representing the amount payable by the Authority in consideration of the assignment by the District to the Authority of the District's right to issue the Bonds as Qualified School Construction Bonds and receive the Bond Subsidy Payments. Such transfer shall be made in accordance with wire transfer instructions provided to the Trustee not later than the Closing Date.
- (c) The Trustee will deposit the amount of \$125,000 00, representing capitalized interest on the Bonds, in the Debt Service Fund; and
- (d) The Trustee will deposit the amount of \$171,350 00, constituting the remainder of the proceeds of the Bonds, in the Costs of Issuance Fund.

SECTION 3.03. *Costs of Issuance Fund.* The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund", into which the Trustee shall deposit a portion of the proceeds of sale of the Bonds under Section 3.02(d). The Trustee shall disburse moneys in the Costs of Issuance Fund from time to time to pay Costs of Issuance upon submission of a Request of the Authority stating (a) the person to whom payment is to be made, (b) the amounts to be paid, (c) the purpose

for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Request of the Authority, in each case together with a statement or invoice for each amount requested thereunder. On October 1, 2011, the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund to the County Treasurer for deposit in the Qualified School Construction Bond Building Fund, and the Trustee shall thereupon close the Costs of Issuance Fund.

SECTION 3.04 *Validity of Bonds.* The validity of the authorization and issuance of the Bonds are not affected in any way by any proceedings taken by the Authority with respect to the application of the proceeds thereof, and the recital contained in the Bonds that the same are issued under the Bond Law shall be conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE IV

REVENUES; FLOW OF FUNDS

SECTION 4.01. *Pledge of Revenues; Assignment of Rights; Revenue Fund.* The Bonds are secured by a security interest in, and a first lien on and pledge of all of the Revenues and all of the moneys in the Revenue Fund. The Bonds are equally secured by a security interest in and pledge, charge and lien upon the Revenues and such moneys without priority for Bond number, date of Bonds, date of execution or date of delivery; and the payment of the principal of and interest on the Bonds shall be and is secured by an exclusive pledge, charge and lien upon the Revenues and such moneys. So long as any of the Bonds are Outstanding, the Revenues and such moneys shall not be used for any other purpose; except that out of the Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by Section 4.02.

The Authority hereby transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the right, title and interest of the Authority in the District Bonds. The Trustee shall be entitled to and shall receive all of the Revenues, and any Revenues collected or received by the Authority will be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee shall also be to and, subject to the provisions hereof, shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the District under the District Bonds. In accordance with the Bond Purchase Agreement, the ownership of the District Bonds shall be registered in the name of the Trustee upon the acquisition thereof by the Authority on the Closing Date.

The Trustee shall deposit all Revenues upon receipt thereof in a special fund designated as the "Revenue Fund" which the Trustee shall establish, maintain and hold in trust hereunder. Amounts in the Revenue Fund shall be withdrawn by the Trustee solely for the purpose of making transfers to the Debt Service Fund as provided in Section 4.02 to pay the principal of and interest on the Bonds when due.

Any funds remaining in the Revenue Fund after all of the Bonds have been paid and retired, and after payment of all fees and expenses of the Trustee, shall be

transferred to the County Treasurer, for deposit to debt service funds created for any general obligation bonds of the District

SECTION 4.02 *Debt Service Fund* The Trustee shall establish a special fund designated as the "Debt Service Fund," to be held in trust hereunder. The Trustee shall withdraw from the Revenue Fund and transfer to the Debt Service Fund the following amounts at the following times, to be applied for the following purposes:

- (a) on each Interest Payment Date, the Trustee shall withdraw from the Revenue Fund and transfer to the Debt Service Fund an amount required to pay the interest coming due and payable on the Bonds on such Interest Payment Date; and
- (b) on each date on which principal comes due and payable on the Bonds, the Trustee shall withdraw from the Revenue Fund and transfer to the Debt Service Fund an amount required to pay the full amount of such principal.

Any funds remaining in the Debt Service Fund after all of the Bonds have been paid and retired, and after payment of all fees and expenses of the Trustee, shall be transferred to the County Treasurer, to be applied for any lawful purposes of the District.

SECTION 4.03. *Investments.* All moneys in any of the funds or accounts established with the Trustee under this Indenture shall be invested by the Trustee solely in Permitted Investments at the written direction of the Authority. In the absence of any such direction from the Authority, the Trustee shall invest any such moneys in Permitted Investments described in clause (f) of the definition thereof, *provided, however,* that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction of the Authority specifying a specific money market fund and, if no such written direction of the Authority is so received, the Trustee shall hold such moneys uninvested. Notwithstanding the foregoing provisions of this Section 4.03, amounts held by the Trustee in the Revenue Fund, to the extent not required to be transferred to the Debt Service Fund under Section 4.02, shall, at the written direction of the Authority, be invested by the Trustee solely in Federal Securities which mature not later than the final Maturity Date of the Bonds. Obligations purchased as an investment of moneys in any fund shall 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 shall be deposited in the fund or account from which such investment was made. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee may (but is not obligated to) act as principal or agent in the acquisition or disposition of any investment. The Trustee shall incur no liability for losses arising from any investments made under this Section.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic transaction statements which include detail for all investment transactions made by the Trustee hereunder; provided that the Trustee is not

obligated to provide an accounting for any fund or account that (a) has a balance of \$0 00 and (b) has not had any activity since the last reporting date.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder

SECTION 4.04 *Valuation and Disposition of Investments.*

(a) Except as otherwise provided in subsection (b) of this Section, the Authority covenants that all investments of amounts deposited in any fund or account created by or under this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued (as of the date that valuation is required by this Indenture or the Tax Code) at Fair Market Value as such term is defined in subsection (d) below. The Trustee has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Authority in any Certificate or Request of the Authority

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code shall be valued at cost thereof (consisting of present value thereof within the meaning of Section 148 of the Tax Code); provided that the Authority must inform the Trustee which funds are subject to a yield restriction, and must provide the Trustee with any necessary valuation criteria or formulae.

(c) Except as provided in the proceeding subsection (b), for the purpose of determining the amount in any fund, the Trustee shall value Permitted Investments credited to such fund at least annually at the Fair Market Value thereof. The Trustee may utilize and rely on computerized securities pricing services that may be available to it, including those available through its regular accounting system. If and as directed by the Authority in writing, the Trustee shall sell or present for redemption any Permitted Investment so purchased by the Trustee whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee has no liability or responsibility for any loss resulting therefrom.

(d) For purposes of this Section 4.04, the term "Fair Market Value" means the price at which a willing buyer would purchase the 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 referenced 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 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 which is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

ARTICLE V

COVENANTS OF THE AUTHORITY

SECTION 5.01. *Punctual Payment* The Authority shall punctually pay or cause to be paid the principal of and interest on all the Bonds in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture.

SECTION 5.02. *Against Encumbrances.* The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues, the District Bonds and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Bond Law, and reserves the right to issue other obligations for such purposes.

SECTION 5.03. *Power to Issue Bonds and Make Pledge and Assignment.* The Authority is duly authorized to issue the Bonds, to enter into this Indenture and to pledge and assign the Revenues, the District Bonds and other assets purported to be pledged and assigned, respectively, in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are legal, valid and binding special obligations of the Authority enforceable in accordance with their terms, and the Authority and the Trustee will at all times, subject to the provisions of this Indenture and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 5.04. *Accounting Records and Financial Statements.* The Trustee will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by the Trustee relating to the proceeds of Bonds, the Revenues, the District Bonds and all funds and accounts established under this Indenture. Such books of record and account are available for inspection by the Authority and the District, during regular business hours with reasonable prior notice.

SECTION 5.05. *No Additional Debt.* Except for the Bonds, the Authority covenants that it will not issue any additional bonds, notes or other indebtedness which are payable out of the Revenues in whole or in part.

SECTION 5.06 *Tax Covenants Relating to Bonds.*

(a) Designation of Bonds as Qualified School Construction Bonds. The Authority hereby designates the Bonds as Qualified School Construction Bonds for purposes of Section 54F(a)(3) of the Tax Code

(b) Limitation on Issuance Costs. No proceeds of the Bonds and investment earnings thereon, in an amount in excess of 2% of the proceeds of the sale of the Bonds, will be used to pay costs of issuing the Bonds. If the fees of the original purchaser are retained as a discount on the purchase of the Bonds, such retention shall be deemed to be an expenditure of proceeds of the Bonds for said fees

(c) Qualified Issuer. The Authority is qualified to issue the Bonds under Section 54F(a)(2) of the Tax Code. The Authority certifies that the District has established and currently operates the various public school sites with respect to which the Available Project Proceeds will be spent. The Authority is issuing the Bonds for the purpose of making loan, through the purchase of the District Bonds, to the District. Pursuant to the District Bond Purchase Agreement, the District has allocated all of the \$14,900,000 of qualified school construction bond volume cap it has received to the Authority.

(d) No Arbitrage. The Authority shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code as modified by Section 54A(d)(4) of the Tax Code. The Authority shall take any and all actions necessary to assure compliance with Section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds. For purposes of this paragraph, investments of Available Project Proceeds during the Expenditure Period are deemed to comply with the requirements and limitations of Section 148 of the Tax Code.

(e) Rebate Compliance. The Authority shall take any and all actions necessary to assure compliance with Section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds. For purposes of this paragraph, investments of Available Project Proceeds during the Expenditure Period are deemed to comply with the requirements and limitations of Section 148 of the Tax Code.

The Trustee has no duty to monitor the compliance by the Authority with any of the covenants contained in this Section 5.06.

SECTION 5.07. *Covenants With Respect to District Bonds.*

(a) Acquisition of District Bonds. The Authority hereby agrees to enter into and perform its obligations under the Bond Purchase Agreement, and to acquire the District Bonds in accordance therewith. As provided in the Bond Purchase Agreement, the ownership of the District Bonds will be registered in the name of the Trustee upon the acquisition thereof on the Closing Date.

(b) Collection of Revenues. Subject in all respects to the provisions of this Indenture, the Trustee will collect all Revenues promptly as such Revenues become due and payable, and shall enforce and cause to be enforced all rights of the Trustee under and with respect to the District Bonds.

