SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 10.1

Meeting Date: May 3, 2012

Subject: **Approve Resolution No. 2701: Authorizing the Issuance and Sale of Not to Exceed $130,000,000 Refunding General Obligation Bonds and Approving Forms of Documents and Actions of Officers of the District Necessary in Connection Therewith**

- ☐ Information Item Only
- ☐ Approval on Consent Agenda
- ☐ Conference (for discussion only)
- ☐ Conference/First Reading (Action Anticipated: _____)
- ☒ Conference/Action
- ☐ Action
- ☐ Public Hearing

Division: Administrative Services

Recommendation:

- California Government Code sections 53550 and 53552 state that General Obligation bonds may be refunded without a vote of the voters provided that the term is not extended and the debt service costs are not increased
- California Government Code section 53559 states that the county director of finance will continue to administer the tax levy for debt service for the bonds

General Obligation bonds are voter-approved debt, which are secured by the legal obligation to levy ad valorem property taxes sufficient to pay annual debt services. General Obligation bonds are [illegible] As authorized by the taxpayers, the county director of finance is obligated to levy ad valorem taxes on a property subject to taxation in the district.

Economic savings generated by a bond issuance refunding would benefit taxpayers. Refunding of bonds produce a present value basis ranging from six to eleven percent of the par amount of the bonds to be refunded. Each maturity of each series of bond must meet the three percent savings requirement to be refunded.

As part of the d[illegible] bility to taxpayers, staff and the d[illegible] from KNN will present the refunding opportunity.

- Debt service savings for the taxpayers
- No financial impact to the general fund

Recognizing its responsibility to taxpayers, the district is developing an overall financial long-term plan for the district that includes regular review of opportunities to reduce General Obligation bond debt service. Additionally, as part of the plan, the district will continue to return to the Board to discuss other aspects of the plan such as the refinancing of Certificates of Participation.

BOARD OF EDUCATION
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

RESOLUTION NO. 2701

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED $130,000,000 REFUNDING BONDS AND APPROVING FORMS OF DOCUMENTS AND ACTIONS OF OFFICERS OF THE DISTRICT NECESSARY IN CONNECTION THEREWITH.

WHEREAS, this Board of Education (the "Board") of the Sacramento City Unified School District (herein called the "District"), of the County of Sacramento, California (the "County"), has heretofore issued or caused to be issued "Sacramento City Unified School District General Obligation Bonds, Election of 1999, Series B" (the "1999 Series B Bonds"), its "Sacramento City Unified School District General Obligation Bonds, Election of 1999, Series C"

terms as shall be agreed to by the Authorized District Representative in accordance with this Resolution, and with such other changes therein as the Authorized District Representative may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Official Statement. The Official Statement relating to the Refunding Bonds, in substantially the form on file with the Secretary of the Board (the "Official Statement"), is hereby approved as the Official Statement of the District with respect to the Refunding Bonds, with such changes, additions and corrections as the Authorized District Representative may hereafter approve, and the Underwriter is hereby authorized to prepare and distribute copies of such Official Statement in preliminary form to persons who may be i

the Refunding Bonds, and to enter into such agreements or contracts, including as may be necessary to obtain bond insurance with respect to the Refunding Bonds, paying agent services or verification agent services with respect to the Refunding Bonds, or escrow agent services with respect to the Prior Bonds, as such officers deem necessary and desirable to accomplish the purposes of this Resolution.

Section 14. Ratification of Actions. All actions heretofore taken by the officers and agents of the District with respect to the sale, execution and delivery of the Refunding Bonds, the acquisition of escrow securities, and the other transactions authorized and contemplated herein, are hereby approved, confirmed and ratified.

Section 15. Indemnification. 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 because of action or inaction related to the Refunding Bonds, except with respect to such actions which said Indemnified Parties are exclusively authorized and required to perform on behalf of the District pursuant to law. 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.

Section 16. Effective Date. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this day, May 3, 2012, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

_____

President of the Board of Education
of the Sacramento City Unified School District

ATTEST:

_____

Secretary of the Board of Education
of the Sacramento City Unified School District

CLERK'S CERTIFICATE

I, Jonathan Raymond, Secretary of the Board of Education of the Sacramento City Unified School District, County of Sacramento, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on May 3, 2012, and entered in the minutes thereof, of which meeting all of the members of said Board of Education had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at Serna Center 5735 47th Avenue, Sacramento, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this _____ day of May, 2012.

_____

Secretary of the Board of Education
of the Sacramento City Unified School District

MATURITY SCHEDULE

$[PAR AMOUNT] *

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption under Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering price stated on the inside cover page hereof and said public offering price may be changed from time to time by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
COUNTY OF SACRAMENTO, CALIFORNIA

BOARD OF EDUCATION

Diana Rodriguez
President (Area 5)

Darrel Woo
Vice President (Area 6)

Jeff Cuneo
Second Vice President (Area 2)

Gustavo Arroyo
Member (Area 4)

Ellyne Bell
Member (Area 1)

Patrick Kennedy
Member (Area 7)

Donald Terry
Member (Area 3)

Isaac Gardon

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$[PAR AMOUNT] *
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
(County of Sacramento, State of California)
2012 GENERAL OBLIGATION REFUNDING BONDS

INTRODUCTION

This Official Statement, which includes the cover page, the inside cover and appendices hereto (the "Official Statement") is provided in connection with the issuance by the Sacramento City Unified School District 2011 General Obligation Refunding Bonds (the "Bonds") described on the cover page hereof. The Bonds are described more fully herein.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Except as required by the Continuing Disclosure Certificate to be executed by the Sacramento City Unified School District (the "District") at the time of delivery of the Bonds, the District has no obligation to update or revise the information contained herein regardless of whether any events occur or become known to the District after the date hereof. See "CONTINUING DISCLOSURE" herein.

