
LUCERNE ELEMENTARY SCHOOL DISTRICT

RESOLUTION NO. __

**RESOLUTION OF THE GOVERNING BOARD OF THE LUCERNE ELEMENTARY
SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF THE
DISTRICT'S GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES B
(2024), IN AN AMOUNT NOT TO EXCEED \$1,080,000**

Adopted March 13, 2024

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LUCERNE ELEMENTARY SCHOOL DISTRICT

RESOLUTION NO. __

RESOLUTION OF THE GOVERNING BOARD OF THE LUCERNE ELEMENTARY SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF THE DISTRICT'S GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES B (2024), IN AN AMOUNT NOT TO EXCEED \$1,080,000

RESOLVED, by the Governing Board (the "Board") of the Lucerne Elementary School District (the "District"), as follows:

WHEREAS, a duly called special municipal election was held in the District on November 8, 2016, and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite two-thirds (2/3) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District to construct permanent classrooms and provide for the modernization of critical infrastructure (the "Project"), in the maximum aggregate principal amount of \$4,000,000 (the "Bonds") payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization");

WHEREAS, pursuant to Title 1, Division 1, Part 10, Chapter 2 (commencing with section 15100) of the California Education Code and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53506) of the California Government Code, the District is empowered to issue general obligation bonds;

WHEREAS, on December 18, 2019, the District issued its \$2,920,000 Lucerne Elementary School District (Lake County, California) General Obligation Bonds, Election of 2016, Series A, for the purpose of raising moneys for the Project and other authorized costs; and

WHEREAS, the District wishes at this time to authorize the issuance and sale of the second series of general obligation bonds under the Authorization in the aggregate principal amount of not to exceed \$1,080,000, its Lucerne Elementary School District (Lake County, California) General Obligation Bonds, Election of 2016, Series B (2024) (the "Series B Bonds"), for the purpose of raising moneys for the Project and other authorized costs;

NOW, THEREFORE, it is hereby RESOLVED, by the Governing Board of the Lucerne Elementary School District, as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

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

“Accreted Interest” means, with respect to the Series B Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

“Accreted Value” means with respect to the Series B Bonds, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1 (commencing on August 1, 2024 (unless otherwise provided in the Bond Purchase Agreement)), assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

“Act” means Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53506) of the California Government Code, as is in effect on the date of adoption hereof and as amended hereafter.

“Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

“Authorized Investments” means any investments permitted by law to be made with moneys belonging to, or in the custody of, the District, but only to the extent that the same are acquired at Fair Market Value.

“Board” means the Governing Board of the District.

“Bond Counsel” means any attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

“Bond Purchase Agreement” means that certain Bond Purchase Agreement by and between the District and the Underwriter, for the purchase and sale of the Series B Bonds.

“Bond Register” means the registration books for the Series B Bonds maintained by the Paying Agent.

“Closing Date” means the date upon which there is an exchange of the Series B Bonds for the proceeds representing the purchase of the Series B Bonds by the Underwriter.

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

“Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Series B Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense directly or indirectly reimbursable to the District relating to the issuance, execution and delivery of the Series B Bonds including, but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, legal fees and charges, fees and expenses of the Paying Agent, financial and other professional consultant fees, costs of obtaining credit ratings, the premium for municipal bond insurance for the Series B Bonds, if any, fees for execution, transportation and safekeeping of the Series B Bonds and charges and fees in connection with the foregoing.

“County” means Lake County, California.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Series B Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Denominational Amount” means, with respect to the Series B Bonds, the initial principal amount thereof.

“District Representative” means the President of the Board, the Superintendent, the Business Manager, or any other person authorized by resolution of the Board to act on behalf of the District with respect to this Resolution and the Series B Bonds.

“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 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 Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Federal Securities” means United States Treasury Bonds, bills or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information with respect to called bonds as the District may designate to the Paying Agent.

“Interest Payment Date” means the maturity date of each Series B Bonds as shall be set forth in the Bond Purchase Agreement.

“Maturity Value” means the Accreted Value of any Series B Bond on its maturity date.

“Municipal Advisor” means CFW Advisory Services LLC, as municipal advisor to the District in connection with the issuance of the Series B Bonds.

“Outstanding” means, when used as of any particular time with reference to Series B Bonds, all Series B Bonds except:

(a) Series B Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation;

(b) Series B Bonds paid or deemed to have been paid within the meaning of Section 9.02 hereof; and

(c) Series B Bonds in lieu of or in substitution for which other Series B Bonds shall have been authorized, executed, issued and delivered by the District pursuant to this Resolution.

“Owner” or *“Bondowner”* mean any person who shall be the registered owner of any Outstanding Series B Bond.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Paying Agent” means U.S. Bank Trust Company, National Association, the paying agent appointed by the District and acting as paying agent, registrar, authenticating agent and costs of issuance custodian for the Series B Bonds, or such other paying agent as shall be appointed by the District prior to the delivery of the Series B Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01 hereof.