(c) Disposition of District Bonds. Neither the District Bonds nor any interest therein may be sold, encumbered or in any manner disposed of, so long as any of the Bonds remain Outstanding hereunder.

(d) Notification of Default. Upon receiving actual knowledge of either (i) the failure by the District to pay when due any installment of principal of or interest on the District Bonds, or (ii) the occurrence of any other event of default under the Paying

Agent Agreement, the Trustee shall promptly notify the Authority of such failure or event of default by telephone, fax or other form of telecommunication, promptly confirmed in writing.

(e) Exercise of Remedies With Respect to District Bonds. Upon the occurrence of an event of default with respect to the District Bonds, the Trustee may, and if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, to the extent indemnified as provided herein, exercise any and all remedies granted to the Trustee under the Paying Agent Agreement as the registered owner of the District Bonds.

SECTION 5.08. *Further Assurances.* The Authority 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 Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI

BOND SUBSIDY PAYMENTS

SECTION 6.01. *Pledge and Application of Bond Subsidy Payments.* The Bonds are secured by and payable from the Revenues, which includes the Bond Subsidy Payments. Promptly upon receipt of any Bond Subsidy Payments, the Authority shall cause such Bond Subsidy Payments to be paid to the Trustee for deposit into the Revenue Fund.

SECTION 6.02. *Filing of Forms To Receive Bond Subsidy Payments.* The Authority shall, in accordance with the Filing Agent Agreement, dated the Closing Date, between the Authority and U.S. Bank National Association, as calculation agent, cause such calculation agent, within the 45-day period beginning on the date that is 90 days before the next Interest Payment Date, to file Form 8038-CP, or any successor form designated by the federal government, requesting payment of the Bond Subsidy Payments with respect to the next interest payment on the Bonds.

SECTION 6.03. *Notice of Failure to Receive Bond Subsidy Payments.* In the event the Trustee fails to receive payment of any Bond Subsidy Payment in full by February 25 and August 25 in each year, the Trustee shall immediately give written notice of such failure to the Authority and the District. In the event such failure continues through the subsequent Interest Payment Date and for a period of five Business Days thereafter, the Trustee shall immediately give written notice of such failure to the Authority and the District. In such event, the Authority shall take all actions as may be required to ensure that the District performs its obligations under Sections 4.02 and 7.03 of the Paying Agent Agreement

ARTICLE VII

THE TRUSTEE

SECTION 7.01. *Appointment of Trustee* U.S. Bank National Association is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority agrees that it will maintain a Trustee having a corporate trust office in the State, with a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by federal or State authority, so long as any Bonds are Outstanding. If such national banking association, 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 purpose of this Section 7.01 the combined capital and surplus of such national banking association, 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 Trustee is hereby authorized to pay the principal of and interest on the Bonds when duly presented for payment at maturity and to cancel all Bonds upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Bonds paid and discharged.

SECTION 7.02. *Acceptance of Trusts*. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

- (a) The Trustee, prior to the occurrence of an Event of Default and after curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default hereunder has occurred (which has not been cured or waived), the Trustee may exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill and diligence in their exercise, as a prudent person would use in the conduct of its own affairs.
- (b) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, shall not be liable for the acts or omissions of such attorneys, agents or receivers appointed with due care, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder. The Trustee may conclusively rely on an opinion of counsel as full and complete protection for any action taken or suffered by it hereunder.
- (c) The Trustee is not responsible for any recital herein, in the Paying Agent Agreement, the Bond Purchase Agreement or the Bonds, or for any of the supplements hereto or thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby and the Trustee is not bound to ascertain or inquire as to the observance or

performance of any covenants, conditions or agreements on the part of the Authority hereunder.

- (d) The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee; may acquire and dispose of other bonds or evidences of indebtedness of the Authority with the same rights it would have if it were not the Trustee, and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Bonds then Outstanding.
- (e) The Trustee is protected in acting, in good faith, upon any notice, request, consent, certificate, order, affidavit, letter, telegram, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith under this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee is not bound to recognize any person as an Owner of any Bond or to take any action at such person's request unless the ownership of such Bond by such person shall be reflected on the Registration Books.
- (f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a Certificate of the Authority as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default hereunder of which the Trustee has been given notice or is deemed to have notice, as provided in Section 7.02(h), is also at liberty to accept a Certificate of the Authority to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but is in no case bound to secure the same.
- (g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it is not answerable for other than its negligence or willful default. The immunities and exceptions from liability of the Trustee extend to its officers, directors, employees and agents.
- (h) The Trustee is not required to take notice or be deemed to have notice of any Event of Default hereunder except the failure by the District to make any of the payments to the Trustee required to be made by the District under the District Bonds or the failure by the Authority to file with the Trustee any document required by this

Indenture to be so filed subsequent to the issuance of the Bonds, unless the Trustee is specifically notified in writing of such default by the Authority or by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Trust Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder except as aforesaid.

- (i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, accountants and representatives, has the right (but not the duty) to inspect all books, papers and records of the Authority pertaining to the Bonds, and to make copies of any of such books, papers and records such as may be desired but which is not privileged by statute or by law
- (j) The Trustee is not required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises hereof.
- (k) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee has the right, but is not required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable for the purpose of establishing the right of the Authority to the execution of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.
- (l) Before taking any action referred to in Section 9.02 or this Article, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default in connection with any such action.
- (m) All moneys received by the Trustee, until used or applied or invested as herein provided, will be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.
- (n) The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment,

facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

- (o) The Trustee has no responsibility with respect to any information, statement or recital in any official statement or any other disclosure material prepared or distributed with respect to the Bonds
- (p) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority or the District elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority and the District agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties
- (q) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.
- (r) The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.
- (s) Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Authority or District, and such Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion

the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may

- (t) The Trustee may consult with counsel, who may be counsel of or to the Authority or 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.

SECTION 7.03. *Fees, Charges and Expenses of Trustee.* The Trustee is entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. At such fees, charges and expenses shall be the sole responsibility of the District. Upon the occurrence of an Event of Default hereunder, but only upon an Event of Default, the Trustee has a first lien with right of payment prior to payment of any Bond upon the amounts held hereunder, for the foregoing fees, charges and expenses incurred by it respectively.

SECTION 7.04. *Notice to Bond Owners of Default.* If an Event of Default occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 7.02(h), then the Trustee shall promptly give written notice thereof by first-class mail to the Owner of each such Bond, unless such Event of Default has been cured before the giving of such notice; *provided, however,* that unless such Event of Default consists of the failure by the Authority to make any payment when due, the Trustee may elect not to give such notice to the Bond Owners if the Trustee in good faith determines that such Event of Default does not materially adversely affect the interests of the Bond Owners or that it is otherwise not in the best interests of the Bond Owners to give such notice.

SECTION 7.05. *Intervention by Trustee.* In any judicial proceeding to which the Authority is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Bonds, the Trustee may intervene on behalf of such Bond Owners, and subject to Section 7.02(l), shall do so if requested in writing by the Owners of a majority in aggregate principal amount of such Bonds then Outstanding.

SECTION 7.06. *Removal of Trustee.* The Authority may at any time remove the Trustee initially appointed, and any successor thereto, by an instrument or concurrent instruments in writing delivered to the Trustee at least 30 days prior to the effective date of each removal, whereupon the Authority or such Owners, as the case may be, shall appoint a successor or successors thereto in accordance with Section 7.08; provided that any such successor shall be a bank or trust company meeting the requirements set forth in Section 7.01. Such removal and appointment shall become effective as provided in Section 7.07.

SECTION 7.07. *Resignation by Trustee.* The Trustee and any successor Trustee may at any time give 30 days' written notice of its intention to resign as Trustee hereunder, such notice to be given to the Authority by registered or certified mail. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee

Any resignation or removal of the Trustee under Section 7.06 or this Section 7.07, and any appointment of a successor Trustee under Section 7.08, shall become effective upon written acceptance of appointment by the successor Trustee. Upon such acceptance, the Authority shall cause notice thereof to be given by first class mail, postage prepaid, to the Bond Owners at their respective addresses set forth on the Registration Books.

SECTION 7.08. *Appointment of Successor Trustee.* If the Trustee is removed or resigns under Sections 7.06 or 7.07, respectively, the Authority will promptly appoint a successor Trustee. If the Authority fails for any reason to appoint a successor Trustee within 60 days following the delivery to the Trustee of the instrument described in Section 7.06 or within 60 days following the receipt of notice by the Authority under Section 7.07, the Trustee may, at the expense of the Authority, apply to a court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 7.01. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the Authority purporting to appoint a successor Trustee following the expiration of such 90-day period.

SECTION 7.09. *Merger or Consolidation.* Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 7.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 7.10. *Concerning any Successor Trustee.* Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Request of the Authority, or of the Trustee's successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

SECTION 7.11. *Appointment of Co-Trustee.* It is the purpose of this Indenture that be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or

take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 7.11 are adopted to these ends.

If the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

If any written instrument is required from the Authority by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

SECTION 7.12. *Indemnification; Limited Liability of Trustee.* The Authority hereby indemnifies the Trustee and its officers, directors, agents and employees, against any loss, expense and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or intentional misconduct of the Trustee, its officers, directors, agents or employees. No provision in this Indenture requires the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder if it has reasonable grounds for believing repayment of such funds or adequate indemnity against such liability or risk is not assured to it. The Trustee is not liable for any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of Bonds Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture. The obligations of the Authority under this paragraph and Section 7.03 shall survive the resignation or removal of the Trustee under this Indenture or any defeasance of the Bonds.

ARTICLE VIII

MODIFICATION AND AMENDMENT HEREOF

SECTION 8 01 *Amendment Hereof*

(a) Amendment With Bond Owner Consent Except as set forth in subsection (b) of this Section 8 01, this Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may only be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (i) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal or interest at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (ii) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (iii) without its written consent thereto, modify any of the rights or obligations of the Trustee.