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

Quotations from and summaries and explanations of the Bonds, the Paying Agent Agreement providing for the issuance of the Bonds, and the Constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, Constitutional provisions and statutes for the complete provisions thereof.

The District

The District, located in Sacramento County, California (the

Schools in North Carolina. Patricia A. Hagemeyer is currently employed by the District as the Chief Business Officer. She has worked for the District for 31 years in a variety of business positions

)RU DGGLWLRQDO LQIRUPDWLRQ FRQFHUQLQJ WKH 'LVWULFW RU WKH %RQGV VHH WKH),1$1&,$/ $1' 23(5$7,1* ,1)250$7,21 herein.

THE BONDS

Authority for Issuance; Purpose

The Bonds are issued pursuant to the Constitution and laws of the State, including the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the ³*RYHUQPHQW &RGH´ DQG DSSOLFDEOH SURYLVLRQV RI WKH (GXFDWLRQ Bonds are authorized by a resolution adopted by the Board on _____ __, 2012, and issued pursuant to a Paying $JHQW $JUHHPHQW GDWHG DV RI BBBBBB BB WKH ³3D\LQJ $JHQW &RXQW\ DV SD\LQJ DJHQW WKH ³3D\LQJ $JHQW´ The proceeds of the Bonds will be used to refund certain outstanding general obligation bonds of the District payable from ad valorem property taxes without a vote of the electors solely in order to refund other outstanding bonds, provided that the total debt service to maturity on the refunding bonds not exceed the total debt service to maturity on the bonds being refunded.

The bonds to be refunded constitute a portion of the remaining Sacramento City Unified School District General Obligation Bonds, Election of 1999, Series % WKH ³6HULHV %´ %RQGV´ 6DFUDPHQWR City Unified School District General Obligation %RQGV (OHFWLRQ RI 6HULHV & WKH ³6HULHV &´ 6FKRRO 'LVWULFW *HQHUDO 2EOLJDWLRQ %RQGV (OHFWLRQ RI 6HULHV & Unified School District General Obligation Refunding Bonds

Combined Debt Service

The District has previously issued its General Obligation Bonds, Election of 1999, Series B, Series C, and Series D and its General Obligation Bonds, Election of 2002, Series A, Series 2005 and Series 2007. In addition, refunding bonds were issued in 2001 and 2011, which were used to pay prior outstanding bonds. See "APPENDIX A – DISTRICT FINANCIAL AND OPERATING INFORMATION – FINANCIAL AND DEMOGRAPHIC INFORMATION – District Debt Structure – Overlapping Debt" for a description of the overlapping obligations for all outstanding bonds of the District (without regard to redemption prior to maturity) will be as follows:

The scheduled debt service for the Bonds is as follows, assuming no optional redemptions prior to maturity:

Total Annual Debt Service

Year Ending July 1	The Bonds	Other Outstanding Bonds	Total Annual Debt Service
TOTAL			

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

In order to provide sufficient funds for repayment of principal and interest when due on the Bonds, the "Board of Supervisors of the County" shall annually levy ad valorem taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon

Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts levy property taxes for payment of voter-approved bonds and receive property taxes for general operating purposes as well.

Local property taxation is the responsibility of various county officers. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of taxing for all taxing jurisdictions in the county) to the applicable board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the treasurer-tax collector, as ex officio treasurer of each school district located in the county, holds and invests school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on such bonds when due. Taxes on property in a school district whose boundaries extend into more than one county are administered separately by each county in which the property is located. The State Board of Equalization also assesses certain special classes of property, as described later in this section.

Assessed Valuation of Property Within the District

ownership of utility assets. The State Board of Equalization assesses certain utility property and the value of that property is allocated to local taxing agencies, including the District.

Appeals of Assessed Value. State law affords an appeal proce

Direct and Overlapping Debt. Set forth below is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of [_____] 1, 2012, and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed valuation within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's debt to the District.

