AGENDA

1. CALL TO ORDER

2. CONSENT CALENDAR

2.1. EDUCATIONAL SERVICES

2.1.1. Consider Expulsion of Students with the following IDs: 64649, 64650, 68574, 69549, 76659

2.1.2. Consider Approval of Field Trip Request for PVHS FCCLA Students to Attend the State Leadership Conference in Riverside, CA

2.1.3. Consider Approval of the Field Trip Request for PVHS I-Tech Students to Attend the SkillsUSA Leadership Conference in San Diego, CA

2.1.4. Consider Approval of the Field Trip Request for PVHS Media Arts Students to Attend the SkillsUSA Leadership Conference in San Diego, CA

2.1.5. Consider Approval of the Field Trip Request for CHS Students to Attend the SkillsUSA Leadership Conference in San Diego, CA

2.2. BUSINESS SERVICES

2.2.1. Consider Approval of Independent Contractor Agreements

2.2.2. Consider Approval of Contracts

2.2.3. Consider Approval of Declaration of Surplus Property

2.2.4. Consider Approval of Cabling Infrastructure Phase 2 Project at Bidwell Jr. High School

2.2.5. Consider Approval of the Notice of Completion of Cabling Infrastructure Project at McManus Elementary School

3. DISCUSSION/ACTION CALENDAR

3.1. EDUCATIONAL SERVICES

3.1.1. Discussion/Action: Charter Review Committee Recommendation – Sherwood Montessori (John Bohannon)

3.1.2. Discussion/Action: Charter Review Committee Recommendation – Inspire School of Arts and Sciences (John Bohannon)

3.1.3. Information: 6th – 8th Grade CUSD Assessment System (David McKay)

3.2. BUSINESS SERVICES

3.2.1. Discussion/Action: Resolution 1378-17, Interfund Borrowing Between Funds (Jaclyn Kruger)

3.2.2. Discussion/Action: Student Services of California, Operational Review: Nutrition Services (Kevin Bulterma)

3.2.3. Discussion/Action: Measure K Charter School Facilities Committee Recommendation (Kevin Bulterma)

3.2.4. Discussion/Action: Resolution 1376-17, Measure K Bond Sales (Kevin Bulterma)

3.3. HUMAN RESOURCES

3.3.1. Discussion/Action: Changes to the Salary Schedule for Certificated Preschool Substitutes (Jim Hanlon)
3.4. BOARD
3.4.1. Discussion/Action: CUSD Board Self Evaluation
3.4.2. Discussion/Action: Update CUSD Governance Handbook for 2017-2018 School Year

4. CLOSED SESSION
4.1. Public Comment on Closed Session Items
4.2. Update on Labor Negotiations
   Employee Organizations: CUTA
   CSFA, Chapter #110
   Kelly Staley, Superintendent
   Jim Hanlon, Asst. Superintendent
   Joanne Parsley, Asst. Superintendent
   Kevin Bulterman, Asst. Superintendent

4.3. Conference with Legal Counsel – Anticipated Litigation
   Per Subdivision (b) of Government Code §54956.9 (two cases)

4.4. Public Employee Performance Evaluation
   Per Government Code §54957
   Title: Superintendent

5. RECONVENE TO REGULAR SESSION
5.1. Call to Order
5.2. Report Action Taken in Closed Session

6. ADJOURNMENT
The Chico Unified School District Board of Education welcomes you to this meeting and invites you to participate in matters before the Board.

INFORMATION, PROCEDURES AND CONDUCT OF CUSD BOARD OF EDUCATION MEETINGS

No disturbance or willful interruption of any Board meeting shall be permitted. Persistence by an individual or group shall be grounds for the Chair to terminate the privilege of addressing the meeting. The Board may remove disruptive individuals and order the room cleared, if necessary. In this case, further Board proceedings shall concern only matters appearing on the agenda.

CONSENT CALENDAR
The items listed on the Consent Calendar may be approved by the Board in one action. However, in accordance with law, the public has a right to comment on any consent item. At the request of a member of the Board, any item on the consent agenda shall be removed and given individual consideration for action as a regular agenda item. Board Bylaw 9322.