“Paying Agent Agreement” means that certain Paying Agent/Bond Registrar/Costs of Issuance Agreement, dated the Closing Date, by and between the District and the Paying Agent.

“Principal” or *“Principal Amount”* means, with respect to any Series B Bond, the Denominational Amount.

“Principal Office” means the principal corporate trust office of the Paying Agent in San Francisco, California.

“Record Date” means the 15th day of the month preceding each Interest Payment Date.

“Regulations” means temporary and permanent regulations promulgated under the Code.

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

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041-0099, Attention: Call Notification Department, Fax (212) 855-7232;

and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate to the Paying Agent.

“Supplemental Resolution” means any resolution supplemental to or amendatory of this Resolution, adopted by the Board in accordance with Article VIII hereof.

“Term Bonds” means those Series B Bonds for which mandatory redemption dates have been established pursuant to the Bond Purchase Agreement.

“Treasurer” means the Lake County Treasurer-Tax Collector.

“Series B Bonds” means the Lucerne Elementary School District (Lake County, California) General Obligation Bonds, Election of 2016, Series B (2024), issued and at any time Outstanding pursuant to this Resolution. The Series B Bonds are capital appreciation bonds the interest component of which is compounded semiannually on each Interest Payment Date to maturity as shown in the table of Accreted Value for such Series B Bonds in the Bond Purchase Agreement.

“Underwriter” means Raymond James & Associates, Inc.

“Written Request of the District” means an instrument in writing signed by the District Representative or by any other officer of the District duly authorized by the District and listed on a Written Request of the District for that purpose.

Section 1.02. Authority for this Resolution. This Resolution is entered into pursuant to the provisions of the Act.

ARTICLE II

THE SERIES B BONDS

Section 2.01. Authorization. The Series B Bonds are hereby authorized to be issued by the District under and subject to the terms of the Act and this Resolution. The amount of Series B Bonds shall be determined on the date of sale thereof pursuant to the provisions of the Bond Purchase Agreement so long as the aggregate principal amount of the Series B Bonds does not exceed \$1,080,000_. This Resolution constitutes a continuing agreement with the Owners of all of the Series B Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of the Accreted Value of all Series B Bonds which may from time to time be issued and delivered hereunder, subject to the covenants, agreements, provisions and conditions contained herein. The Series B Bonds shall be designated the "Lucerne Elementary School District (Lake County, California) General Obligation Bonds, Election of 2016, Series B (2024)." The Series B Bonds are capital appreciation bonds.

Section 2.02. Terms of Series B Bonds.

(a) *Denomination; Interest; Dated Dates; Maturity Dates*. The Series B Bonds shall be issued as bonds registered as to both principal and interest, in the denominations of \$5,000 Maturity Value, or any integral multiple thereof (except that the first numbered Series B Bond may be issued in a denomination such that the Maturity Value of such Series B Bond shall not be in an integral multiple of \$5,000).

The Series B Bonds shall accrete interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2024

Each Series B Bond shall be dated, and shall accrete Accreted Interest from, its date of initial issuance. Series B Bonds will not bear interest on a current basis.

The Series B Bonds shall mature in the years and shall be issued in the aggregate Denominational Amount set forth in the Bond Purchase Agreement and shall have an accretion rate and shall have the Maturity Values shown in the Accreted Value Table attached to the Bond Purchase Agreement; *provided, however*, that in the event that the amount shown in such Accreted Value Table and the Accreted Value calculated by the District differ, the latter amount shall be the Accreted Value of such Series B Bond.

(b) *Numbering*. The Series B Bonds shall be lettered and numbered as the Paying Agent shall prescribe.

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

(d) *Payment*. The Owner in an Maturity Value of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The Accreted Value on the Series B Bonds shall be payable upon maturity or redemption upon surrender at the principal

office of the Paying Agent. The Accreted Value on the Series B Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Series B Bonds when duly presented for payment at maturity and to cancel all Bonds upon payment thereof. The Series B Bonds are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Series B Bonds.

Section 2.03. Redemption.

(a) *Optional Redemption.* The Series B Bonds shall be subject to redemption prior to maturity on the dates and at the prices set forth in the Bond Purchase Agreement. The District shall be required to give the Paying Agent written notice of its intention to redeem Series B Bonds

(b) *Mandatory Sinking Fund Redemption.* In the event and to the extent specified in the Bond Purchase Agreement, any maturity of Series B Bonds shall be designated as "Term Bonds" and shall be subject to mandatory sinking fund redemption on February 1 or August 1 in each of the years set forth in the Bond Purchase Agreement, at a redemption price equal to one hundred percent (100%) of the Accreted Value thereof to be redeemed (without premium). If some but not all of such Term Bonds have been redeemed pursuant to the preceding subsection (a) of this Section 2.03, the aggregate Accreted Value of such Term Bonds to be redeemed in each year pursuant to this subsection (b) shall be reduced on a *pro rata* basis in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Paying Agent.