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

Direct and Overlapping Bonded Debt

[To Come]

Assessed Valuation. The following table gives a distribution of taxable property located in the District by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

Sacramento City Unified School District
2011-12 Taxable Assessed Valuation and Parcels by Land Use[(1)]

	2011-12 Assessed Valuation[(1)]	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural	$ 10,857,199	0.04%	19	0.02%
Commercial	5,516,728,772	22.65	3,562	3.50
Vacant Commercial	141,795,634	0.58	520	0.51
Industrial	1,301,090,685	5.34	1,276	1.25
Vacant Industrial	46,079,685	0.19	290	0.29
Recreational	65,926,980	0.27	75	0.07
Government/Social/Institutional	194,512,028	0.80	322	0.32
Miscellaneous	2,250,485	0.01	176	0.17
Subtotal Non-Residential	$7,279,241,468	29.88%	6,240	6.14%
Residential:				
Single Family Residence	$13,281,565,776	54.52%	82,950	81.57%
Condominium/Townhouse	241,900,606	0.99	1,790	1.76
Mobile Home	40,394,418	0.17	1,246	1.23
Mobile Home Park	40,759,447	0.17	34	0.03
2-4 Residential Units	1,190,655,995	4.89	6,392	6.29
5+ Residential Units/Apartments	1,628,781,302	6.69	1,450	1.43

Largest Taxpayers

offices. A certificate (or certificates) to that effect will be furnished to the original purchasers at the time of the original delivery of the Bonds.

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

MISCELLANEOUS

Ratings

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, has entered into a retail brokerage joint venture with Citigroup Inc. As part of the joint venture, Morgan Stanley & Co. LLC will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley & Co. LLC will compensate Morgan Stanley Smith Barney LLC for its efforts selling the Bonds.

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Additional Information

Quotations from and summaries and explanations of the Bonds, the Paying Agent Agreement, the Escrow Agreement and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

* * *

All data contained herein has been obtained from the District unless otherwise indicated. This Official Statement and its distribution have been duly authorized and approved by the District.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By: _____
Chief Business Officer

APPENDIX A

7KH EDVH UHYHQXH OLPLW LV F-DQFXODWHG DV WKH SULRU-\HDU IXQGLQJ OHYHO, DGMXVWHG WR UHIOHFW FHUWDLQ IDFWRUV, VXFK DV LQIODWLRQ, VSHFLDO RU LQFUHDVHG LQVWUXFWLRQDO QHHGV DQG FRVWV, HPSOR\HH UHWLUHPHQW FRVWV, HVSHF

purposes, but must generally be used for capital facilities improvements. Although there are redevelopment agencies Z L W K L Q W K H ' L V W U L F W ¶ V not We Ue Jy Vt Rd Ie Mv Ke Ul Vo Wp Ue Wn Ut Ds Ly Ue Wn Ut Ds Ly Ue Wn Ut Ds Ly

District Debt Structure

Tax and Revenue An t

(GXFDWLRQ WR UHIXQG XQHDUQHG ³3(56 5HGXFWLRQ´ LQFRPH UHFHLY
Administration in unpaid emp R\HU DQG HPSOR\HH FRQWULEXWLRQV /LWLJDWLRQ U
of CASA is ongoing, and the full extent of its liability is not yet known. For more information, see
³$33(1',; ² FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30,
Notes 11 and 12.

C h

Charter schools operate as autonomous public schools, under charter from a school district, county office of education, or the State Board of Education, with minimal supervision by the local district. Charter schools receive revenues from the State and from the District for each student enrolled, and thus effectively reduce revenues available for students enrolled in District schools. The District is also required to accommodate charter scho students originating in the District in facilities comparable to those provided to regular District students.

7ZHOYH FKDUWHU KLJK VFKRROV FXUUHQWO\ RSHUDWH LQ WKH 'LV
eight of which are directly funded. As to the directly funded schools, the District pays revenue in lieu of property taxes up to the revenue limit for charter students originating within the District. For fiscal year 2011-12, the District expects to make in-lieu payments in an amount equal to approximately $5.2 million.

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Cap i ***t***

of general operating funds from the State in fiscal year 2011. The District projects receipt of about $164 million in revenue limit funding from the State in fiscal year 2011. The District also projects receipt of approximately $103.8 milli

revenues forecasted in the 2011

of $5.1 billion. The carryover deficit of $4.1 billion from fiscal year 2011-12 is, according to the 2012-13 Proposed State Budget, a result

school performance under this new finance model, which includes the current quantitative, test-based accountability measures and locally developed assessments and qualitative measures.

The complete 2011-12

On February 1, 2012, and pursuant to the Matosantos decision, AB1X 26 dissolved all redevelopment agencies in existence and designated successor agencies, typically city or county officials, to wind down the affairs of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency will be transferred to the control of the successor agency and, unless otherwise required pursuant to the terms of an enforceable obligation, distributed to various taxing agencies pursuant to AB1X 26.

AB1X 26 requires each successor agency to continue to make payments on enforceable obligations of the former redevelopment agencies. However, until a Department of Finance approved "recognized enforceable obligation payment schedule" is in effect, payments to be made are payments on enforceable obligations included on an enforceable obligation payment schedule. The initial enforceable obligation payment schedule will be the enforceable obligation payment schedule adopted by the former redevelopment agency. A successor agency may amend the enforceable obligation payment schedule at any public meeting, subject to the approval of its oversight board.