STUDENT PARTICIPATION
At the discretion of the Board President, student speakers may be given priority to address items to the Board.

PUBLIC PARTICIPATION FOR ITEMS ON THE AGENDA (Regular and Special Board Meetings)
The Board shall give members of the public an opportunity to address the Board either before or during the Board’s consideration of each item of business to be discussed at regular or special meetings.
• Speakers will identify themselves and will direct their comments to the Board.
• Each speaker will be allowed three (3) minutes to address the Board.
• In case of numerous requests to address the same item, the Board may select representatives to speak on each side of the item.

PUBLIC PARTICIPATION FOR ITEMS NOT ON THE AGENDA (Regular Board Meetings only)
The Board shall not take action or enter into discussion or dialog on any matter that is not on the meeting agenda, except as allowed by law. (Government Code 54954.2) Items brought forth at this part of the meeting may be referred to the Superintendent or designee or the Board may take the item under advisement. The matter may be placed on the agenda of a subsequent meeting for discussion or action by the Board.
• Public comments for items not on the agenda will be limited to one hour in duration (15 minutes at the beginning of the meeting and 45 minutes at the end of the meeting).
• Initially, each general topic will be limited to 3 speakers.
• Speakers will identify themselves and will direct their comments to the Chair.
• Each speaker will be given three (3) minutes to address the Board.
• Once 2 speakers have shared a similar viewpoint, the Chair will ask for a differing viewpoint. If no other viewpoint is represented then a 3rd speaker may present.
• Speakers will not be allowed to yield their time to other speakers.
• After all topics have been heard, the remainder of the hour may be used by additional speakers to address a previously raised issue.

WRITTEN MATERIAL:
The Board is unable to read written materials presented during the meeting. If any person intends to appear before the Board with written materials, they should be delivered to the Superintendent’s Office or delivered via e-mail to the Board and Superintendent 10 days prior to the meeting date.

COPIES OF AGENDAS AND RELATED MATERIALS:
• Available at the meeting
• Available on the website: www.chicousd.org
• Available for inspection in the Superintendent’s Office prior to the meeting
• Copies may be obtained after payment of applicable copy fees

AMERICANS WITH DISABILITIES ACT
Please contact the Superintendent’s Office at 891-3000 ext. 149 should you require a disability-related modification or accommodation in order to participate in the meeting. This request should be received at least 48 hours prior to the meeting in order to accommodate your request.

Pursuant to Government Code 54957.5, If documents are distributed to board members concerning an agenda item within 72 hours of a regular board meeting, at the same time the documents will be made available for public inspection at the Chico Unified School District, Superintendent’s Office located at 1163 East Seventh Street, Chico, CA 95928 or may be viewed on the website: www.chicousd.org.
AGENDA ITEM: Field Trip Request for PVHS FCCLA Students to Attend the State Leadership Conference in Riverside, CA

Prepared by: Priscilla Burns

X Consent Board Date March 22, 2017

Information Only

Discussion/Action

Background Information
FCCLA (Family, Career and Community Leaders of America) is the Career and Technical Student Organization associated with our industry sectors in HECT (Home Economics Careers and Technology). We have attended this annual leadership conference with students participating as officers, competitors and community service competitors. This year we have approximately 20 students that will be qualifying in over eight different events. The PVHS chapter also has three regional officers and one candidate that will be running for office. Students fund raise and goal set all year for this culminating experience.

Educational Implications
The conference is over a four-day period. Two days are on the weekend, two during school days. Students must be in good standing in all courses before they are allowed to attend. The conference; which is sponsored through the California Department of Education is rich with speakers, workshops, tours, and activities that engage and challenge students. It is an education event for students and staff. All students are working on presentation projects, demonstration and all required paperwork on their own time... outside of class. They are finding this to be a challenging applied academic process and are motivated to finish all their projects.