(c) *Notice of Redemption.* The Paying Agent on behalf and at the expense of the District shall mail (by first class mail) notice of any redemption to: (i) the respective Owners of any Series B Bonds designated for redemption, at least thirty (30) but not more than sixty (60) days prior to the redemption date, at their respective addresses appearing on the Bond Register, and (ii) the Securities Depositories and to one or more Information Services, at least thirty (30) but not more than sixty (60) days prior to the redemption; *provided, however,* that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Series B Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the Series B Bond numbers and the maturity or maturities (in the event of redemption of all of the Series B Bonds of such maturity or maturities in whole) of the Series B Bonds to be redeemed, and shall require that such Series B Bonds be then surrendered at the Principal Office for redemption at the redemption price, giving notice also that further interest on such Series B Bonds will not accrue or accrete from and after the redemption date.

Notwithstanding the foregoing, in the case of any optional redemption of the Series B Bonds, the notice of redemption shall state that the redemption is conditioned upon receipt by the Paying Agent of sufficient moneys to redeem the Series B Bonds on the scheduled redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Series B Bonds have not been deposited with the Paying Agent. In the event that the Paying Agent does not receive sufficient funds by the scheduled optional redemption date to so redeem the Series B Bonds to be optionally redeemed, the Paying Agent shall send written notice to the Owners, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Series B Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes.

(d) *Selection of Series B Bonds for Redemption.* Whenever provision is made for the redemption of Series B Bonds of more than one maturity, the Series B Bonds to be redeemed shall be selected by the District evidenced by a Written Request of the District filed with the Paying Agent or, absent such selection by the District, on a *pro rata* basis among the maturities subject to redemption; and in each case, the Paying Agent shall select the Series B Bonds to be redeemed within any maturity by lot in any manner which the Paying Agent in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Series B Bonds shall be deemed to be comprised of separate \$5,000 portions and such portions shall be treated as separate Series B Bonds which may be separately redeemed.

(e) *Partial Redemption of Series B Bonds.* In the event only a portion of any Series B Bond is called for redemption, then upon surrender of such Series B Bond the District shall execute and the Paying Agent shall authenticate and deliver to the Owner thereof, at the expense of the District, a new Series B Bond or Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series B Bond to be redeemed. Series B Bonds need not be presented for mandatory sinking fund redemptions.

(f) *Effect of Redemption.* From and after the date fixed for redemption, if funds available for the payment of the principal or Accreted Value of and interest (and premium, if any) on the Series B Bonds so called for redemption shall have been duly provided, such Series B Bonds so called shall cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. All Series B Bonds redeemed pursuant to this Section 2.03 shall be canceled and shall be destroyed by the Paying Agent.

Section 2.04. Forms of Series B Bonds. The Series B Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as are set forth in Exhibit B attached hereto.

Section 2.05. Execution of Series B Bonds. The Series B Bonds shall be executed on behalf of the District by the facsimile signatures of the President of the Board or the Superintendent and its Clerk who are in office on the date of adoption of this Resolution or at any time thereafter. If any officer whose signature appears on any Series B Bond ceases to be such officer before delivery of the Series B Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Series B Bonds to the purchaser. Any Series B Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Series B Bond shall be the proper officers of the District although at the nominal date of such Series B Bond any such person shall not have been such officer of the District.

Only such Series B Bonds as shall bear thereon a certificate of authentication and registration in the forms set forth in Exhibits A and B attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Series B Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

Section 2.06. Transfer of Series B Bonds. Any Series B Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series B Bond for cancellation at the Principal Office,

accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Series B Bond or Bonds shall be surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Series B Bond or Bonds, for like aggregate principal amount.

No transfers of Series B Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Series B Bonds for redemption or (b) with respect to a Series B Bond after such Series B Bond has been selected for redemption.

Section 2.07. Exchange of Series B Bonds. Series B Bonds may be exchanged at the Principal Office for a like aggregate principal amount of Series B Bonds of authorized denominations and of the same maturity. The Paying Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Series B Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Series B Bonds for redemption or (b) with respect to a Series B Bond after such Series B Bond has been selected for redemption.

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

Section 2.09. Temporary Series B Bonds. The Series B Bonds may be initially issued in temporary form exchangeable for definitive Series B Bonds when ready for delivery. The temporary Series B Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the District, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Series B Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Series B Bonds. If the District issues temporary Series B Bonds it will execute and furnish definitive Series B Bonds without delay, and thereupon the temporary Series B Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office and the Paying Agent shall deliver in exchange for such temporary Series B Bonds an equal aggregate principal amount of definitive Series B Bonds of authorized denominations. Until so exchanged, the temporary Series B Bonds shall be entitled to the same benefits pursuant to this Resolution as definitive Series B Bonds executed and delivered hereunder.