(b) Amendment Without Bond Owner Consent. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without the consent of any Bond Owners, to the extent permitted by law but only for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the Authority contained in this Indenture, other covenants and agreements hereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;
- (ii) to cure any ambiguity, inconsistency or omission, or correct any defective provision, contained in this Indenture, or in any other respect whatsoever, as the Authority may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the security of the Bond Owners, in the opinion of Bond Counsel filed with the District, the Authority and the Trustee;
- (iii) to modify, amend or supplement the Indenture in such manner as to permit the qualification of this Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute; or
- (iv) to make such additions, deletions or modifications as may be necessary or desirable to assure the qualification of the Bonds as Qualified School Construction Bonds under the Tax Code for which Bond Subsidy Payments are eligible to be received, in the opinion of Bond Counsel filed with the District, the Authority and the Trustee.

(c) Notice of Amendments The Authority shall deliver or cause to be delivered a draft of any Supplemental Indenture to S&P, at least ten days prior to the effective date of such Supplemental Indenture under this Section 8.01

SECTION 8.02 *Effect of Supplemental Agreement* From and after the time any Supplemental Indenture becomes effective under this Article VIII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Outstanding Bonds, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 8.03. *Endorsement or Replacement of Bonds After Amendment.* After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds shall bear a notation, by endorsement in form approved by the Authority, as to such action, and in that case upon demand of the Owner of any Outstanding Bond at such effective date and presentation of such Owner's Bond for that purpose at the Trust Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such Bond Owners' action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the Trust Office of the Trustee, without cost to each Bond Owner, for Bonds then Outstanding, upon surrender of such Bonds.

SECTION 8.04. *Amendment by Mutual Consent.* The provisions of this Article VIII do not prevent any Bond Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.01. *Events of Default.* The following events constitute Events of Default under this Indenture:

- (a) Default in the due and punctual payment of the principal of any Bond when due, whether at maturity as therein expressed, by declaration or otherwise.
- (b) Default in the due and punctual payment of any installment of interest on any Bond when due
- (c) Failure by the Authority to observe and perform any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than as referred to in the preceding clauses (a) and (b), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied has been given to the Authority by the Trustee; *provided, however,* that if in

the reasonable opinion of the Authority the failure stated in such notice can be corrected, but not within such 30-day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Authority within such 30-day period and diligently pursued until such failure is corrected

- (d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.
- (e) The occurrence of any event of default under the Paying Agent Agreement with respect to the District Bonds.

SECTION 9.02. Remedies Upon Event of Default. In each and every such case during the occurrence and continuation of an Event of Default, the Trustee may, and if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding after being indemnified to its satisfaction, the Trustee shall, exercise any and all remedies available under law for the equal benefit and protection of all Bond Owners similarly situated

In addition to whatever remedies the Trustee may have as a result of the occurrence of an Event of Default, the Trustee may enforce any and all remedies granted to it as the owner of the issue of District Bonds under the Paying Agent Agreement. The Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest on the Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture.

If an Event of Default has occurred and is continuing and if requested so to do by the Owners of a majority in aggregate principal amount of Outstanding Bonds and indemnified as provided in Section 7.02(f), the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article IX, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bond Owners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bond Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bond Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

SECTION 9.03 *Application of Revenues and Other Funds After Default* All amounts received by the Trustee under any right given or action taken by the Trustee under the provisions of this Indenture shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid -

First, to the payment of any fees, costs and expenses incurred by the Trustee to protect the interests of the Owners of the Bonds; payment of the fees, costs and expenses of the Trustee (including fees and expenses of its counsel, including any allocated costs of internal counsel) incurred in and about the performance of its powers and duties under this Indenture and the payment of all fees, costs and expenses owing to the Trustee under Section 7.03, together with interest on all such amounts advanced by the Trustee at the maximum rate permitted by law; and

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts at the respective rates of interest borne by those Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

SECTION 9.04. *Power of Trustee to Control Proceedings.* If the Trustee, upon the happening of an Event of Default, has taken any action, by judicial proceedings or otherwise, under its duties hereunder, whether upon its own discretion or upon the request of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, it has full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation. Any suit, action or proceeding which any Owner of Bonds has the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners of the Bonds for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

SECTION 9.05. *Appointment of Receivers.* Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bond Owners under this Indenture, the

Trustee is entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment may confer.

SECTION 9.06. *Non-Waiver* Nothing in this Article IX or in any other provision of this Indenture, or in the Bonds, affects or impairs the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Bonds as herein provided, out of the Revenues and other moneys herein pledged for such payment

A waiver of any default or breach of duty or contract by the Trustee or any Bond Owners does not affect any subsequent default or breach-of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds to exercise any right or power accruing upon any default impairs any such right or power or will be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or Bond Owners by the Bond Law or by this Article IX may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bond Owners, as the case may be.

SECTION 9.07. *Rights and Remedies of Bond Owners.* No Owner of any Bond issued hereunder has the right to institute any suit, action or proceeding at law or in equity, for any remedy, under or upon this Indenture, unless:

- (a) such Owner has previously given to the Trustee written notice of the occurrence of an Event of Default;
- (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name;
- (c) said Owners have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request;
- (d) the Trustee has refused or omitted to comply with such request for a period of 60 days after such written request have been received by, and said tender of indemnity have been made to, the Trustee; and
- (e) no direction inconsistent with such written request has been given to the Trustee during such 60 day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds has any right in any manner whatever by their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds

The right of any Owner of any Bond to receive payment of the principal of and interest on such Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 9 08 *Termination of Proceedings* If the Trustee has proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings have been discontinued or abandoned for any reason or have been determined adversely, then the Authority, the Trustee and the Bond Owners will be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee will continue as if no such proceedings had been taken.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. *Limited Liability of Authority.* Notwithstanding anything in this Indenture contained, the Authority is not required to advance any moneys derived from any source of income other than the Revenues for the payment of the principal of the Bonds, or for the performance of any covenants herein contained (except to the extent any such covenants are expressly payable hereunder from the Revenues or otherwise from amounts payable under the Paying Agent Agreement).

The Bonds are revenue bonds, payable exclusively from the Revenues and other funds as provided in this Indenture. The general fund of the Authority is not liable, and the credit of the Authority is not pledged, for the payment of the principal of and interest on the Bonds. The Owners of the Bonds do not have the right to compel the forfeiture of any property of the Authority. The Bonds are not a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues and other funds pledged to the payment thereof as provided in this Indenture.

SECTION 10.02. *Benefits of Indenture Limited to Parties.* Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Authority, the Trustee and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Authority are for the sole and exclusive benefit of the Trustee and the Owners of the Bonds.

SECTION 10.03. *Discharge of Bonds.* If the Authority shall pay and discharge any or all of the Outstanding Bonds in any one or more of the following ways:

- (a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable,
- (b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the

funds and accounts established pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums; or

- (c) by depositing with a qualified escrow holder, in trust, Federal Securities in such amount as the Authority (verified by an Independent Certified Public Accountant) shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the Funds and Accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums, if any) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been mailed pursuant to Section 2.03(e) or provision satisfactory to the Trustee shall have been made for the mailing of such notice, then, at the election of the Authority, and notwithstanding that any of such Bonds shall not have been surrendered for payment, the pledge of the Revenues and other funds provided for in this Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under this Indenture with respect to all such Bonds, shall cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all expenses and costs of the Trustee. Notice of such election shall be filed with the Trustee.

If all of the Bonds are so discharged, any funds thereafter held by the Trustee, which are not required for said purposes, shall be paid over to the Authority.

To accomplish defeasance the Authority shall cause to be delivered (i) a report of an Independent Certified Public Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or earlier redemption date ("Verification"), (ii) an escrow deposit agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under this Indenture; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Authority and the Trustee.

SECTION 10.04. *Successor Is Deemed Included in All References to Predecessor.* Whenever in this Indenture or any Supplemental Indenture the Authority, the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants, agreements and provisions contained in this Indenture by or on behalf of the Authority shall bind and inure to the benefit of its successors whether so expressed or not.

SECTION 10.05. *Waiver of Personal Liability* No officer, agent or employee of the Authority shall be individually or personally liable for the payment of the interest on or principal of the Bonds; but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law.

SECTION 10.06. *Execution of Documents by Bond Owners.* Any request, consent or other instrument required by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent writings of substantially similar tenor

and may be signed or executed by such Bond Owners in person or by their agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section 10.06.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to such person the execution thereof.

The ownership of Bonds shall be proved by the Registration Books. Any request, consent or vote of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of any Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in pursuance of such request, consent or vote. In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting of the Bond Owners upon such notice and in accordance with such rules and obligations as the Trustee considers fair and reasonable for the purpose of obtaining any such action.

SECTION 10.07. *Disqualified Bonds.* In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Authority (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, *provided, however,* that for the purpose of determining whether the Trustee is protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned or held shall be disregarded. Upon request of the Trustee, the Authority shall specify in a Certificate of the Authority to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

SECTION 10.08. *Partial Invalidity.* If any one or more of the covenants or agreements, or portions thereof, provided in this Indenture on the part of the Authority (or of the Trustee) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Indenture or of the Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under the Bond Law or any other applicable provisions of law. The Authority hereby declares that it would have entered into this Indenture and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Indenture or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 10.09. *Destruction of Canceled Bonds.* Whenever in this Indenture provision is made for the surrender to the Authority of any Bonds which have been paid or canceled under the provisions of this Indenture, at the Request of the Authority the

Trustee shall destroy such Bonds and furnish to the Authority a certificate of such destruction

SECTION 10.10 *Funds and Accounts* Any fund or account required by this Indenture to be established and maintained by the Authority or the Trustee may be established and maintained in the accounting records of the Authority or the Trustee, as the case may be, either as a fund or an account, and may, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account. All such records with respect to all such funds and accounts held by the Authority shall at all times be maintained in accordance with generally accepted accounting principles and all such records with respect to all such funds and accounts held by the Trustee shall be at all times maintained in accordance with corporate trust industry practices; in each case with due regard for the protection of the security of the Bonds and the rights of every Owner thereof. Any fund or account required by this Indenture to be established and maintained by the Authority or the Trustee may be established and maintained in the form of multiple funds, accounts or sub-accounts therein.

SECTION 10.11 *Payment on Business Days*. Whenever in this Indenture any amount is required to be paid on a day which is not a Business Day, such payment shall be required to be made on the Business Day immediately following such day, provided that interest shall not accrue from and after such day.