Fiscal Implications
Students have fund raised to attend and we can utilize grant funds for some components. We already have all of the funds. Other funds such as Perkins/CTEIG (Career Technical Education Incentive Grant) can be utilized to support staff's attendance.
CHICO UNIFIED SCHOOL DISTRICT
1163 East Seventh Street
Chico, CA 95928-5999
(530) 891-3000

FIELD TRIP REQUEST

TO: CUSD Board of Education
FROM: Priscilla Burns
Date: 2/16/2017
School/Dept.: PVHS/FCCLA

SUBJECT: Field Trip Request

Request is for FCCLA, Family, Career and Community Leaders of America
(grade/class/group)

Destination: Riverside, CA
Activity: State Conference and Competitions

from Sat., April 8 /6am to Tues., April 11 /6pm
(dates) / (times)

Rationale for Trip: Students and staff are attending the statewide leadership conference for FCCLA.
Conference workshops, tours and leadership activities are included in the conference. PVHS has students leaders and students
that will be in charge of some aspects of the conference. This is also the state finals for competition

Number of Students Attending: 10 Teachers Attending: 2 Parents Attending: ___

Student/Adult Ratio: 5:1

Transportation:
Private Cars ___ CUSD Bus ___ Charity Bus Name ___
Other: ___

All requests for bus or charter transportation must go through the transportation department - NO
EXCEPTIONS.

ESTIMATED EXPENSES:
Fees $3000 Substitute Costs $400 Meals $500
Lodging $2000 Transportation $2500 Other Costs $ ___

ACCOUNT NAME(S), NUMBER(S) and AMOUNT(S):
Name CTEIG Acct. #: 0135500381510001179202020 $4000
Name FCCLA (ASB) Acct. #: ASB/PVHS $4400

Requesting Party
Date 2/16/17

Site Principal
Date 2/21/17

Director of Transportation

IF MAJOR FIELD TRIP
Date 2/27/17

Director of Educational Services

Date
AGENDA ITEM: Field Trip Request for PVHS I-Tech Students to Attend the Skills USA Leadership Conference in San Diego, CA from 4/20/17 to 4/23/17

Prepared by: Matt Joiner

☑ Consent  Board Date  March 22, 2017
☐ Information Only
☐ Discussion/Action

Background Information
SkillsUSA is a partnership of students, teachers and industry working together to help ensure America has a skilled workforce. SkillsUSA helps each student excel in leadership and specific content areas. Our students who competed at our Regional Leadership Conference on February 4, 2017, and placed high enough in that competition have the opportunity to transfer and compete at State Conference on April 20-23, 2017, in San Diego, CA.

Educational Implications
All contests and leadership materials are aligned with industry and curricular state standards. Students attending this conference/competing in the contests will be better prepared for career and college by the knowledge and experience they will gain. SkillsUSA (CTSO, Career and Technical Student Organization) participation is mandated by CCPT (California Career Pathways Trust), CTEIG (Career Technical Education Incentive Grant), and Perkins grants with CTE (Career Technical Education) pathways. Additionally, scholarships are awarded to top winners in certain curricular contests.

Fiscal Implications
As in past years, funding will be a number of resources. CCPT and CTEIG grants will be providing transportation, hotel and associated costs. Carl D. Perkins funds can be used to pay for conference registration for instructors.
CHICO UNIFIED SCHOOL DISTRICT
1163 East Seventh Street
Chico, CA 95928-5999
(530) 891-3000

FIELD TRIP REQUEST

TO: CUSD Board of Education
FROM: Matt Joiner

SUBJECT: Field Trip Request

Date: Feb 14th, 2017
School/Dept.: Pleasant Valley HS/L.Tech

Request is for Members of Skills USA students and advisors (grade/class/group)

Destination: San Diego, CA Activity: Participation in Skills USA Leadership Conference

from April 20th 2017, 8:00am (dates) / (times)

(to April 23, 2017, 6:00 pm (dates) / (times)

Rationale for Trip: Participation in Skills USA Leadership and Skills Conference Professional Development and Career Exploration

Number of Students Attending: 5 Teachers Attending: 1 Parents Attending: Possibly

Student/Adult Ratio 5:1

Transportation: Private Cars X CUSD Bus _______ Charter Bus Name _______

Other: Enterprise rental car to Sacramento, flight to San Diego

All requests for bus or charter transportation must go through the transportation department - NO EXCEPTIONS.