Under AB1X 26, commencing February 1, 2012, property taxes that would have been allocated to redevelopment agencies if the agencies had not been dissolved are deposited in a special fund or funds held by the county auditor-controller and each successor agency is required to be administered by the related county auditor-controller as provided in AB1X 26. AB1X 26 generally requires each county auditor-controller, on May 16, 2012 and June 1, 2012 and each January 16 and June 1 thereafter, to apply amounts in a related redevelopment property tax trust fund, after deduction of the county auditor-controller's administrative costs, in the following order of priority:

- To pay pass-through payments to affected taxing entities in the amounts that would have been owed had the former redevelopment agency not been dissolved; provided, however, that if a successor agency determines that insufficient funds will be available to make payments on the recognized obligation payment schedule and the county auditor-controller and State Controller verify such determination, pass-through payments that had previously been subordinated to debt service may be reduced;

- To the former redevelopment agency's successor agency for payments listed in the former redevelopment agency's recognized obligation payment schedule for the enforceable obligations for the six-month period;

- To the former redevelopment agency's successor agency for the administrative cost allowance;

- Any remaining balance to school entities and local taxing agencies.

It is likely that there will be additional legislation proposed and/or enacted to clarify, modify and/or technical inconsistencies contained in AB1X 26 and there may be additional legislation proposed and/or enacted in the future affecting the current scheme of dissolution and winding up of redevelopment agencies currently contemplated by AB1X 26. No assurances can be given as to the effect of any such future proposed and/or enacted legislation on the Notes.

Proposed State Initiatives. Several potential State initiatives relating to increasing taxes to increase funding for public education have been submitted to the Attorney General for inclusion on the November 2012 ballot. These initiatives include, among others, a plan supported by Governor Brown to increase the sales tax and income tax to increase funding for education and local jails, a plan that extends sales tax to services, reduces income and corporate taxes and raises taxes on oil extraction in order to reduce the State's budget deficit related to public education and universities and a plan that raises income taxes on certain taxpayers in order to increase funding to public education and local governments for public safety and infrastructure. Supporters of these potential State initiatives are currently gathering signatures in order for such initiatives to qualify for the 2012 ballot. It is not known which, if any, of these initiatives or any alternatives to these initiatives will qualify for the 2012 ballot or if any will become law and thus increasing funding for public education and, in turn, the District.

Fu The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures or the impact suc

requirement. State laws that conflict with Proposition 26, unless they are approved again by two-thirds of each house of the Legislature, are repealed effective November 2011.

Expenditures and Appropriations

Ar . In addition to the limits Article XIIIA imposes on property taxes that may be collected by local governments, certain other revenues of the State and local governments are VXEMHFW WR DQQXDO ³DSSURSULDWLRQV ODSVH´ RU ³*DQQ /LPLW´ LPSRVHG E\ $UW which effectively limits the amount of such revenues that government entities are permitted to spend. Article XIIIB, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations OLPLW RI HDFK JRYHUQPHQW HQWLW\ DSSOLHV WR ³SURFHHGV RI WD[certain other funds, including proceeds from regulatory licenses, user charges or user fees to the extent that such SURFHHGV H[FHHG ³WKH FRVW UHDVRQDEO\ ERUQH E\ VXFK HQWLW\ ³3URFHHGV RI WD[HV´ H[FOXGHV WD[UHIXQGV DQG VRPH EHQHILW SD\ LPSRVHG RQ WKH DSSURSULDWLRQ RI IXQGV ZKLFK DUH QRW ³SURFHH and certain other net tax funds.

Article XIIIB also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. The appropriations limit may also be exceeded in cases of emergency; however, the appropriations limit for the three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity, each has its own appropriations limit. Each year, the limit is adjusted 001100B4to$4

APPENDIX B

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APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Governing Board
Sacramento City Unified School District
Sacramento, California

Sacramento City Unified School District
2011 General Obligation Refunding Bonds
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Sacramento City Unified School District located in the County of Sacramento, California (the "District"), in connection with the issuance by the District of its $[Principal Amount] General Obligation Refunding Bonds, Election of 2002, 2006 and 2008, Series [Series] (the "Bonds"), dated as of June 1, 2011, authorized by a resolution of the Board of Education of the District adopted on May 19, 2011 (the "Resolution"), and pursuant to a Paying Agent Agreement, dated as of June 1, 2011 (the "Paying Agent Agreement"), by and between the District and U.S. Bank National Association, as paying agent.

In such connection, we have reviewed the Paying Agent Agreement, the Resolution, the tax certificate for the Bonds of the District, the County and the Tax Certificate, certificates of the District, the County and others, and such other documents and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Paying Agent Agreement, the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Paying Agent Agreement, the Resolution and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against school districts in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, arbitration, judicial reference, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the documents mentioned in the preceding sentence. Our services did not include financial or other non legal advice. We also express no opinion regarding the accreted value tables or calculations set forth or referred to in any of the Bonds issued as capital appreciation bonds or convertible capital appreciation bonds, or in the Paying Agent Agreement. Finally, we undertake no

responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

7 K L V & R Q W L Q X L Q J ' L V F O R V X U H & H U W L I L F D W H dated and delivered by the Sacramento City Unified School District W K H ³ ' L V W U L F W ´ L Q F R Q Q H F W L R Q Z L W K W K H L principal amount of Sacramento City Unified School District 2012 General Obligation Refunding Bonds (the ³ % R Q G V ´ 7

required above for the filing of the Annual Report if they are not available by that date. Neither the Paying Agent nor the Dis

CONTINUING DISCLOSURE EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of District:	SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
Name of Bond Issue:	SACRAMENTO CITY UNIFIED SCHOOL DISTRICT 2012 GENERAL OBLIGATION REFUNDING BONDS

APPENDIX E

COUNTY OF SACRAMENTO
INVESTMENT POLICIES AND PRACTICES
AND INVESTMENT POOL QUARTERLY REPORT

The following information has been furnished by the Director of Finance, County of Sacramento. It describes (i) the policies applicable to investment of District funds, including bond proceeds and tax levies, and funds of other agencies held by the County Treasurer and (ii) the composition, carrying amount, market value and other information relating to the investment pool. Further information may be obtained directly from the Director of Finance, 700 H. Street, Suite 1710,

COUNTY OF SACRAMENTO
SUMMARY OF INVESTMEN TS

See f o l o wng page.

certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The 4.