SECTION 10.12. *Notices*. Any notice, request, complaint, demand or other communication under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority: California Qualified School Bond
Joint Powers Authority
601 Elm Avenue
Imperial Beach, California 91932
Attention: Executive Director

If to the Trustee: U.S. Bank National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Corporate Trust Services

SECTION 10.13. *Unclaimed Moneys*. Anything in this Indenture to the contrary notwithstanding, subject to the laws of the State of California, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for one year after the date when such Bonds have become due and payable, either at their stated maturity dates, if such moneys were held by the Trustee at such date, or for one year after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds become due and payable, shall, at the Request of the Authority, be repaid by the Trustee to the Authority, as its absolute property and free from trust, and the Trustee shall thereupon be released and

discharged with respect thereto and the Bond Owners shall look only to the Authority for the payment of such Bonds, *provided, however*, that before being required to make any such payment to the Authority, the Trustee shall, at the expense of the Authority, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the Registration Books, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

SECTION 10.14. *Execution in Counterparts.* This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument

SECTION 10.15. *Governing Law.* This Indenture shall be construed and governed in accordance with the laws of the State of California.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the California Qualified School Bond Joint Powers Authority has caused this Indenture to be signed in its name by its duly authorized officer and U.S. Bank National Association, in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its duly authorized officer, all as of the day and year first above written.

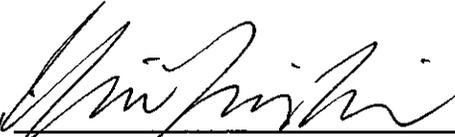
**CALIFORNIA QUALIFIED SCHOOL BOND
JOINT POWERS AUTHORITY**

By 
Treasurer

ATTEST:


Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By 
Authorized Officer

APPENDIX A

DEFINITIONS

"Authority" means the California Qualified School Bond Joint Powers Authority, a joint powers authority organized and existing under and by virtue of the laws of the State of California.

"Authorized Denomination" means \$5,000 or any integral multiple thereof.

"Available Project Proceeds" means (i) the proceeds from the sale of the Bonds, (ii) less costs of issuing the Bonds paid from proceeds of the sale of the Bonds (not exceeding 2% of the proceeds of the sale thereof), plus (iii) investment earnings on the difference between (i) - (ii).

"Board" means the Board of Directors of the Authority.

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally-recognized experience in the issuance of qualified school construction bonds under the Tax Code.

"Bond Law" means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, as amended from time to time.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated as of June 22, 2011, between the District and the Authority, relating to the purchase of the District Bonds by the Authority.

"Bond Subsidy Payments" means, with respect to the Bonds, the amounts which are payable by the Federal government under Section 6431 of the Tax Code, which the District and the Authority have elected to receive under Section 6431(f)(2) of the Tax Code.

"Bonds" means the \$14,900,000 aggregate principal amount of California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District General Obligation Bonds) issued and at any time Outstanding.

"Business Day" means a day of the year, other than a Saturday or Sunday, on which banks are not closed in the city in which the Trust Office of the Trustee is located.

"Certificate of the Authority" means a certificate in writing signed by the President, Executive Director, Treasurer or any other person designated as an authorized representative of the Authority by a Certificate of the Authority signed by its Secretary and filed with the Trustee.

"Closing Date" means July 7, 2011, being the date of original delivery of the Bonds to the Original Purchaser.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority or the District relating to the authorization, issuance, sale and delivery of the Bonds and the District Bonds, including but not limited to printing expenses, rating agency fees, filing and recording fees; initial fees, expenses and charges of the Trustee and the Paying Agent and their counsel, including the Trustee’s and Paying Agent’s first annual administrative fees, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals; fees and charges for preparation, execution and safekeeping of the Bonds and the District Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds and the District Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee under Section 3.03.

“County Treasurer” means the Auditor-Controller/Tax Collector-Treasurer of the County of Contra Costa.

“Debt Service Fund” means the fund by that name established and held by the Trustee under Section 4.02.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.05.

“Depository System Participant” means any participant in the Depository's book-entry system.

“Determination of Loss of Bond Subsidy Payments” means (a) the enactment of legislation by the Congress of the United States of America, (b) the promulgation of a non-appealable ruling, notice or determination by the Internal Revenue Service or (c) a rendering of a non-appealable ruling or holding by a court of competent jurisdiction, the effect of which causes the Authority Bonds to lose their status as, or fail to qualify as, a “Qualified School Construction Bonds” under Section 54F of the Tax Code or reduces, defers or eliminates the Bond Subsidy Payments (other than for a reason described in Section 5.05 of the Paying Agent Agreement).

“District” means the John Swett Unified School District, a unified school district organized and existing under and by virtue of the Constitution and laws of the State of California.

“District Bonds” means the John Swett Unified School District (Contra Costa County, California) General Obligation Bonds Election 2008, Series B issued by the District in the aggregate principal amount of \$11,963,754.69 under the Paying Agent Agreement.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Event of Default” means any of the events described as such in Section 9.01.

“Expenditure Period” means the “expenditure period” defined in Section 54A(d)(2)(B)(ii) of the Tax Code and consists of the period beginning on the date of

issuance of the Bonds and ending on the later of the date which is three years after the date of such issuance or such later date, if any, as permitted by the IRS in response to a request to extend the Expenditure Period

"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.

"Indenture" means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture under the provisions hereof.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants appointed and paid by the Authority, and who, or each of whom-

- (a) is in fact independent and not under domination of the Authority;
- (b) does not have any substantial identity of interest, direct or indirect, with the Authority; and
- (c) is not and no member of which is connected with the Authority as an officer or employee of the Authority, but who may be regularly retained to make annual or other audits of the books of or reports to the Authority.

"Interest Payment Date" means March 1 and September 1 in each year, beginning March 1, 2012.

"Nominee" means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated under Section 2.05(a).

"Original Purchaser" means Stone & Youngberg LLC, as original purchaser of the Bonds upon the negotiated sale thereof.

"Outstanding", when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 10.07) all Bonds theretofore executed, issued and delivered by the Authority under this Indenture except (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation, (b) Bonds paid or deemed to have been paid within the meaning of Section 10.03, and (c) Bonds in lieu of or in substitution for which other Bonds have been executed, issued and delivered under this Indenture or any Supplemental Indenture.

"Owner" means, with respect to a Bond, the person in whose name the ownership of such Bond is registered on the Registration Books.

"Paying Agent" means the entity serving as Paying Agent under the Paying Agent Agreement, initially being U.S. Bank National Association

"Paying Agent Agreement" means the Paying Agent Agreement dated as of July 1, 2011, between the District and U S Bank National Association, as Paying Agent, as amended from time to time in accordance with its terms

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (a) Federal Securities.
- (b) Any direct or indirect obligations of an agency or department of the United States of America whose obligations represent the full faith and credit of the United States of America, or which are rated A or better by S&P.
- (c) Interest-bearing deposit accounts (including certificates of deposit) in federal or State chartered savings and loan associations or in federal or State of California banks (including the Trustee) and affiliates), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by S&P; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation.
- (d) Commercial paper rated at the time of purchase A1 or better by S&P.
- (e) Federal funds or bankers acceptances with a maximum term of one year of any bank which an unsecured, uninsured and unguaranteed obligation rating of A or better by S&P.
- (f) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, which are rated in the highest category by S&P (such funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services).
- (g) Obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code and which are either (a) rated A or better by S&P, or (b) fully secured as to the payment of principal and interest by Federal Securities.
- (h) Obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by S&P.
- (i) Bonds or notes issued by any state or municipality which are rated by S&P in one of the two highest rating categories assigned by S&P.

- (j) Any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated A or better by S&P at the time of initial investment, by the terms of which all amounts invested thereunder are required to be withdrawn and paid to the Trustee if such rating at any time falls below A.
- (k) The Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

“Qualified Purposes” means the construction, rehabilitation or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the Available Project Proceeds as described in Section 54F(a)(1) of the Tax Code. Expenditures for costs of acquisition of equipment to be used in such portion of the public school facility that that is being constructed, rehabilitated, or repaired with proceeds of the Bonds constitute a Qualified Purpose.

“Qualified School Construction Bond Building Fund” means the fund designated the “John Swett Unified School District 2008 Series B Building Fund” which is established and held by the County Treasurer under Section 3.03 of the Paying Agent Agreement.

“Qualified School Construction Bonds” means obligations meeting the requirements of Section 54F of the Tax Code.

“Record Date” means, with respect to any Interest Payment Date, the 15th calendar day of the month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

“Registration Books” means the records maintained by the Trustee under Section 2.08 for the registration and transfer of ownership of the Bonds.

“Request of the Authority” means a request in writing signed by the President, Executive Director, Treasurer or any other person designated as an Authorized Representative of the Authority by a Written Certificate of the Authority signed by its Secretary and filed with the Trustee.

“Revenue Fund” means the fund by that name established and held by the Trustee under Section 4.01.

“Revenues” means (a) all amounts derived from the ownership of the District Bonds, including but not limited to all payments of principal thereof and interest thereon and all amounts (if any) which are paid by the District under Section 7.02 of the Paying Agent Agreement, (b) Bond Subsidy Payments received by the Authority or the Trustee on behalf of the Authority, and (c) investment income with respect to any moneys held by the Trustee in the funds and accounts established hereunder.

“S&P” means Standard & Poor’s Ratings Services, its success

"Securities Depositories" 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 Authority may designate in a Request of the Authority delivered by the Authority to the Trustee.

"Supplemental Indenture" means any indenture, agreement or other instrument hereafter duly executed by the Authority and the Trustee in accordance with the provisions of Section 8 01

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

"Term Bonds" means the Bonds maturing on September 1, 2026.

"Trust Office" means the corporate trust office of the Trustee in San Francisco, California, set forth in Section 10.12, or such other or additional offices as the Trustee may designate in writing to the Authority from time to time as the corporate trust office for purposes of this Indenture, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such terms shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

"Trustee" means U.S. Bank National Association, and its successors and assigns, and any other corporation or association which may at any time be substituted in its place as provided in Article VII.