ESTIMATED EXPENSES:

Registration $1080 Substitute Costs 2days Meals $300

Lodging $1200 Transportation $2800 Other Costs $200.00

ACCOUNT NAME(S), NUMBER(S) and AMOUNT(S):

CCPT Grant (plane tickets) Acct. #: 01-9120-0-3812-1000-(XXXX)-020-2020

CTEIG Grant (remaining expenses) Acct. #: 01-6387-0-3812-1000-(XXXX)-020-2020

Site Discretionary: 01-0009-0-3804-1000-5200-020-2020

2/17/2017

Matt Joiner
Requesting Party

Date

[ ] Approve/Minor [ ] Do Not Approve/Minor
[ ] Recommend/Major [ ] Not Recommended/Major

(If transporting by bus or Charter)

[ ] Recommend [ ] Not Recommended

Director of Educational Services

Date

[ ] Approved [ ] Not Approved

Board Action

Date
AGENDA ITEM: Field Trip Request for PVHS Media Arts Students to Attend the Skills USA Leadership Conference in San Diego, CA from 4/19/17 to 4/23/17

Prepared by: Michael Peck

X Consent Board Date March 22, 2017

Information Only

Discussion/Action

Background Information
SkillsUSA is a partnership of students, teachers and industry working together to help ensure America has a skilled workforce. SkillsUSA helps each student excel in leadership and specific content areas. Our students who competed at our Regional Leadership Conference on February 4, 2017, and placed high enough in that competition have the opportunity to transfer and compete at State Conference on April 20-23, 2017, in San Diego, CA

Educational Implications
All contests and leadership materials are aligned with industry and curricular state standards. Students attending this conference/competing in the contests will be better prepared for career and college by the knowledge and experience they will gain. SkillsUSA (CTSO, Career and Technical Student Organization) participation is mandated by CCPT (California Career Pathways Trust), CTEIG (Career Technical Education Incentive Grant), and Perkins grants with CTE (Career Technical Education) pathways. Additionally, scholarships are awarded to top winners in certain curricular contests.

Fiscal Implications
As in past years, funding will be a number of resources. CCPT and CTEIG grants will be providing transportation, hotel and associated costs. Carl D. Perkins funds can be used to pay for conference registration for instructors. PVHS ASB-Video Production account will also contribute to the costs to ensure every student has the opportunity to participate regardless of financial status.
CHICO UNIFIED SCHOOL DISTRICT  
1163 East Seventh Street  
Chico, CA  95928-5999  
(530) 891-3000  

FIELD TRIP REQUEST  

TO: CUSD Board of Education  
FROM: Michael Peck  

Date: Feb 14th, 2017  
School/Dept.: Media Arts-PVHS  

SUBJECT: Field Trip Request  

<table>
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<tr>
<th>Request is for Members of Skills USA students and advisors</th>
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<tbody>
<tr>
<td>(grade/class/group)</td>
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<tr>
<td>Destination: San Diego, CA</td>
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<tr>
<td>Activity: Participation in Skills USA Leadership Conference</td>
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<tr>
<td>from April 19th, 2017, 8:00am to April 23rd, 2017, 6:00pm</td>
</tr>
<tr>
<td>(dates) / (times)</td>
</tr>
<tr>
<td>Number of Students Attending: 10</td>
</tr>
<tr>
<td>Teachers Attending: 2</td>
</tr>
<tr>
<td>Parents Attending: Possibly</td>
</tr>
<tr>
<td>Student/Adult Ratio 5:1</td>
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<tr>
<td>Transportation: CUSD Bus</td>
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<tr>
<td>Other: X Enterprise rental car to Sacramento, Southwest flight to San Diego</td>
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<tr>
<td>All requests for bus or charter transportation must go through the transportation department - NO EXCEPTIONS.</td>
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</table>