OH&S DRAFT
04/17/12

PAYING AGENT AGREEMENT

by and between the

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
SACRAMENTO COUNTY, CALIFORNIA

and

COUNTY OF SACRAMENTO,
as Paying Agent

Dated as of June 1, 2012

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EXHIBIT A BOND FORM....A-1

³3D\LQJ $JHQW $JUHHPHQW´ VKDOO PHDQ WKLV D
District and the Paying Agent.

The Refunding Bonds shall be dated as of June __, 2012. The Refunding Bonds shall bear interest at the respective rates shown in the table in this Section 2.01 below, payable on each Interest Payment Date, until payment of the principal amount thereof. Each Refunding Bond authenticated and registered on any date prior to the close of business on the first Record Date shall bear interest from the date of said Refunding Bond. Each Refunding Bond authenticated during the period between any Record Date and the close of business on its corresponding Interest Payment Date shall bear interest from such Interest Payment Date. Any other Refunding Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Refunding Bond, interest is in default on outstanding Refunding Bonds, such Refunding Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Refunding Bonds. Interest on the Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Refunding Bonds shall be issued in fully registered form, without coupons, in the denomination of $5,000 principal amount or any integral multiple thereof, provided that no Refunding Bond shall mature on more than one maturity date.

The Refunding Bonds shall mature on the dates, in the principal amounts, and bear interest at the annual rates of interest, shown below:

Maturity (July 1)	Principal Amount	Interest Rate

The principal and any premium of the Refunding Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the office of the Paying Agent designated for the purpose pursuant to Section 6.01(b).

The interest on the Refunding Bonds shall be payable in like lawful money to the

thereof as of the close of business on the applicable Record Date for each Interest Payment Date, whether or not such day is a Business Day. Payment of the interest on any Refunding Bond shall be made by check or draft mailed by first class mail on the Interest Payment Date (or on the following Business Day, if the Interest Payment Date does not fall on a Business Day) to such 2ZQHU DW VXFK 2ZQHU¶V DGGUHVV DV LW DSSHDUV RQ VXF Owner may have filed with the Paying Agent for that purpose; or upon written request of the Owner of Bonds aggregating not less than $1,000,000 in principal amount, given no later than the Record Date immediately preceding the applicable Interest Payment Date, by wire transfer in immediately available funds to an account maintained in the United States at such wire address as such Owner shall specify in its written notice. So long as Cede & Co. or its registered assigns shall be the registered owner of any of the Refunding Bonds, payment shall be made thereto by wire transfer as provided in Section 2.04(d) hereof.

SECTION 2.02 Form and Registration of Refunding Bonds. (a) The 5HIXQGLQJ %RQGV WKH 3D\LQJ $JHQW¶V $XWKHQWLFDWLRQ &HUWLILFDWH DQG WKH)RUP RI of assignment to appear thereon shall be in substantially the forms, respectively, attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Paying Agent Agreement (provided that if a portion of the text of any Refunding Bond is printed on the reverse of the bond, the following legend shall be printed on the bond: ³7+(35529,6,216 2) 7+,6 %21' $5(&217,18(' 21 7+(5(9(56(AND SUCH CONTINUED PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME ()),&7 $6 7+28*+)8//< 6(7)257+ $7 7+,6 3/$&(´

(b)

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

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

(iii) To any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District to remove The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause

redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (July 1)	Principal Amount to be Redeemed

, 0DWXULW\

The principal amount to be redeemed in each year shown in the table above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of

(vii) (in the case of Refunding Bonds redeemed in part only) the respective portions of the principal amount of the Refunding Bonds of each maturity to be redeemed;

(viii) the CUSIP number, if any, of each maturity of Refunding Bonds to be redeemed;

(ix) a statement that such Refunding Bonds must be surrendered by the Ownersat the office of the Paying Agent designated by the Paying Agent for such purpose; and

(x) notice that further interest on such Refunding Bonds will not accrue after the designated redemption date.

(e) Effect of Notice. A certificate of the Paying Agent or the District that notice

For purposes of this Section, the District may pay and discharge any or all of the Refunding Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of the United States of America or other callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available money on deposit in the Interest and Sinking Fund of the District, be fully sufficient in the opinion of a certified public accountant licensed to practice in the State to pay and discharge the indebtedness on such Refunding Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

ARTICLE V

COVENANTS OF THE DISTRICT

SECTION 5.01 Payment of Principal and Interest. On or prior to the date

SECTION 6.03 Reliance on Documents, Etc.