APPENDIX B

FORM OF BOND

No. _____

\$ _____

**CALIFORNIA QUALIFIED SCHOOL BOND
JOINT POWERS AUTHORITY**

**2011 GENERAL OBLIGATION REVENUE BOND
(TAXABLE DIRECT-PAY)
(John Swett Unified School District
Qualified School Construction Bonds)**

RATE OF INTEREST: **MATURITY DATE:** **DATED DATE:** **CUSIP:**
 September 1, 20____ July 7, 2011

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: *** _____ DOLLARS***

The CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date (a "Record Date"), in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to February 15, 2012, in which event it shall bear interest from the Original Issue Date identified above; *provided, however,* that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on March 1 and September 1 in each year, commencing March 1, 2012 (the "Interest Payment Dates") until payment of such Principal Amount in full.

The Principal Amount hereof is payable upon presentation and surrender hereof at the principal corporate trust office (the "Trust Office") of U.S. Bank National Association, as trustee (the "Trustee"), in St. Paul, Minnesota. Interest hereon is payable by check or draft of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the Registration Books of the Trustee as of the fifteenth calendar day of the month preceding such Interest Payment Date; *provided, however,* that at the written request of the Registered Owner of at least \$1,000,000 in aggregate principal amount of

outstanding Bonds filed with the Trustee prior to any Record Date, interest on such Bonds shall be paid to such Registered Owner on each succeeding Interest Payment Date by wire transfer of immediately available funds to an account in the United States designated in such written request

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds – Taxable Direct Pay (John Swett Unified School District Qualified School Construction Bonds)" (the "Bonds"), in an aggregate principal amount of \$14,900,000, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers) and all issued under the provisions of Article 4 (commencing with Section 6584) of the Act (the "Bond Law") and under an Indenture of Trust, dated as of July 1, 2011, between the Authority and the Trustee (the "Indenture"), and a resolution adopted by the Board of Directors of the Authority on March 4, 2011, authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Authority and the John Swett Unified School District (the "District") have designated this Bond as a "Qualified School Construction Bond" for purposes of Section 54F(a)(3) of the Internal Revenue Code of 1986 (the "Tax Code").

The Bonds have been issued by the Authority to aid in financing the construction, rehabilitation or repair of qualifying public school facilities to be used by the District. This Bond and all other Bonds (to the extent set forth in the Indenture) are special obligations of the Authority, and are payable from, and are secured by a charge and lien on such Revenues, including payments of principal of and interest on certain General Obligation Bonds issued by the District and "Bond Subsidy Payments" (as defined in the Indenture) payable by the Federal Government with respect to the Bonds. Such Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of the Bonds.

This Bond is not a debt of the District, the County of Contra Costa, the State of California, or any of its political subdivisions, and neither said District, said County, said State, nor any of its political subdivisions, is liable hereon or in any event shall this Bond be payable out of any funds or properties other than the Revenues.

The rights and obligations of the Authority and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or a reduction in the principal amount or the redemption price thereof without the consent of the owner of such Bond, or shall reduce the percentages of the owners required to effect any such modification or amendment.

The Bonds maturing on September 1, 2026 (the "Term Bonds") are subject to mandatory sinking account redemption in part on September 1, 2022 and on each September 1 thereafter up to and including September 1, 2026, at a redemption price

equal to 100% of the principal amount thereof plus accrued interest, if any, to the redemption date, without premium, as follows:

Redemption Date (September 1)	Principal Amount
2022	\$1,200,000
2023	1,200,000
2024	1,200,000
2025	1,200,000
2026 (Maturity)	1,200,000

If and to the extent that the District fails to expend all of the proceeds of the Bonds within the Expenditure Period, the Bonds are subject to extraordinary mandatory redemption on any date which is not more than 90 days following the Expenditure Period, at a redemption price equal to 100% of the principal amount of the Outstanding Bonds to be redeemed, together with interest thereon accrued to the redemption date, without premium. The principal amount of the Bonds to be redeemed shall be equal to the amount held by the County Treasurer in the Qualified School Construction Bond Building Fund at the expiration of the Expenditure Period, and the redemption price of any Bonds to be redeemed under this paragraph shall be payable solely from amounts held by the County Treasurer in such fund.

The Bonds are subject to special optional redemption prior to their maturity at the option of the Authority, the exercise of which option shall be agreed to by the District, as a whole, from the proceeds of the redemption of District Bonds redeemed in accordance with Section 2.03 of the Paying Agent Agreement, on any date following the occurrence of a Determination of Loss of Bond Subsidy Payments, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed together with accrued interest thereon to the redemption date, without premium.

If less than all Outstanding Bonds of any maturity are called for redemption, the Trustee shall select Bonds of such maturity for redemption by lot, pro rata among maturities. For the purposes of such selection, Bonds shall be deemed to be composed of \$5,000 portions, and any such portion may be separately prepaid, or portions thereof so selected for redemption.

The Trustee shall mail (by first class mail) notice of any redemption to the respective owners of the Bonds designated for redemption at their respective addresses appearing on the Bond registration books maintained by the Trustee, at least 30 but not more than 60 days prior to the date fixed for redemption; *provided, however*, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee is not affected by any notice to the contrary

It is hereby certified 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 this Bond exist, have happened or have been performed in due and regular time, form and manner as required by the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture

This Bond is not entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed has been manually signed by the Trustee.

The Trustee has no obligation or liability to the Registered Owners of the Bonds to make payments on the Bonds, except from amounts on deposit for such purpose with the Trustee. The Trustee's sole obligations are to administer for the benefit of the Registered Owners of the Bonds the various funds, accounts and subaccounts established under the Indenture and to perform the other duties expressly imposed upon it under the Indenture. The Trustee does not warrant the accuracy of the recitals of the facts contained herein.

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and by the Bond Law, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon has been manually signed by the Trustee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signatures of its President and Secretary all as of the Dated Date identified above

**CALIFORNIA QUALIFIED SCHOOL BOND
JOINT POWERS AUTHORITY**

By _____
President

Attest:

Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

ASSIGNMENT

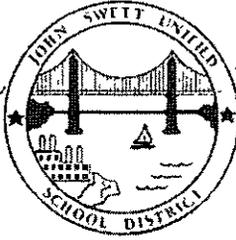
For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) _____ and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises

Dated _____

Signature Guaranteed:

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



JOHN SWETT UNIFIED SCHOOL DISTRICT

400 Parker Avenue, Rodeo, CA 94572
(510) 245-4300 • FAX (510) 245-4312

BOARD OF EDUCATION JOHN SWETT UNIFIED SCHOOL DISTRICT RESOLUTION NO. (10-11)22

RESOLUTION OF THE BOARD OF EDUCATION OF THE JOHN SWETT UNIFIED SCHOOL DISTRICT PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, ELECTION 2008, SERIES B, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$13,998,825.15 AND APPROVING RELATED FINANCING DOCUMENTS AND OFFICIAL ACTIONS

WHEREAS, a bond election was duly and regularly held in the John Swett Unified School District (the "District") on November 4, 2008, under the procedures specified in Proposition 39 (Article XIII A Section 1 paragraph (b) of the California Constitution) for the purpose of submitting Measure A (the "Bond Measure") to the qualified electors of the District authorizing the issuance of general obligation bonds of the District in the maximum aggregate principal amount of \$20,000,000 (the "General Obligation Bonds"), and more than 55% of the votes cast at said election were in favor of the issuance of the General Obligation Bonds; and

WHEREAS, the County of Contra Costa has a previously issued one series of General Obligation Bonds on behalf of the District in the aggregate principal amount of \$6,001,174.85, leaving \$13,998,825.15 principal amount of General Obligation Bonds unissued as of this date; and

WHEREAS, the District has received an allocation to issue Qualified School Construction Bonds in the aggregate principal amount of \$14,900,000 for 2010 under §54F(d) of the Internal Revenue Code of 1986, and in order to implement a financing plan on terms which are favorable to the District, the California Qualified School Bond Joint Powers Authority (the "Authority") has proposed to issue such Qualified School Construction Bonds on behalf of the District; and

WHEREAS, in order for the Authority to issue Qualified School Construction Bonds on behalf of the District, the District must become an associate member of the Authority; and

WHEREAS, in order to provide security for the Qualified School Construction Bonds which are issued by the Authority (the "Authority Bonds"), the Board of Education of the District wishes at this time to institute proceedings for the issuance and sale of a second series of its General Obligation Bonds in the aggregate principal amount of not to exceed \$13,998,825.15, and the District is permitted to issue such bonds directly on its own pursuant under Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the

RESOLUTION NO. (10-11)22

California Government Code of the State of California, commencing with Section 53506 of said Code (the "Bond Law"),

NOW, THEREFORE, the Board of Education of the District hereby finds, determines, declares and resolves as follows:

Section 1. Bond Authorization. The Board of Education (the "Board") hereby authorizes the issuance of an issue of General Obligation Bonds to be designated the "John Swett Unified School District General Obligation Bonds, 2008 Election, Series B" in the aggregate principal amount of not to exceed \$13,998,825.15 (the "Series B Bonds"). The Series B Bonds shall be issued pursuant to the Bond Law for the purpose of raising money to finance educational facilities for which the General Obligation Bonds have been authorized under the Bond Measure, and which are eligible for financing from the proceeds of Qualified School Construction Bonds under applicable federal law; provided that the aggregate principal amount of the Series B Bonds shall not exceed \$13,998,825.15.

Section 2. Paying Agent Agreement. The Bonds shall be issued upon the terms and conditions set forth in the Paying Agent Agreement between the District and U.S. Bank National Association, as paying agent (the "Paying Agent"), in substantially the form on file with the Clerk of the Board, together with any changes therein or modifications thereof which are approved by the Superintendent or his designee (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of the approval of any such changes or modifications. An Authorized Officer is directed to authenticate and execute the final form of the Paying Agent Agreement in the name and on behalf of the District.

Section 3. Material Provisions of Series B Bonds. The Series B Bonds shall be issued as current interest bonds or capital appreciation bonds, convertible capital appreciation bonds, or a combination thereof. The Series B Bonds will be issued at rates which, in the opinion of Dale Scott & Company Inc., as financial advisor to the District, will provide a total debt service that is equal to or less than the total debt service that the Series B Bonds would produce if sold as tax-exempt bonds on the date of sale thereof. The Series B Bonds shall mature serially in each year to and including the date on which the Authority Bonds mature. The principal amount of the Series B Bonds may be less than principal amount of the Authority Bonds. The aggregate payments of principal of and interest on the Series B Bonds, together with earnings to be received on the investment of such payments and together with any Bond Subsidy Payments (being amounts payable by the Federal government under Section 6431 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), which the District and Authority have elected to receive under Section 54AA(g)(1) of the Tax Code) with respect to the Authority Bonds, shall be sufficient to provide funds for payment of debt service coming due and payable on the Authority Bonds.