Section 2.10. Series B Bonds Mutilated, Lost, Destroyed or Stolen. If any Series B Bond shall become mutilated the District, at the expense of the Owner of said Series B Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Series B Bond of like maturity and principal amount in exchange and substitution for the Series B Bond so mutilated, but only upon surrender to the Paying Agent of the Series B Bond so mutilated. Every mutilated Series B Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Series B Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to the District and indemnity satisfactory to it shall be given, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon

authenticate and deliver, a new Series B Bond of like maturity and principal amount in lieu of and in substitution for the Series B Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Series B Bond issued under this Section and of the expenses which may be incurred by the District and the Paying Agent in the premises. Any Series B Bond issued under the provisions of this Section 2.10 in lieu of any Series B Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Series B Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Series B Bonds issued pursuant to this Resolution.

Section 2.11. Book Entry System. Except as provided below, the owner of all of the Series B Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Series B Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Series B Bonds shall be initially executed and delivered in the form of a single fully registered Series B Bond for each maturity date of the Series B Bonds in the full aggregate principal amount of the Series B Bonds maturing on such date. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Series B Bonds registered in its name for all purposes of this Resolution, and neither the Paying Agent nor the District shall be affected by any notice to the contrary. The Paying Agent and the District shall not have any responsibility or obligation to any participant of DTC (a "Participant"), any person claiming a beneficial ownership interest in the Series B Bonds under or through DTC or a Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Participant or the payment by DTC or any Participant by DTC or any Participant of any amount in respect of the principal or interest with respect to the Series B Bonds. The Paying Agent shall cause to be paid all principal and interest with respect to the Series B Bonds received from the District only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Series B Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Series B Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

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

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

ARTICLE III

ISSUE OF SERIES B BONDS; APPLICATION OF SERIES B BOND PROCEEDS; SECURITY FOR THE SERIES B BONDS

Section 3.01. Issuance, Award and Delivery of Series B Bonds. At any time after the execution of this Resolution the District may issue and deliver Series B Bonds in the aggregate principal amount of not to exceed one million eighty thousand dollars (\$1,080,000).

The District Representatives shall be, and are hereby, directed to cause the Series B Bonds to be printed, signed and delivered to the Underwriter on receipt of the purchase price therefor and upon performance of the conditions contained in the Bond Purchase Agreement.

The Paying Agent is hereby authorized to deliver the Series B Bonds to the Underwriter, upon receipt of a Written Request of the District.

Section 3.02. Funds and Accounts.

(a) *Building Fund.* A fund, to be known as the “Lucerne Elementary School District, General Obligation Bonds, Election of 2016, Series B (2024) Building Fund” (the “Building Fund”), is hereby established and maintained by the Treasurer for the Series B Bonds. Moneys deposited therein from the proceeds of the Series B Bonds shall be used solely for the purpose for which the Series B Bonds are being issued and shall be applied solely to authorized purposes which relate to the acquisition or improvement of real property and for the payment of Costs of Issuance of the Series B Bonds if insufficient moneys are available therefor in the Costs of Issuance Fund. The interest earned on the moneys deposited to the Building Fund shall be retained in the Building Fund and used for the purposes thereof. At the written request of the District filed with the Treasurer, any amounts remaining on deposit in the Building Fund and not needed for the purposes of the Series B Bonds shall be withdrawn from the Building Fund and transferred to the Interest and Sinking Fund, to be applied to the payment of Debt Service. By receipt of a copy of this Resolution, the Treasurer is hereby requested to establish and maintain the Building Fund. The Treasurer is not responsible for the use of funds disbursed from the Building Fund.

(b) *Interest and Sinking Fund.* The fund, known as the “Lucerne Elementary School District, General Obligation Bonds Interest and Sinking Fund” (the “Interest and Sinking Fund”), previously established and maintained by the Treasurer for the Series B Bonds is hereby continued. Moneys deposited therein shall be used only for payment of principal and interest on all general obligation bonds of the District. If, after payment in full of the Series B Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Notwithstanding the foregoing provisions of this Section 3.02(b), any excess proceeds of the Series B Bonds not needed for the authorized purposes set forth herein for which the Series B Bonds are being issued shall be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law, including but not limited to the requirements of federal tax law (if any) relating to the yield at which such proceeds are permitted to be invested. The interest earned on the moneys deposited to the Interest and Sinking Fund shall be retained in the Interest and Sinking Fund and used for the purposes thereof.

(c) *Costs of Issuance Fund.* A fund, to be known as the “Lucerne Elementary School District, General Obligation Bonds, Election of 2016, Series B (2024) Costs of Issuance Fund” (the “Costs of Issuance Fund”), is hereby created and established with the Paying Agent, acting as

costs of issuance custodian (the "Custodian") for the Series B Bonds. Moneys deposited therein shall be used solely for the payment of costs of issuance of the Series B Bonds, as provided in the Paying Agent Agreement. Moneys deposited in the Costs of Issuance Fund shall be held by the Custodian in cash, uninvested.