(a)

Agent, but shall be separately accounted for. Except as otherwise provided herein, the Paying Agent shall have no duties with respect to investment of funds deposited with it and shall be under no obligation to pay interest on any money received by it hereunder.

Any money held in any fund created pursuant to this Paying Agent Agreement, or held by the Paying Agent in trust, for the payment of the principal of, redemption premium, if

District to comply with the Continuing Disclosure Certificate shall not be deemed an event of default hereunder; provided that any Owner or Beneficial Owner (as defined below) may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Refunding Bonds (including persons holding Refunding Bonds through nominees, depositories or other intermediaries).

SECTION 7.03 Notices. Unless otherwise specified herein, all notices, statements, orders, requests or other communications hereunder by any party to another shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, or if given by fax, electronically, or other means of written communication and confirmed by mail:

If to the District:

Sacramento City Unified School District
5735 47th Ave
Sacramento, California 95824
Attn: Chief Business Officer

If to the Paying Agent:

Director of Finance
County of Sacramento
700 H Street, Room 3650
Sacramento, California 95814

If to the County:

Director of Finance
County of Sacramento
700 H Street, Room 3650
Sacramento, California 95814

SECTION 7.04 Governing Law. This Paying Agent Agreement shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this PAYING AGENT AGREEMENT, relating to the SACRAMENTO CITY UNIFIED SCHOOL DISTRICT 2012 GENERAL OBLIGATION REFUNDING BONDS, to be duly executed by their officers duly authorized as of the date first written above.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By _____
Authorized District Representative

COUNTY OF SACRAMENTO, as Paying Agent

By _____
Director of Finance
County of Sacramento

Approved as to form and legality:

By_____
County Counsel

EXHIBIT A
[FORM OF BOND]

Number	UNITED STATES OF AMERICA	Amount
R-__	STATE OF CALIFORNIA	$_____
	SACRAMENTO COUNTY	

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
2012 GENERAL OBLIGATION REFUNDING BONDS

Interest Rate	Maturity Date	Dated as of	CUSIP NO.
____%	July 1, ____	_____, 2012	_____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT of Sacramento County, State of California (the "District"), hereby acknowledges itself indebted to and promises to pay to the registered owner identified above or registered assigns, but only from taxes collected by the County of Sacramento (the "County") for such purpose pursuant to law and deposited in the Sacramento City Unified School District Fund of the County of Sacramento, State of California, on the maturity date set forth above or upon redemption prior thereto, the principal sum specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money at the interest per annum stated

under the authority of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

The Bonds are issuable as fully registered bonds without coupons in the denomination of $5,000 principal amount or any integral multiple thereof, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Paying Agent Agreement, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same maturity and interest rate of other authorized denominations.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at said office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Paying Agent Agreement, and upon surrender and cancellation of this bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations for the same maturity, interest rate, and same aggregate principal amount will be issued to the transferee in exchange herefor.

The District and the Paying Agent may treat the registered 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 Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the Paying Agent Agreement and as shown in the attached Redemption Schedule. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Board hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this bond, is within the limit provided by law, that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond, that this bond is in the form prescribed by order of this Board duly made and entered on its minutes and shall be payable out of the Interest and Sinking Fund of the District, and the money for the payment of the principal of this bond, premium, if any, and the payment of interest hereon, shall be raised by taxation upon the taxable property of said District.

This bond shall not be entitled to any benefit under the Paying Agent Agreement, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the Board of Education of the Sacramento City Unified School District has caused this Sacramento City Unified School District 2012 General Obligation Refunding Bond to be signed by facsimile signatures of its President and of the Secretary of the Board.

_____

President of the Board of Education of the
Sacramento City Unified School District

_____

Secretary of the Board of Education of the
Sacramento City Unified School District

BOND PURCHASE CONTRACT

$_____
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
2012 GENERAL OBLIGATION REFUNDING BONDS

May ___, 2012

Board of Education
Sacramento City Unified School District
5735 47th Avenue
Sacramento, CA 95824

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated, dba Stone & Youngberg, a 'LYLVLRQ RI 6WLIHO 1LFRODXV DV UHSUHVHQWDWLYH WKH & Co., IncorS RUDWHG FROOHFWLYHO\ WKH ³8QGHUZULWHUV´ D 'LVWULFW¶V DV GHILQHG KHUHLQ ILGXFLDU\ RU DJHQW K &RQWUDFW WKH ³3XUFKDVH &RQWUDFW´ DQG &LW\ Unified %RDUG 6FKRRO 'LVWULFW WKH ³'LVWULFW´ DFWLQJ WKURXJK LW term is defined in the hereinafter defined Resolution). The offer made hereby is subject to

(e) The Preliminary Official Statement has been deemed final by the District as of its date within the meaning of Rule 15c2-12, except for the omission of some or all of such information the omission of which is permitted under Rule 15c2-12.

(f) The Preliminary Official Statement as of its date does not, and the Official Statement as of its date and as of the Closing Date will not, and if supplemented or amended, as of the date of any such supplement or amendment, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; excluding in each case any information contained therein relating to DTC or its book-entry only system; CUSIP numbers of the Refunding Bonds; information contained therein describing the investment policy of the County of Sacramento (the

otherwise advised in writing by the Representative to the District on or prior to the Closing Date, or otherwise agreed to by the District and the Underwriters, the District may assume that the End of the Underwriting Period is the Closing Date.