Section 4. Sale of Series B Bonds. The Board hereby authorizes the negotiated sale of the Series B Bonds to the Authority under Section 15146 of the Bond Law. The Series B Bonds shall be sold to the Authority pursuant to the District Bond Purchase Agreement between the District and the Authority in substantially the form on file with the Clerk of the Board together with any additions thereto or changes therein approved by an Authorized Officer, whose execution thereof shall be conclusive evidence of approval of any such additions and changes; provided, however, that the interest rate on the Series B Bonds shall not exceed the legal limit. An Authorized

RESOLUTION NO. (10-11)22

Officer is hereby authorized and directed to execute and deliver the final Bond Purchase Agreement in the name and on behalf of the District.

Furthermore, in order to provide the funds to pay costs of issuance, one or more maturities of the Series B Bonds are authorized to be sold as federally taxable bonds by the District to Stone & Youngberg LLC, the underwriter of the Authority Bonds (the "Underwriter"). Such maturities of Series B Bonds shall be sold on such terms and conditions as shall be approved by an Authorized Officer pursuant to the Authority Bond Purchase Agreement approved in Section 11; provided that the principal amount of such Series B Bonds shall not exceed \$150,000, and the rate of interest on such Series B Bonds shall not exceed the legal limit.

In accordance with Section 15146 of the Bond Law, the Board hereby determines that it is advisable to sell the Series B Bonds by a negotiated sale as described in this Section 4 because the structure of the financing can only be implemented through the issuance of the Qualified School Construction Bonds by a joint powers agency which exercises the powers granted to it under Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

Section 5. Professional Services; Estimated Financing Costs. Dale Scott & Company Inc. has previously been engaged as financial advisor to the District and Jones Hall, A Professional Law Corporation, shall be engaged as bond counsel to the District, in connection with the issuance of the Series B Bonds, pursuant to the agreement on file with the Superintendent. The estimated costs of issuance associated with the bond sale are 2.0% of the principal amount of the Series B Bonds, which include the financial advisor and bond counsel fees and paying agent fees, but which do not include the cost of municipal bond insurance, if obtained, or the costs of issuing the Authority Bonds.

Section 6. Official Statement. The Board of Education hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the preliminary Official Statement describing the Series B Bonds in the form on file with the Clerk of the Board. An Authorized Officer is hereby individually authorized, at the request of Stone & Youngberg LLC, the Underwriter, to execute an appropriate certificate affirming the Board of Education's determination that the preliminary Official Statement has been deemed final within the meaning of such Rule. Distribution of the preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer 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 an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Board of Education hereby authorizes the distribution of the final Official Statement by the Underwriter.

Section 7. Building Fund. The District hereby directs the Auditor-Controller/Tax Collector-Treasurer of the County of Contra Costa (the "County Treasurer") to establish, hold and maintain a fund to be known as the "John Swett Unified School District 2008 Election, Series B Building Fund" (the "Building Fund"), which the County Treasurer shall maintain as a separate account, distinct from all other funds of the County and the District. Upon the issuance of the Series B Bonds, a portion of the proceeds of sale thereof shall be transferred to the County Treasurer to be credited to the Building Fund. In addition, a portion of the proceeds of the Authority Bonds shall be paid to the County Treasurer for deposit in the Building Fund. Amounts

RESOLUTION NO. (10-11)22

on deposit in the Building Fund shall be expended by the District solely for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities for which the Series B Bond proceeds are authorized to be expended under the Bond Measure, which facilities shall be eligible for financing from the proceeds of Qualified School Construction Bonds under applicable federal tax law. All interest and other gain arising from the investment of amounts deposited to the Building Fund shall be retained in the Building Fund and used for the purposes thereof. Upon the expiration of the Expenditure Period (as that term is defined in the Paying Agent Agreement), all amounts remaining on deposit in the Building Fund shall be withdrawn therefrom and applied to the extraordinary mandatory redemption of the Series B Bonds and the corresponding extraordinary mandatory redemption of the Authority Bonds.

Section 8. Security for the Series B Bonds. The Series B Bonds shall be general obligations of the District payable from the levy of *ad valorem* taxes upon all property within the District subject to taxation by the District, without limitation as to rate or amount, for the payment of the Series B Bonds and the interest thereon. The District hereby directs the County 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 Series B Bonds are Outstanding in an amount sufficient to pay the principal of and interest on (including the accreted value of capital appreciation bonds) the Series B Bonds when due, which moneys when collected shall be placed in the Debt Service Fund as set forth in Section 9.

The principal of and interest on Series B Bonds do 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 or employees thereof, and neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof shall be liable thereon. In no event are the principal of and interest on the Series B Bonds payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District.

Section 9. Establishment of Debt Service Fund. The District hereby directs the County Treasurer to establish, hold and maintain a fund to be known as the "John Swett Unified School District 2008 Election Series B Debt Service Fund" (the "Debt Service Fund"), to be maintained by the County Treasurer as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County, as directed by the District herein, for the payment of the principal of and interest on the Series B Bonds shall be deposited in the Debt Service Fund by the County Treasurer promptly upon apportionment of said levy. The District hereby irrevocably pledges the Debt Service Fund for the payment of the principal of and interest on the Series B Bonds when and as the same become due.

Section 10. Approval of Associate Membership Agreement. The Associate Membership Agreement, between the District and the Authority, in substantially the form on file with the Clerk of the Board, together with any changes therein or modifications thereof which are approved by the Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or modifications, is hereby approved. An Authorized Officer is directed to authenticate and execute the final form of the Associate Membership Agreement in the name and on behalf of the District.

RESOLUTION NO. (10-11)22

Section 11. Approval of Authority Bond Purchase Agreement. The Board hereby approves the sale of the Authority Bonds by the Authority to Stone & Youngberg LLC, as underwriter, pursuant to the Bond Purchase Agreement (the "Authority Bond Purchase Agreement"), among the District, the Underwriter and the Authority, under which the Underwriter agrees to buy the Authority Bonds and one or more maturities of the Series B Bonds as provided in Section 4 hereof, in substantially the form on file with the Clerk of the Board, together with any changes therein or modifications thereof which are approved by the Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or modifications, is hereby approved. An Authorized Officer is directed to authenticate and execute the final form of the Authority Bond Purchase Agreement in the name and on behalf of the District for the purpose of providing for the sale of a portion of the Series B Bonds to the Underwriter.

Notwithstanding the foregoing, due to favorable terms which may be available in the event the Authority Bonds are sold on a private placement basis, upon the advice of the Financial Advisor to the District, the Authority may sell the Authority Bonds to JPMorgan Chase Bank, on a private placement basis. In such case, the Board hereby authorizes and directs an Authorized Officer to approve, execute and deliver any and all documentation as may be required by the Authority Bond Purchaser to consummate the issuance and sale of the Authority Bonds to the Authority Bond Purchaser.

Section 12. 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 an Authorized Officer and delivered on the date of issuance of the Series B Bonds. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Series B Bonds; however, any Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Series B Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 13. 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 even during the continuance of an event of default with respect to the Series B 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 14. Execution of Documents. The President of the Board, the Superintendent, the Clerk of the Board 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 Series B Bonds. 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

RESOLUTION NO. (10-11)22

may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

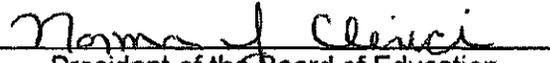
Section 15. Effective Date of Resolution. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this 13th day of April, 2011, by the following vote:

AYES: Clerici, Colombo, Concannon, Delgadillo, Parsons

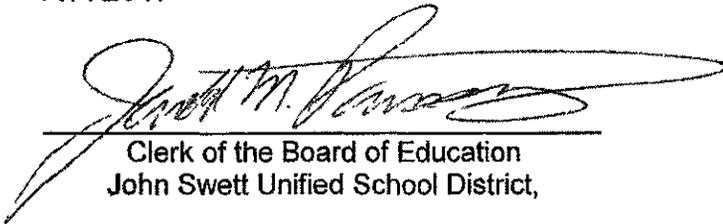
NOES: None

ABSENT: None



President of the Board of Education
John Swett Unified School District,

ATTEST:



Clerk of the Board of Education
John Swett Unified School District,

\$11,963,754.69
John Swett Unified School District
General Obligation Bonds
2008 Election, Series B

RCVD JUL 28 '11

DISTRICT BOND PURCHASE AGREEMENT

June 22, 2011

John Swett Unified School District
400 Parker Avenue
Rodeo, California 94572

This DISTRICT BOND PURCHASE AGREEMENT (this "Purchase Agreement"), is between the JOHN SWETT UNIFIED SCHOOL DISTRICT, a unified school district organized and existing under the Constitution and laws of the State of California (the "District"), and the CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority");

BACKGROUND:

1 The Authority is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, and is authorized under Article 4 thereof (the "Bond Law") to borrow money for the purpose of providing funds to purchase local obligations issued by local agencies in the State of California and for the purpose of financing the acquisition and construction of public capital improvements.

2 The District has received an allocation (the "QSCB Allocation") to issue Qualified School Construction Bonds in the aggregate amount of \$14,900,000 for the purpose of financing the construction, rehabilitation, or repair of public school facilities or for the acquisition of land on which such facilities are to be constructed (the "Qualified Projects").