(d) *Investment of Moneys in the Building Fund and the Interest and Sinking Fund.* Moneys held in the Building Fund and the Interest and Sinking Fund shall be invested at the Treasurer's discretion, unless otherwise directed in writing by the District, pursuant to law and the investment policy of the Treasurer. In addition, at the written direction of the District, all or any portion of the moneys in the Building Fund may be invested (i) in the Local Agency Investment Fund in the treasury of the State of California, or (ii) in investment agreements which comply with the requirements of each rating agency then rating the Series B Bonds necessary in order to maintain the current rating on the Series B Bonds, provided that the Treasurer shall be a signatory to any such investment agreement. Consent by the Treasurer to a request by the District to use any investments requested by the District specified in clause (d)(ii) shall in no way imply any endorsement by the Treasurer of such investment and the Treasurer assumes no liability for the results of such investment or of the provider thereof.

Section 3.03. Application of Proceeds of Sale of Series B Bonds. On the Closing Date, the proceeds of sale of the Series B Bonds shall be paid by the Underwriter as follows:

(a) to the Treasurer, an amount equal to the premium received by the District, if any, on the Series B Bonds, for deposit in the Interest and Sinking Fund;

(b) to the Custodian, an amount equal to the amounts required for the payment of Costs of Issuance, for deposit in the Costs of Issuance Fund; and

(c) the remaining proceeds of the Series B Bonds shall be transferred to the Treasurer for deposit in the Building Fund.

Section 3.04. Security for the Series B Bonds. There shall be levied by the County on all the taxable property in the District, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the Series B Bonds are outstanding in an amount sufficient to pay the principal or Accreted Value of and interest on the Series B Bonds when due, which moneys when collected will be placed in the Interest and Sinking Fund of the District, which fund is irrevocably pledged for the payment of the principal or Accreted Value of and interest on the Series B Bonds when and as the same fall due. The moneys in the Interest and Sinking Fund, to the extent necessary to pay the principal or Accreted Value of and interest on the Series B Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent as necessary to pay the principal or Accreted Value of and interest on the Series B Bonds. The property taxes and amounts held in the Interest and Sinking Fund of the District shall immediately be subject to this pledge and the pledge shall constitute a lien and security interest which shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing or further act. The pledge is an agreement between the District and the Owners in addition to the statutory lien that exists (as described below), and the Series B Bonds are being issued to finance one or more capital project authorized by the voters of the District and not to finance the general purposes of the District.

Additionally, in accordance with section 53515(a) of the California Government Code, the Series B Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the payment of bonds authorized by the voters of the District.

The lien shall automatically attach without further action or authorization by the District or the County. The lien shall be valid and binding from the time the Series B Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the tax shall be immediately subject to the lien, and the lien shall automatically attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

ARTICLE IV

SALE OF BONDS; APPROVAL OF PAYING AGENT AGREEMENT; APPROVAL OF OFFICIAL STATEMENT

Section 4.01. Sale of the Series B Bonds. The Board hereby authorizes the negotiated sale of the Series B Bonds to the Underwriter. A Bond Purchase Agreement, in the form attached hereto as Exhibit C, together with any additions thereto or changes therein deemed necessary or advisable by a District Representative is hereby approved by the Board. Any District Representative is hereby authorized and directed to execute the Bond Purchase Agreement for and in the name and on behalf of the District; *provided, however*, that the principal amount of the Series B Bonds does not exceed \$3,000,000, the final maturity date of the Series B Bonds is not later than August 1, 2054, and the Underwriter's discount, excluding reimbursable expenses of the Underwriter, shall not exceed 1% of the aggregate principal amount of Series B Bonds issued. The Board hereby authorizes the delivery and performance of the Bond Purchase Agreement.

Section 4.02. Approval of Paying Agent Agreement. The Paying Agent Agreement, in the form attached hereto as Exhibit D, together with any additions thereto or changes therein deemed necessary or advisable by a District Representative, is hereby approved by the Board. Any District Representative is hereby authorized and directed to execute the Paying Agent Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the Paying Agent Agreement.

Section 4.03. Official Statement. The Board hereby approves a preliminary official statement describing the financing (the "Preliminary Official Statement") in the form on file with the Clerk of the Board, together with any changes therein or additions thereto deemed advisable by a District Representative. The Board authorizes and directs the District Representatives, on behalf of the District, to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Preliminary Official Statement prior to its distribution to prospective purchasers of the Series B Bonds.

The Underwriter, on behalf of the District, is authorized and directed to cause the Preliminary Official Statement to be distributed to such persons as may be interested in purchasing the Series B Bonds therein offered for sale.

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

thereto deemed advisable by the District Representatives, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Final Official Statement by the District.

The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Series B Bonds.

Section 4.04. 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, substantially in the form attached hereto as Exhibit E. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Owner or beneficial owner of the Series B Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate of specific performance by court order.

Section 4.05. Official Action. All actions heretofore taken by the officers and agents of the District with respect to the sale and issuance of the Series B Bonds are hereby approved, and the District Representatives, and any and all other officers of the District are hereby authorized and directed for and in the name and on behalf of the District, to do any and all things and take any and all actions relating to the execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Series B Bonds in accordance with this Resolution. The District Representatives are authorized, in consultation with the Municipal Advisor, to purchase municipal bond insurance for the Series B Bonds if doing so would be financially beneficial to the District.