(h) The District will undertake, pursuant to the Paying Agent Agreement and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A form of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Except as otherwise described in the Official Statement, the District has not

(l) The District has, and has had, no financial advisory relationship with either of the Underwriters with respect to the Refunding Bonds, nor with any investment firm controlling, controlled by or under common control with the Underwriters.

(m) The District has not received a negative certification in its most recent interim report pursuant to Section 42130 et seq. of the California Education Code.

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

(o) The financial statements of the District contained in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of operations of the District as of the dates and for the periods therein set forth, and, since the date thereof, there has been no material adverse change in the financial position or results of operations of the District.

(p) The District hereby agrees

disclosure with respect to the Refunding Bonds is sufficient to effect compliance with Rule 15c2-12.

6. Conditions to Closing

(a) The Underwriters have entered into this Purchase Contract in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations hereunder are and shall be subject at the option of the Underwriters, to the receipt of the following documents, in each case satisfactory in form and substance to the Representative:

(i) a certificate, signed by an official of the District, confirming to the Underwriters that the Preliminary Official Statement as of its date did not, and the Official Statement as of its date and at the time of Closing (as hereinafter defined) did not and does not, to the best of the knowledge of said official, contain any untrue statement of a material fact or omit a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial c

(B) assuming due authorization, execution and delivery by all the other parties thereto, the Continuing Disclosure Certificate, the Paying Agent Agreement, the Escrow Agreement and this Purchase Contract have each been duly authorized, executed and delivered by the District and

(C) based upon its participation in the preparation of the Preliminary Official Statement and Official Statement as counsel for the Underwriters and its participation at conferences at which the Preliminary Official Statement and Official Statement were discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement as of its date and the Official Statement as of its date and as of the Closing Date contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances

(xix) WKH OHWWHU RI 0RRG\¶V ,QYHVWRUV 6HUY ³)LWFK´ DQG 6WDQGDUG DQG 3RRU¶V 5DWLQJ 6)LQDQFLDO 6HUYLFHV //& EXVLQHVV ³6WDQGDUG UDWLQJ DJHQFLHV KDYH UDWHG WKH 5HIXQGLQJ respectively (or such other equivalent ratings as each such rating agency may give), and that such ratings have not been revoked or downgraded; and

(xx) such additional opinions, certificates, and documents as Bond Counsel or the Representative may reasonably request to evidence the truth and correctness, as of the Closing Date, of the representations of the parties contained herein, and of the District contained in the Official Statement, and the due performance or satisfaction by the parties at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(b) On or before the Closing Date, and contemporaneously with the acceptance of delivery of the Refunding Bonds and the payment of the purchase price thereof, the Representative will provide to the District:

(i) the receipt of the Underwriters, in form satisfactory to the District and signed by an authorized officer of the Representative, confirming delivery of the Refunding Bonds to the Underwriters and the satisfaction of all conditions and terms of this Purchase Contract by the District, and confirming to the District that as of the Closing Date all of the representations of the Underwriters contained in this Purchase Contract are true, complete and correct in all material respects; and

(ii) the certification of the Underwriters, in form satisfactory to Bond Counsel, regarding the prices at which the Refunding Bonds have been reoffered to the public, as described in Section 3 hereof.

7. Termination.

(a) By District ,Q WKH HYHQW RI WKH 'LVWULFW¶V IDL Bonds on the Closing Date, or inability of the District to satisfy the conditions to the obligations of the Underwriters contained herein (unless waived by the Representative), or if the obligations of the Underwriters shall be terminated for any reason permitted by

(G) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the District shall have occurred;

(H) DQ\ UDWLQJ RI WKH 'LVWULFW¶V RXW withdrawn or downgraded or placed on credit watch by a national rating agency;

(I) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading and, in either such event, the District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Refunding Bonds or the ability of the Underwriters to enforce contracts for the sale of the Refunding Bonds; or

(J) a material disruption in securities settlement, payment or clearance services affecting the Refunding Bonds shall have occurred.

(ii) Unexcused Delivery. In the event the Underwriters shall fail (other than for a reason permitted by this Purchase Contract) to pay for the Refunding Bonds upon tender of the Refunding Bonds at the Closing, the Underwriters shall have no right in or to the Refunding Bonds.

8. Closing. At or before 9:00 a.m., California time, on June , 2012, or at such other date and time as shall have been mutually agreed upon by the District and the 5HSUHVHQWDWLYH WKH ³&ORVLQJ´ WKH 'LVWULFW ZLOO Underwriters the Refunding Bonds in book-entry form duly executed by the District, together with the other documents described in Section 6(a) hereof; and the Underwriters will accept such delivery and pay the purchase price of the Refunding Bonds as set forth in Section 1 hereof in immediately available funds by federal funds wire, in an aggregate amount equal to such purchase price, plus accrued interest, if any, on the Refunding Bonds from the date thereof to the date of such payment, and shall deliver to the District the other documents described in Section

To the District: Sacramento City Unified School District
5735 47th Avenue
Sacramento, CA 95824
Attention: Chief Business Officer

To the Underwriters: Stifel, Nicolaus & Com

Respectfully submitted,

STIFEL, NICOLAUS & COMPANY, INCORPORATED, dba STONE & YOUNGBERG, A DIVISION OF STIFEL NICOLAUS, as Representative of Itself and MORGAN STANLEY & CO., INCORPORATED, as Underwriters

By _____
Managing Director

Accepted: May ___, 2012.