3 In order to provide financing for the Qualified Projects on terms which are the most favorable to the District, the District has proposed to assign the QSCB Allocation to the Authority, and the Board of Directors of the Authority has authorized the issuance of its California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds –Taxable Direct Pay (John Swett Unified School District Qualified School Construction Bonds) in the aggregate principal amount of \$14,900,000 (the "Authority Bonds") under the Bond Law and the provisions of an Indenture of Trust dated as of June 1, 2011 (the "Authority Bond Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Authority Bond Trustee"), which constitute the Qualified School Construction Bonds for which the District has received the QSCB Allocation

4 The Authority Bonds will be payable from and secured by a combination of (a) the federal subsidy payments received by the Authority as a result of the assignment to it by the District of the QSCB Allocation, and (b) payments received in respect of general obligation bonds to be issued by the District, which will be purchased by the Authority from a portion of the proceeds of the Authority Bonds as described herein

5 The Board of Education of the District has adopted its resolution on April 13, 2011 (the "Resolution"), authorizing the issuance of John Swett Unified School District (Contra Costa County, California) General Obligation Bonds 2008 Election, Series B (the "Series B Bonds"), under a Paying Agent Agreement dated as of June 1, 2011, between U.S. Bank National Association (the "Paying Agent") and the District (the "Paying Agent Agreement"), for the purpose of providing funds to finance the Qualified Projects

6 The Series B Bonds are payable from *ad valorem* property taxes levied on taxable properties in the District, and the revenues derived from the payment of principal of and interest on the Series B Bonds will be sufficient in time and amount to pay debt service on the Authority Bonds as it comes due.

7. The Authority and the District wish to enter into this Purchase Agreement for the purpose of assigning the QSCB Allocation to the Authority and for the purpose of obligating the Authority to issue the Authority for the purpose of purchasing the QSCB Allocation and the Series B Bonds from the District

AGREEMENT:

For and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Assignment of QSCB Allocation.* The District hereby agrees to assign the QSCB Allocation to the Authority, and the Authority hereby agrees to acquire the QSCB Allocation from the District, for a purchase price equal to \$2,513,245.31 (the "QSCB Purchase Price"). Funds for the QSCB Purchase Price shall be derived from a portion of the proceeds of the Authority Bonds. The Authority hereby agrees to issue the Authority Bonds in the aggregate principal amount of \$14,900,000 and to apply the proceeds thereof to pay the QSCB Purchase Price and the purchase price of the Series B Bonds as described below. The District hereby directs the Authority to cause the QSCB Purchase Price to be paid to the Contra Costa County Treasurer-Tax Collector, for deposit in the Building Fund (the "Building Fund") which is established under the Authorizing Resolution and the Paying Agent Agreement and maintained by the County Treasurer. Amounts on deposit in the Building Fund shall be applied for the sole purpose of financing the Qualified Projects in accordance with the Paying Agent Agreement.

SECTION 2 *Issuance of Series B Bonds.* The District shall issue the Series B Bonds on July 7, 2011, or on such other date as may be mutually agreeable to the District and the Authority (the "Closing Date"). The Series B Bonds shall be issued as [current interest bonds/capital appreciation bonds/convertible capital appreciation bonds] maturing on February 1 and August 1 in each of the years, and bearing interest at the rates, as set forth in the following schedule

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
February 1, 2012	\$ 166,000	3.75%
August 1, 2014	304,078.45	3.75
August 1, 2015	486,930.14	3.75
August 1, 2016	750,930.02	3.75
August 1, 2017	821,922.41	3.75
August 1, 2018	899,108.01	3.75
August 1, 2019	977,782.05	3.75
August 1, 2020	1,006,588.38	3.75
August 1, 2021	1,034,747.43	3.75
August 1, 2022	1,061,562.47	3.75
August 1, 2023	1,081,583.06	3.75
August 1, 2024	1,102,354.43	3.75
August 1, 2025	1,123,904.71	3.75
August 1, 2026	1,146,263.13	3.75

SECTION 3. *Sale of Series B Bonds to Authority.* The District hereby agrees to sell the Series B Bonds to the Authority for delivery on the Closing Date. The Authority hereby agrees to purchase the Series B Bonds from the District on the Closing Date for a purchase price equal to \$11,963,754.69, being the par amount of the Series B Bonds. The purchase price of the Series B Bonds shall be paid from a portion of the Authority Bonds. The District hereby directs the Authority to cause the purchase price of the Series B Bonds to be paid to the Paying Agent, to be transferred to the Contra Costa County Treasurer-Tax Collector, for deposit in the Building Fund and applied to finance the Qualified Projects.

SECTION 4. *Registered Ownership of Series B Bonds.* Under the Authority Bond Indenture, the Authority has transferred and assigned all of its right, title and interest in the Series B Bonds to the Authority Bond Trustee for the security of the Authority Bonds. The District and the Authority agree that upon the acquisition of the Series B Bonds on the Closing Date, the ownership of the Series B Bonds will be transferred to and vested in the Authority Bond Trustee.

SECTION 5. *Closing.* At 9:00 A.M., California time, on the Closing Date, the District will deliver the Series B Bonds to the Authority Bond Trustee, duly executed and registered in the name of the Authority Bond Trustee; and the Authority Bond Trustee will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to the account of the Paying Agent.

SECTION 6. *Conditions to Closing.* The Authority 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 Authority's obligations under this Purchase Agreement are and shall be subject to the following further conditions at the Closing Date:

- (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 Date as if made on and as of the Closing Date, and the statements made in all certificates and other documents delivered to the

Authority on the Closing Date pursuant hereto shall be true, complete and correct in all material respects on the Closing Date, and each of the District shall be in compliance with each of the agreements made by it in this Purchase Agreement,

- (b) Obligations Performed On the Closing Date, (i) the Official Statement, this Purchase Agreement and the Paying Agent Agreement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Authority; and (ii) all actions under the Bond Law which, in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("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.
- (c) Delivery of Documents. On or before the Closing Date, the District shall deliver (or cause to be delivered) sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Authority.
 - (1) Bond Counsel Opinion. An approving opinion of Bond Counsel, as to the validity of the Series B Bonds, addressed to the District, the Authority and the Authority Bond Trustee.
 - (2) Certificate of the District. A certificate signed by appropriate officials of the District to the effect that (i) such officials are 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; and (iii) the District has complied with all the terms of the Paying Agent Agreement and this Purchase Agreement which are necessary to be complied with prior to or before the Closing Date and such documents are in full force and effect
 - (3) Paying Agent Agreement Fully executed copies of the Paying Agent Agreement
 - (4) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Authority or Bond Counsel may reasonably request to evidence (i) compliance 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, and (iii) 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.
- (d) Termination Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Series B Bonds have not been delivered by the District to the Authority prior to the close of business on the Closing Date, then the obligation to purchase

Series B Bonds hereunder shall terminate and be of no further force or effect

If the District is unable to satisfy the conditions to the Authority's obligations contained in this Purchase Agreement or if the Authority's obligations are terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Authority at, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the District 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 Authority may be waived by the Authority in writing at its sole discretion.

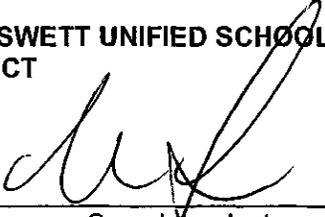
SECTION 7. *Execution in Counterparts.* This Purchase Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

SECTION 8. *Governing Law.* This Purchase Agreement shall be construed and governed in accordance with the laws of the State of California.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties to this Purchase Agreement have caused this Purchase Agreement to be signed by their respective officers, all as of the day and year first above written.

**JOHN SWETT UNIFIED SCHOOL
DISTRICT**

By  _____
Superintendent

**CALIFORNIA QUALIFIED SCHOOL BOND
JOINT POWERS AUTHORITY**

By _____
Treasurer

IN WITNESS WHEREOF, the parties to this Purchase Agreement have caused this Purchase Agreement to be signed by their respective officers, all as of the day and year first above written

JOHN SWETT UNIFIED SCHOOL DISTRICT

By _____
Superintendent

CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY

By *Shelley Blum*
Treasurer

REGISTERED BOND NO. 1

SPECIMEN

\$166,000

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

**GENERAL OBLIGATION BOND
2008 ELECTION, SERIES B**

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3.750%	February 1, 2012	July 7, 2011

REGISTERED OWNER: U.S. Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * ONE HUNDRED SIXTY-SIX THOUSAND DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the

REGISTERED BOND NO. 2

***\$304,078.45 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

GENERAL OBLIGATION BOND 2008 ELECTION, SERIES B

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3.750%	August 1, 2014	July 7, 2011

REGISTERED OWNER: U.S. Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * THREE HUNDRED FOUR THOUSAND SEVENTY-EIGHT AND 45/100 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the

REGISTERED BOND NO. 3

***\$486,930.14 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

GENERAL OBLIGATION BOND 2008 ELECTION, SERIES B

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3.750%	August 1, 2015	July 7, 2011

REGISTERED OWNER: U.S. Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * FOUR HUNDRED EIGHTY-SIX THOUSAND NINE HUNDRED THIRTY AND 14/100 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"), *provided, however*, that at the written request of the

REGISTERED BOND NO. 4

***\$750,930.02 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

GENERAL OBLIGATION BOND 2008 ELECTION, SERIES B

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3.750%	August 1, 2016	July 7, 2011

REGISTERED OWNER: U.S. Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * SEVEN HUNDRED FIFTY THOUSAND NINE HUNDRED THIRTY AND 02/100 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the

REGISTERED BOND NO. 5

***\$821,922.41 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

GENERAL OBLIGATION BOND 2008 ELECTION, SERIES B

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3.750%	August 1, 2017	July 7, 2011

REGISTERED OWNER: U S Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * EIGHT HUNDRED TWENTY-ONE THOUSAND NINE HUNDRED TWENTY-TWO AND 41/100 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U S Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the

REGISTERED BOND NO. 6

***\$899,108.01 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

GENERAL OBLIGATION BOND 2008 ELECTION, SERIES B

INTEREST RATE:

MATURITY DATE:

DATED DATE:

3.750%

August 1, 2018

July 7, 2011

REGISTERED OWNER: U.S. Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * EIGHT HUNDRED NINETY-NINE THOUSAND ONE HUNDRED EIGHT AND 01/100 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the

REGISTERED BOND NO. 7

***\$977,782.05 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

GENERAL OBLIGATION BOND 2008 ELECTION, SERIES B

INTEREST RATE:

MATURITY DATE:

DATED DATE:

3 750%

August 1, 2019

July 7, 2011

REGISTERED OWNER: U S Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * NINE HUNDRED SEVENTY-SEVEN THOUSAND SEVEN HUNDRED EIGHTY-TWO AND 05/00 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however, that at the written request of the*

REGISTERED BOND NO. 8

***\$1,006,588.38 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

GENERAL OBLIGATION BOND 2008 ELECTION, SERIES B

INTEREST RATE:

3.750%

MATURITY DATE:

August 1, 2020

DATED DATE:

July 7, 2011

REGISTERED OWNER: U.S. Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * ONE MILLION SIX THOUSAND FIVE HUNDRED EIGHTY-EIGHT AND 38/100 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the

REGISTERED BOND NO. 9

***\$1,034,747.43 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

**GENERAL OBLIGATION BOND
2008 ELECTION, SERIES B**

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3.750%	August 1, 2021	July 7, 2011

REGISTERED OWNER: U.S. Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * ONE MILLION THIRTY-FOUR THOUSAND SEVEN HUNDRED FORTY-SEVEN AND 43/100 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"), *provided, however*, that at the written request of the

REGISTERED BOND NO. 10

***\$1,061,562.47 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

GENERAL OBLIGATION BOND 2008 ELECTION, SERIES B

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3.750%	August 1, 2022	July 7, 2011

REGISTERED OWNER: U.S. Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * ONE MILLION SIXTY-ONE THOUSAND FIVE HUNDRED SIXTY-TWO AND 47/100 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the

REGISTERED BOND NO. 11

***\$1,081,583.06 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

**GENERAL OBLIGATION BOND
2008 ELECTION, SERIES B**

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3.750%	August 1, 2023	July 7, 2011

REGISTERED OWNER: U.S. Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * ONE MILLION EIGHTY-ONE THOUSAND FIVE HUNDRED EIGHTY-THREE AND 06/100 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the

REGISTERED BOND NO. 12

***\$1,102,354.43 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

GENERAL OBLIGATION BOND 2008 ELECTION, SERIES B

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3 750%	August 1, 2024	July 7, 2011

REGISTERED OWNER: U.S. Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * ONE MILLION ONE HUNDRED TWO THOUSAND THREE HUNDRED FIFTY-FOUR AND 43/100 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the

REGISTERED BOND NO. 13

***\$1,123,904.71 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

GENERAL OBLIGATION BOND 2008 ELECTION, SERIES B

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3.750%	August 1, 2025	July 7, 2011

REGISTERED OWNER: U.S. Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * ONE MILLION ONE HUNDRED TWENTY-THREE THOUSAND NINE HUNDRED FOUR AND 71/100 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the

REGISTERED BOND NO. 14

***\$1,146,263.13 ***

JOHN SWETT UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

GENERAL OBLIGATION BOND 2008 ELECTION, SERIES B

INTEREST RATE:

3.750%

MATURITY DATE:

August 1, 2026

DATED DATE:

July 7, 2011

REGISTERED OWNER: U.S. Bank National Association, as Trustee for the bonds designated "California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds)

PRINCIPAL SUM: * ONE MILLION ONE HUNDRED FORTY-SIX THOUSAND TWO HUNDRED SIXTY-THREE AND 13/100 DOLLARS*****

The JOHN SWETT UNIFIED SCHOOL DISTRICT (the "District"), located in Contra Costa County, California (the "County"), for value received, hereby promises to pay to the Registered Owner stated 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, 2012 (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, 2012, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are 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, initially U.S. Bank National Association. Except as provided below, the principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the

registered owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Paying Agent prior to any Record Date, interest on such Bonds shall be paid on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request.

Notwithstanding the foregoing, so long as this Bond is owned by U.S. Bank National Association, as trustee (or any successor thereto) (the "Authority Bond Trustee") for the California Qualified School Bond Joint Powers Authority 2011 General Obligation Revenue Bonds (Taxable Direct-Pay) (John Swett Unified School District Qualified School Construction Bonds) issued in the aggregate original principal amount of \$14,900,000, (i) payments of the principal hereof and interest and redemption premium (if any) hereon shall be paid by wire transfer to said Authority Bond Trustee, and (ii) payments of principal on the Bonds shall be made without the requirement for presentation and surrender of the Bonds by the Authority Bond Trustee.

Under certain circumstances as provided for in the Paying Agent Agreement (defined below), the rate of interest on this Bond may be increased to a rate up to 12% per annum (or such higher rate as may then be permitted by law).

This Bond is one of a series of \$11,963,754.69 of Bonds issued for the purpose of raising money for the acquisition, construction and rehabilitation of school facilities, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and under the laws of the State of California, and the requisite 55% vote of the electors of the District cast at an election held on November 4, 2008, upon the question of issuing Bonds in the amount of \$20,000,000, and under a Paying Agent Agreement dated as of July 1, 2011 (the "Paying Agent Agreement"), between the District and the Paying Agent. This Bond and the issue of which this Bond is a part are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

All capitalized terms herein shall have the same meaning as the capitalized terms in the Paying Agent Agreement. Reference is hereby made to the Paying Agent Agreement and the Authorizing Resolution (copies of which are on file at the office of the District) 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 Paying Agent Agreement and Authorizing Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Authorizing Resolution) are general obligations of the District. Subject to Education Code Section 15250, the Board of Supervisors of the County of Contra Costa (the "County") has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District.

Upon the occurrence and during the continuation of a Determination of Loss of Bond Subsidy Payments, the interest rate on the Series B Bonds shall be increased to 12% per annum (or such lower rate of interest as may be required to provide sufficient

debt service on the Series B Bonds in amounts equal to recalculated debt service on the Authority Bonds after the Date of Loss of QSCB Status), effective upon the Date of Loss of QSCB Status. In the event of any such Determination of Loss of Bond Subsidy Payments is rescinded or resolved such that the Authority Bonds are restored to their status as Qualified School Construction Bonds, and provided that all amounts due and owing to the owner of the Authority Bonds as a result of such Determination of Loss of Bond Subsidy Payments have been paid in full as provided in the Authority Bond Indenture, the interest rate on the Bonds shall be reduced to the rate set forth above.

The principal of and interest on this Bond do 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. Except as provided in the Paying Agent Agreement, in no event shall the principal of and interest 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.

If the District fails to expend all of the proceeds of the Authority Bonds within the Expenditure Period, the Bonds shall be subject to extraordinary mandatory redemption on any date which is not more than 90 days following the Expenditure Period, which date shall be the date on which the Authority Bonds are subject to corresponding redemption under Section 2.03(b) of the Authority Bond Indenture. The aggregate principal amount of the Bonds to be redeemed shall be equal to the amount (if any) which is required to cause the aggregate principal amount of the Bonds following such redemption to equal the aggregate principal amount of the Authority Bonds following the corresponding redemption thereof under Section 2.03(b) of the Authority Bond Indenture. The Bonds shall be redeemed at a redemption price equal to 100% of the principal amount of the Outstanding Bonds to be redeemed, together with interest thereon accrued to the redemption date, without premium. The Bonds shall be selected for redemption among maturities on such basis as shall be determined by the District upon the advice of an Independent Financial Advisor.

The Bonds are subject to special optional redemption prior to their maturity at the option of the District, as a whole, on any date following the occurrence of a Determination of Loss of Bond Subsidy Payments, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed together with accrued interest thereon to the redemption date, plus a premium equal to the amount (if any) which is required to enable the Authority to redeem all of the outstanding Authority Bonds upon the corresponding redemption of the Authority Bonds under Section 2.03(c) of the Authority Bond Indenture.

Reference is made to the Paying Agent Agreement 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 Paying Agent Agreement.

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, without limitation as to rate or amount, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged

The District and the Paying Agent may treat the Owner hereof as the absolute owner hereof for all purposes, and the County, District and the Paying Agent shall not be affected by any notice to the contrary

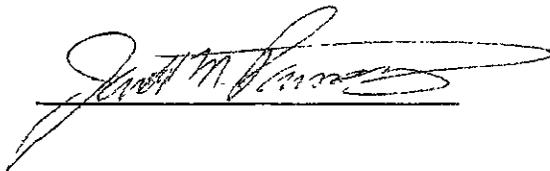
This Bond shall be not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Paying Agent Agreement until the Certificate of Authentication below has been manually signed by the Paying Agent

IN WITNESS WHEREOF, the John Swett Unified School District has caused this Bond to be executed by the facsimile signature of the President of its Board of Education, and attested by the facsimile signature of the Clerk of its Board of Education, all as of the date stated above.

JOHN SWETT UNIFIED SCHOOL DISTRICT

By 
President
Board of Education

Attest



Clerk, Board of Education

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Paying Agent Agreement referred to herein

Date of Authentication July 7, 2011

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By _____
Authorized Signatory

FORM OF ASSIGNMENT

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

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

the within Bond and do(es) hereby irrevocably constitute and appoint _____, attorney, to transfer the same on the registration books of the Bond Registrar, with full power of substitution in the premises.

Dated _____

Signature Guaranteed:

Note Signature(s) must be guaranteed by a 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



JONES HALL

650 California Street
18th Floor
San Francisco, CA 94108
t 415 391 5780
f 415 391 5784

July 7, 2011

California Qualified School Bond
Joint Powers Authority
601 Elm Avenue
Imperial Beach, California 91932

Board of Education
John Swett Unified School District
400 Parker Avenue
Rodeo, California 94572

OPINION: \$11,963,754 69 John Swett Unified School District
General Obligation Bonds, 2008 Election, Series B

Ladies and Gentlemen

We have acted as bond counsel to the John Swett Unified School District (the "District") in connection with the issuance by the District of its John Swett Unified School District General Obligation Bonds, 2008 Election, Series B in the aggregate principal amount of \$11,963,754 69 (the "Bonds"). The Bonds have been authorized to be issued under the provisions of Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code (the "Bond Law"), under Resolution No. 10-30 of the Board of Education of the District (the "Board") adopted on April 13, 2011 (the "Bond Resolution"), and under a Paying Agent Agreement dated as of July 1, 2011 (the "Paying Agent Agreement"), between the District and U S Bank National Association, as paying agent. We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion under existing law, as follows:

1. The District is duly established and validly existing as a school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution, the Paying Agent Agreement and the Bonds.



California Qualified School Bond
Joint Powers Authority
John Swett Unified School District
July 7, 2011
Page 2

2 The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms

3 The Paying Agent Agreement has been duly approved by the District and constitutes the valid and binding obligation of the District enforceable against the District in accordance with its terms

4 The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the County of Contra Costa is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. Hall', written in a cursive style.

A Professional Law Corporation