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

Section 5.01. Punctual Payment. The District will punctually pay, or cause to be paid, the principal or Accreted Value of and interest on the Series B Bonds, in strict conformity with the terms of the Series B Bonds and of this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and of the Series B Bonds. Nothing herein contained shall prevent the District from making advances of its own moneys, howsoever derived, to any of the uses or purposes permitted by law.

Section 5.02. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the District will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Series B Bonds and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Resolution, except subject to the prior payment in full of the principal or Accreted Value of all of the Series B Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.03. Protection of Security and Rights of Owners. The District will preserve and protect the security of the Series B Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Series B Bonds by the District, the Series B Bonds shall be incontestable by the District.

Section 5.04. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Resolution.

Section 5.05. Tax Covenants.

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

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

(c) *Rebate Requirement*. The District shall take any and all actions necessary to assure compliance with section 148(f) of the 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 Series B Bonds.

(d) *No Arbitrage*. The District shall not take, or permit or suffer to be taken, any action with respect to the proceeds of the Series B 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 Series B Bonds would have caused the Series B Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

(e) *Maintenance of Tax-Exemption.* The District shall take all actions necessary to assure the exclusion of interest on the Series B Bonds from the gross income of the Owners to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series B Bonds.

(f) *Bank Qualification.* The District hereby designates the Series B Bonds for purposes of paragraph (3) of section 265(b) of the Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Code, except qualified 501(c)(3) bonds as defined in section 145 of the Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2024.

Section 5.06. Acquisition, Disposition and Valuation of Investments.

(a) Except as otherwise provided in subsection (b) of this Section 5.06, the District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Resolution, or otherwise containing gross proceeds of the Series B Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Resolution or the Code) at Fair Market Value.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code).

Section 5.07. Requirements of Section 15146(b) of the California Education Code. As required by section 15146(b) of the California Education Code, the District hereby states and certifies the following information:

(a) *Express Approval of Sale.* The Board hereby approves the negotiated sale of the Series B Bonds.

(b) *Statement of Reason for Method of Sale Selected.* Negotiated sales provide the greatest flexibility in the structuring and sale of bond issuance of this size..

(c) *Disclosure of Consultants.* The bond counsel to the District in connection with the issuance of the Series B Bonds will be Quint & Thimmig LLP, Larkspur, California, or any successor. The disclosure counsel to the District in connection with the issuance of the Series B Bonds will be Quint & Thimmig LLP, or its successor. The Municipal Advisor to the District in connection with the issuance of the Series B Bonds will be CFW Advisory Services LLC. The Underwriter of the Series B Bonds will be Raymond James & Associates, Inc.

(d) *Estimate of Costs Associated with the Sale of the Series B Bonds.* Estimates of the costs associated with the issuance of the Series B Bonds are as follows:

Municipal Advisor	
Bond/Disclosure Counsel	
Paying Agent	
Rating Agency	
Printing	
Miscellaneous	_____
Total	=====

(e) *Series B Bonds.* Since the Series B Bonds allow for the compounding of interest, including, but not limited to, Series B Bonds, disclosure of the financing term and time of maturity, repayment ratio, and the estimated change in the assessed value of taxable property within the District, as required by section 15146(b)(1)(E) of the California Education Code, is shown in Exhibit F attached hereto.

Section 5.08. Requirements of Section 5852.1 of the California Government Code. As required by section 5852.1 of the California Government Code, the District hereby provides the following good faith estimates regarding the Series B Bonds:

(a) The true interest cost of the Series B Bonds: ____%

(b) The finance charge of the Series B Bonds (the sum of all fees and charges paid to third parties): \$___ (includes Costs of Issuance, Underwriter's discount and the premium for municipal bond insurance).

(c) The amount of proceeds to be received less the sum of all fees and charges paid to third parties, any reserves or capitalized interest: \$_____.

(d) The sum total of all payments the District will make to pay debt service on the Series B Bonds, calculated to the final maturity of the Series B Bonds: \$_____.

The foregoing constitute good faith estimates only.

The principal amount of the Series B Bonds, the true interest cost of the Series B Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Series B Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Series B Bonds sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Series B Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Series B Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the Series B Bonds and the actual principal amount of Series B Bonds sold will be determined based on the timing of the need for proceeds of the Series B Bonds and other factors. The actual interest rates with respect to the Series B Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Series B Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.

ARTICLE VI

THE PAYING AGENT

Section 6.01. Appointment of Paying Agent. U.S. Bank Trust Company, National Association is hereby appointed Paying Agent for the Series B Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and, even during the continuance of an Event of Default, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the District a certificate to that effect.

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

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

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

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

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Paying Agent, the Paying Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Resolution.

The Paying Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Paying Agent was negligent in ascertaining the pertinent facts.