Time of Execution: _____ p.m. (California time)

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By _____
Name _____
Title _____

OH&S DRAFT
04/17/12

ESCROW AGREEMENT

by and between the

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
COUNTY OF SACRAMENTO, CALIFORNIA

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Escrow Agent

Dated as of June 1, 2012

RELATING TO:

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS ELECTION OF 1999, SERIES B, SERIES C and SERIES D,

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2001,

and

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2002, SERIES A and SERIES 2005

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SCHEDULE I	ESCROW SECURITIES	
SCHEDULE II	SCHEDULE OF BONDS TO BE DEFEASED	

Section 4. Notice of Redemption. The District hereby irrevocably directs the

Section 11. Notices All notices and communications hereunder shall be in writing and shall be deemed to

Section 14. Execution. This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the District and the Escrow Agent have caused this Escrow Agreement (relating to the Sacramento City Unified School District General Obligation Bonds, Election of 1999, Series B, the

CONTINUING DISCLOSURE CERTIFICATE

7KLV &RQWLQXLQJ 'LVFORVXUH &HUWLILFDWH WKH ³'LVFORV
the Sacramento City Unified School District WKH ³'LVWULFW´ LQ FRQQHFWLRQ
$_____ aggregate principal amount of Sacramento City Unified School District 2012 General
2EOLJDWLRQ 5HIXQGLQJ %RQGV WKH ³%RQGV´ 7KH %RQ
resolution adopted by the Board of Education of the District on May 17, 2012, and in accordance
with the terms of a Paying Agent Agreement, dated as of June 1, 2012 WKH ³3D\LQJ $JHQ
$JUHHPHQW´ E\ DQG EHWZHHQ WKH Director of the Finance Division of the County of
Sacramento, DV SD\LQJ DJHQW WKH ³3D\LQJ $JHQW´ follows: 7KH 'LVWUL

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Paying Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

³$QQXDO 5HSRUW´ VKDOO PHDQ DQ\ $QQXDO 5HSRUW SU
described in, Sections 3 and 4 of this Disclosure Certificate.

³%HQHILFLDO 2ZQHU´ VKDOO PHDQ DQ\ SHUVRQ ZKLFK
indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

³'LVVHPLQDWLRQ $JHQW´ VKDOO PHDQ WKH 'LVWULFW
designated in writing by the District and which has filed with the District a written acceptance of such designation.

³+ROGHU´ VKDOO PHDQ WKH SHUVRQ RU Registered ZKRVH QDPH DQ
³/LVWHG (YHQWV´ VKDOO PHDQ DQ\ RI WKH (YHQWV OLV
Certificate.

³065%´ VKDOO PHDQ WKH 0XQLFLSDO 6HFXULWLHV 5XO
designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at http://emma.msrb.org.

³ 3DUWLFLSDWLQJ 8QGHUZULWHUV´ VKDOO PHDQ 0RUJDQ Youngberg, A Division of Stifel Nicolaus or the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

³ 5XOH´ VKDOO PHDQ 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than QLQH PRQWKV DIWHU WKH HQG RI WKH 'LVWULFW¶V ILVFDO \HDU (which currently ends on June 30), commencing with the Annual Report for the fiscal year of the District ending June 30, 2012, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. Neither the Paying Agent nor the Dissemination Agent shall have any GXWLHV RU UHVSRQVLELOLWLHV ZLWK UHVSHFW WR WKH FRQWHQW RI DQ\ UHSRUW QRWLFH RU WUDQVPLVVLRQ UHFHLYHG IURP WKH 'LVWULFW ZKHWKHU RU QRW VXSSOHPHQWHG WKURXJK D OHWWHU RI FUHGLW RU RWKHUZLVH (a) If in any year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent and the Paying Agent (if the Paying Agent is not the Dissemination Agent). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District and the Paying Agent to determine if the District is in compliance with the first sentence of this subsection (b).

(c) If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall file a report with the District and (if the Dissemination Agent is not the Paying Agent) the Paying Agent certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. 7KH 'LVWULFW¶V $QQXDO 5HSRUW shall include by reference the following:

* Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein E\ WKH &RQWUROOHU RI WKH 6WDWH RI &DOLIRUQLD If the financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the

audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

* Adopted budget of the District for the current fiscal year, or a summary thereof, and any in

7. Defeasances;

8. Rating changes; or

9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. Modifications to rights of Bond holders;

3. Optional, unscheduled or contingent Bond calls;

4. Release, substitution, or sale of property securing repayment of the Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4, as provided in Section 4(b).

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the District.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2012

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By _____
Authorized Officer

CONTINUING DISCLOSURE EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of District: SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

Name of Bond Issue: SACRAMENTO CITY UNIFIED SCHOOL DISTRICT 2012 GENERAL OBLIGATION REFUNDING BONDS

Date of Issuance: _____, 2012

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By