ESTIMATED EXPENSES:  

<table>
<thead>
<tr>
<th>Registration</th>
<th>$2000</th>
<th>Substitute Costs</th>
<th>$375</th>
<th>Meals</th>
<th>$300</th>
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</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$3000</td>
<td>Transportation</td>
<td>$4000</td>
<td>Other Costs</td>
<td>$200.00</td>
</tr>
</tbody>
</table>

ACCOUNT NAME(S), NUMBER(S) and AMOUNT(S):  

| CCPT Grant | Acct. #: 01-6382-0-3819-1000-5200-020-2020 |

Also, funds from my PV ASB-Video Production Account will be used. 01-9814-0-1232-1000-020-2020

Michael Peck  
Requesting Party  

2/15/2017  
Date  

[Signature]  

Site Principal  

2/14/17  
Date  

[Signature]  

Director of Transportation  

Approve/Minor or Recommend/Major  

[Circle]  

(If transporting by bus or Charter)  

[Signature]  

IF MAJOR FIELD TRIP  

Director of Educational Services  

2/17/17  
Date  

[Signature]  

Recommended  

[Signature]  

Board Action  

[Signature]  

Approved  

[Signature]  

Not Approved
AGENDA ITEM: Field Trip Request for CHS Students to Attend the Skills USA Leadership Conference in San Diego, CA from 4/20/17 to 4/23/17

Prepared by: Gary Loustale

X Consent

Information Only

Discussion/Action

Board Date March 22, 2017

Background Information
Students will participate in the SkillsUSA State Conference in San Diego as they have at least four times in the past.

Educational Implications
The students will compete in their skill area against other winners from various regions in California.

Fiscal Implications
CCPT (California Career Pathways Trust) Grants will cover all costs. Students do cover the chargers for their dinners only. We will join Butte College and Las Plumas High School on the charter bus.
FIELD TRIP REQUEST

TO: CUSD Board of Education  Date: 4-20-2017
FROM: 4-20-17 to 4-23-17  School/Dept. CHS
SUBJECT: Field Trip Request

Request is for CHS Skills USA
(grade/class/group)
Destination: San Diego  Activity: Skills USA State Conference
from 4-20-17 / 5:30 AM to 4-23-2017 / 10:00PM
(dates) / (times)
Rationale for Trip: Expose students to competition at the State level.

Number of Students Attending: 23  Teachers Attending: 2  Parents Attending: 
Student/Adult Ratio: 11.5 to 1
Transportation: Private Cars  CUSD Bus  Charter Bus Name Mt Lassen
Other:
All requests for bus or charter transportation must go through the transportation department - NO EXCEPTIONS.

ESTIMATED EXPENSES:
Fees $4,000.00  Substitute Costs $400  Meals $Included
Lodging $2,969  Transportation $3,945  Other Costs $

ACCOUNT NAME(S), NUMBER(S) and AMOUNT(S):
Name CCPT  Acct. #: 01.6382.0.3821.10005600.010.210  $5,657.00
Name CCPT  Acct. #: 01.9120.0.3804.10005600.010.2010  $5,657.00

Requesting Party

Date 3-10-17
Sign Principal

Date 3/10/17
Approve/Minor  Do not Approve/Minor
or Recomend/Major  Not Recommended/Major
(If transporting by bus or Charter)

Date 3/10/17
Director of Transportation

Date
IF MAJOR FIELD TRIP

Date 3/10/17
Recommend  Not Recommended

Date
Board Action

Approved  Not Approved

ES-7
Revised 5/04
AGENDA ITEM: Independent Contractor Agreements

Prepared by: Kevin Bultema, Assistant Superintendent

☐ Consent  Board Date  March 22, 2017

☐ Information Only

☐ Discussion/Action

Background Information

Per Board Policy 3600 Consultants/Independent Contractor, all Consultant/Independent Contractor Agreements shall be brought before the board for approval.