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

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

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

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

Section 6.05. Compensation, Indemnification.

(a) The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. Any District Representative is hereby authorized to execute an agreement or agreements with the Paying Agent in connection with such fees and expenses. The District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

(b) The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject related to the proceedings for sale, award, issuance and delivery of the Series B Bonds in accordance therewith and herewith. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

Section 7.01. Events of Default. The following events (“Events of Default”) shall be events of default hereunder:

(a) if default shall be made in the due and punctual payment of the principal or Accreted Value of any Series B Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on any Series B Bond when and as such interest installment shall become due and payable;

(c) if default shall be made by the District in the observance of any of the covenants, agreements or conditions on its part in this Resolution or in the Series B Bonds contained, and such default shall have continued for a period of thirty (30) days after written notice thereof to the District; or

(d) if the District shall file a petition 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, seeking reorganization of the District 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 District or of the whole or any substantial part of its property.

Section 7.02. Remedies of Bondowners. Any Bondowner shall have the right, for the equal benefit and protection of all Bondowners similarly situated:

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

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

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

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

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

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

Section 7.04. Remedies Not Exclusive. No remedy herein conferred upon the Owners of Series B Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Bondowners.

ARTICLE VIII

SUPPLEMENTAL RESOLUTIONS

Section 8.01. Supplemental Resolutions Effective Without Consent of the Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms:

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

(b) to add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

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

(d) to cure any ambiguity, supply and omission, or cure or correct any defect or inconsistent provision in this Resolution; or

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

Section 8.02. Supplemental Resolutions Effective With Consent to the Owners. Any modification or amendment of this Resolution and of the rights and obligations of the District and of the Owners, in any particular, may be made by a Supplemental Resolution, with the written consent of the Owners of at least two-thirds in aggregate principal amount of the Series B Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal or Accreted Value of any Outstanding Series B Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Series B Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 hereof relating to Events of Default, or shall reduce the amount of moneys pledged for the repayment of the Series B Bonds without the consent of all the Owners of such Series B Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Resolution Limited to Parties. Nothing in this Resolution, expressed or implied, is intended to give to any person other than the District, the Paying Agent and the Owners, any right, remedy, claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners.

Section 9.02. Defeasance.

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

(i) by paying or causing to be paid the principal or redemption price of and interest on Series B Bonds Outstanding, as and when the same become due and payable;

(ii) by depositing, in trust with an escrow holder, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) to pay or redeem Series B Bonds Outstanding; or

(iii) by delivering to the Paying Agent, for cancellation by it, Series B Bonds Outstanding.

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

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

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

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

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

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

provided, in each case, that the Paying Agent shall have been irrevocably instructed (by the terms of this Resolution or by request of the District) to apply such money to the payment of such principal or redemption price and interest with respect to such Series B Bonds.

(d) *Payment of Series B Bonds After Discharge of Resolution.* Notwithstanding any provisions of this Resolution, any moneys held in trust with an escrow holder for the payment of the principal or redemption price of, or interest on, any Series B Bonds and remaining unclaimed for one year after the principal or Accreted Value of all of the Series B Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or one year after the date of deposit of such moneys if deposited after said date when all of the Series B Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the escrow holder with respect to such moneys shall thereupon cease; *provided, however,* that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Series B Bonds which have not been paid at the addresses shown on the registration books maintained by the Paying Agent a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Series B Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

Section 9.03. Execution of Documents and Proof of Ownership by Bondowners. Any request, declaration or other instrument which this Resolution may require or permit to be executed by Bondowners may be in one or more instruments of similar tenor, and shall be executed by Bondowners in person or by their attorneys appointed in writing.

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

Except as otherwise herein expressly provided, the ownership of registered Series B Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

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

Section 9.04. Waiver of Personal Liability. No boardmember, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal or Accreted Value of or interest on the Series B Bonds; but nothing herein contained shall relieve any such boardmember, officer, agent or employee from the performance of any official duty provided by law.

Section 9.05. Destruction of Canceled Series B Bonds. Whenever in this Resolution provision is made for the surrender to the District of any Series B Bonds which have been paid or canceled pursuant to the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Series B Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Series B Bonds therein referred to.

Section 9.06. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Series B Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the District in trust for the benefit of the Bondowners.

Section 9.07. Effective Date of Resolution. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

THE FOREGOING RESOLUTION is approved and adopted by the Governing Board of the Lucerne Elementary School District this 13th day of March, 2024.

President of the Governing Board

ATTEST:

Clerk of the Governing Board

EXHIBIT A

FORM OF SERIES B BOND

United States of America
State of California
Lake County

**LUCERNE ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES B (2024)
(CAPITAL APPRECIATION BOND)**

ACCRETION RATE:	MATURITY DATE:	ISSUE DATE:	CUSIP:
_____ %	August 1, _____	_____, 2024	_____

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT: \$

MATURITY VALUE: \$

The LUCERNE ELEMENTARY SCHOOL DISTRICT, a school district, duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "District"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value being comprised of the Denominational Amount and interest accreted thereon. This Bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2024, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denomination Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value is payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this Bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank Trust Company, National Association, Los Angeles, California (the "Paying Agent"). Accreted Value is payable upon presentation and surrender of this Bond at the principal office of the Paying Agent.