- Elizabeth Ayon (Educational Services)
- Donald Buerer, Sr. (Transportation)
- Raven Hunter (Inspire)
- Nichole Lim (Inspire)
- Marcus Mitchinson (ASB, Marsh)
- Celine O’Malley (Educational Services, Youth Build)
- Vaughn Quinlan (Inspire)

Educational Implications

Per Board Policy 3600, the Board of Education authorizes the use of consultants/independent contractors to provide expert professional advice or specialized technical or training services which are not needed on a continuing basis and which cannot be provided by district staff because of limitations of time, experience or knowledge. Individuals, firms or organizations employed as consultants may assist management with decisions and/or project development related to financial, economic, accounting, engineering, legal, administrative, instructional or other matters.

Fiscal Implications

Consultant/Independent Contractor Agreement(s) to be paid from accounts noted on approval forms.
Independent Contractor Agreement

Completed By: Eliabeth Ayon                  Phone: 530-530-4395

1. This Agreement is made between Chico Unified School District and:
   Name: Eliabeth Ayon
   Email Address: eayon@ausd.org
   Street Address/POB: 1023 Nevada ST
   City, State, Zip Code: Gridley, CA 95948
   Phone: 530-530-4395
   Social Security Number: 104-18-4392
   For vendors using a taxpayer identification number please complete a Contract Summary form.

   This agreement will be in effect From: 8/16/16   To: 8/16/16
   Site Code: Location(s) of Services: Pleasant Valley High School

2. Scope of Work to be performed and Goal (Strategic Plan, Site Plan, Other) to be achieved as a result of Independent Contractor Services (attach separate sheet if necessary):
   a. Scope of Work: Teacher PD on technology in the classroom
   b. Goal (if applicable): Teachers leave with strategies to implement in their own classrooms

3. Funding/Program/Grant Affected (corresponding to accounts listed in Item 4):
   a. 
   b. 
   c. 

4. Percent (%)  Fund  Resource  Project/Year  Goal  Function  Object  Site  Manager
   1 9%  01  602(A)  0  1110  2100  5800  570  6700
   2 8%  
   3 9%  

5. Payment to Independent Contractor for services actually rendered and supported by Independent Contractor Initiated invoices, the District will pay the Independent Contractor not to exceed the payment criteria as follows:
   $400/20  Hourly Rate X Quantity (Select Type) = $0.00 Total for Services
   1 Day  $400.00

   Additional Expenses (If applicable, in the event of changes to service or other expense types)
   Item: ____________________________ $ ________________
   Item: ____________________________ $ ________________
   Total of Additional Expenses $ 0.00
   Grand Total (Services + Additional Expenses) $ 0.00


7. Completed W9 "Request for Taxpayer Identification Number/Certification" form is [ ] On File [ ] Attached

BP 3600 states all Consultants/Independent Contractor contracts shall be brought to the Board for Approval.
Board Ratification Date: ____________________________
INDEPENDENT CONTRACTOR TERMS AND CONDITIONS

Independent Contractor Name: _____________________________

IC# _____________________________

1. The Independent Contractor will perform said services Independently, not as an employee of the District; therefore, the District is not liable for worker's compensation or unemployment benefits in connection with this Independent Contractor Agreement. Independent Contractor shall assume full responsibility for payment of all Federal, State and Local taxes or contributions, including Unemployment Insurance, Social Security, and Income Taxes with respect to Independent Contractor's employees.

2. Independent Contractor shall furnish, at his/her own expense, all labor, materials, equipment and other items necessary to carry out the terms of this Agreement, unless agreed upon under Additional Expenses on page 1 of this Agreement.

3. In the performance of the work herein contemplated, the Independent Contractor with the authority to control and direct the performance of the details of the work, the District being interested in the results obtained.

4. If applicable, the Independent Contractor will certify in writing, using Administration Form #3515.6., that criminal background checks have been completed as per Board Policy #3515.6 prior to commencement of services. This requirement also applies to any subcontractors or employees utilized by the Independent Contractor.

5. Independent Contractor agrees to defend, indemnify and hold harmless the District, its Board of Trustees, employees and agents from any and all liability or loss arising in any way out of Independent Contractor's negligence in the performance of this Agreement, including, but not limited to, any claim due to injury and/or damage sustained by Independent Contractor, and/or the Independent Contractor's employee or agents.