This Bond is one of a duly authorized issue of Bonds of the District designated as "Lucerne Elementary School District (Lake County, California) General Obligation Bonds, Election of 2016, Series B (2024)" (the "Bonds"), in an aggregate principal amount of _____ dollars (\$_____), all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions) and all issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53506) of the California Government Code (the "Act"), and pursuant to Resolution No. __ of the District adopted March 13, 2024 (the "Resolution"), authorizing the issuance of the Bonds. Reference is hereby made to the Resolution (copies of which are on file at the office of the Clerk of the Governing Board of the District) and the Act for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

A duly called election was held in the District on November 8, 2016, and thereafter canvassed pursuant to law. At such election there was submitted to and approved by the requisite two-thirds (2/3)

vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District to construct permanent classrooms and provide for the modernization of critical infrastructure (the "Project"), in the maximum aggregate principal amount of \$4,000,000 (the "Authorization") payable from the levy of an *ad valorem* tax against the taxable property in the District. The Series B Bonds represent the second issue under the Authorization.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Resolution) are general obligations of the District and do not constitute an obligation of Lake County. The District has the power and is obligated to cause the Lake County Treasurer-Tax Collectors 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. No part of any fund of the Lake County is pledged or obligated to the payment of the Bonds.

The Bonds maturing on or before August 1, ____, are non-callable. The Bonds maturing on August 1, ____, or any time thereafter, are callable for redemption prior to their stated maturity date at the option of the District, as a whole, or in part on any date on or after August 1, ____ (in such maturities as are designated by the District, or, if the District fails to designate such maturities, on a proportional basis), and may be redeemed prior to the maturity thereof by payment of the Accreted Value thereof, without premium.

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

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
---	---------------------------------------

†Maturity

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

The Bonds are issuable as fully registered Bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Paying Agent in San Francisco, California, but only in the manner and subject to the limitations provided in the Resolution, 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 District and the Paying Agent may treat the Owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The Resolution may be amended without the consent of the Owners of the Bonds to the extent set forth in the Resolution.

THE BONDS HAVE BEEN DESIGNATED BY THE DISTRICT AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" WITHIN THE MEANING OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986.

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 do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the District, 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 Resolution.

This Bond shall not be entitled to any benefit under the Resolution or become valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed manually by the Paying Agent.

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

IN WITNESS WHEREOF, the Lucerne Elementary School District has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of the President of its Governing Board and the Clerk of the Governing Board, all as of the Issue Date stated above.

LUCERNE ELEMENTARY SCHOOL DISTRICT

By _____
President of the Governing Board

ATTEST:

Clerk of the Governing Board

CERTIFICATE OF AUTHENTICATION

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

Authentication Date:

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Paying Agent

By _____
Authorized Signatory

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 Series B Bond and do(es) hereby irrevocably constitute(s) and appoint(s)

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

Dated: _____

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a qualified guarantor institution.

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

EXHIBIT B
FORM OF BOND PURCHASE AGREEMENT

[TO BE ATTACHED PRIOR TO ADOPTION]

EXHIBIT C
FORM OF PAYING AGENT AGREEMENT
[TO BE ATTACHED PRIOR TO ADOPTION]

EXHIBIT D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[TO BE ATTACHED PRIOR TO ADOPTION]

EXHIBIT E

**PROVISIONS REQUIRED BY SECTION 15146(b)(1)E OF
THE CALIFORNIA EDUCATION CODE**

1. Financing Term and time of maturity of the Series B Bonds (the entire series of Series B Bonds).

Illustrative Option 1 includes only current interest bonds ("CIBS"), while Illustrative Option 2 includes both CIBS and Series B Bonds ("CABs")

Date	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
------	------------------	-----------------	-------------------------

Total	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>

2. Repayment ratio for the Series B Bonds (the entire series of Series B Bonds): _____
3. Estimated change in assessed value ("AV") of taxable property in the District over the term of the Series B Bonds: _____% annual growth
4. Total overall cost of the CABs.

The estimated principal amount of the CABs is \$____ with an estimated debt service cost of \$____. This is a repayment ratio for the CABs of ____ to 1.

5. Comparison of #4 to overall cost if instead of CABs, the District issued CIBs.

If the District did not utilize CABs, then the difference in overall debt service cost is estimated at \$_____.

6. Reason for recommending CABs.

CABs are being recommended in order to access the desired project fund amount while maintaining the District's tax rate of \$30.00 per \$100,000 of AV. Current Interest Bonds would result in tax rates in excess of \$30.00 per \$100,000 of AV in fiscal years ____ through ____.

7. Copy of G-17 Letter from _____

See the attached.