6. Independent Contractor will provide to Assistant Superintendent, Business Services, upon request, a Certificate of Insurance showing a minimum $1,000,000 combined single limits of general liability and automobile coverage as required by the District.

7. Neither party shall assign nor delegate any part of this Agreement without the written consent of the other party.

8. The work completed herein must meet the approval of the District and shall be subject to the District's general right of inspection to secure the satisfactory completion thereof. Independent Contractor agrees to comply with all Federal, State, Municipal and District laws, rules and regulations that are now, or may in the future become applicable to Independent Contractor, Independent Contractor’s business, equipment and personnel engaged in operations covered by this Agreement or occurring out of the performance of such operations.

9. The Independent Contractor will be paid by vendor check as an Independent Contractor.

10. Independent Contractor shall provide an original invoice to the Originating Administrator. Independent Contractor shall be paid within 30 days of receipt of invoice and authorization of payment forwarded to the CUSD Accounts Payable department along with the original invoice.

11. Either party may terminate this agreement, with or without cause, upon 30 days written notice to the other. Vendor shall be paid for work actually performed as of the date of receipt of such notice.

12. AGREED TO AND ACCEPTED:

[Signature of Independent Contractor] _____________________________

[Printed Name] _____________________________

[Date] _____________________________

13. RECOMMENDED:

[Signature of Originating Administrator] _____________________________

[Printed Name] _____________________________

[Date] _____________________________

14. APPROVED:

[Signature of District Administrator or Director of Categorical Programs] _____________________________

[Printed Name] _____________________________

[Date] _____________________________

15. APPROVED:

[Signature of District Administrator, Business Services] _____________________________

[Printed Name] _____________________________

[Date] _____________________________

16. AUTHORIZATION FOR PAYMENT

CHECK REQUIRED

[ ] Partial Payment through: _____________________________

[ ] Full or Final Payment

$ _____________________________

DISPOSITION OF CHECK by Accounts Payable:

[ ] Send to Site Administrator (date): _____________________________

[ ] Mail to Independent Contractor

[ ] Originating Administrator Signature (Blue Ink) _____________________________

[Date] _____________________________
Independent Contractor Agreement

Completed By: Mary Woynarski
Phone: (630) 891-3214

1. This Agreement is made by and between Chico Unified School District and:
   Name: Donald P. Buener Sr.
   Email Address: dbuener@aol.com
   Street Address/POB: 6215 Happy Way
   City, State, Zip Code: Maryville, CA 65901
   Phone:
   Social Security Number:
For vendors using a taxpayer identification number please complete a Contract Summary form.

This agreement will be in effect From: 3/17/17 To: 6/30/17
Site Code: 650 Location(s) of Services: Transportation

2. Scope of Work to be performed and Goal (Strategy, Plan, Site Plan, Other) to be achieved as a result of Independent Contractor Services (attach separate sheet if necessary):
   a. Scope of Work: Training of school bus drivers.

   b. Goal (if applicable): To increase the pool of available school bus drivers.

3. Funding/Program/Grant Affected (corresponding to accounts listed in item 4):
   a. Transportation funds.
   b. 
   c. 

4. | Percent (%) | Fund | Resource | Project/Year | Goal | Function | Object | Site | Manager |
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5. Payment to Independent Contractor for services actually rendered and supported by Independent Contractor initiated invoices, the District will pay the Independent Contractor not to exceed the payment criteria as follows:
   $50.00 Hourly Rate X 40.00 Quantity = $2,000.00 Total for Services

   Additional Expenses (if applicable, in the event of changes to service or other expense types)
   Item: $ 
   Item: $ 
   $ 0.00 Total of Additional Expenses
   $2,000.00 Grand Total (Services + Additional Expenses)

6. Completed BS10A "Certificate of Independent Consultant Agreement" guideline is On File Attached

7. Completed W9 "Request for Taxpayer Identification Number/Certification" form is On File Attached

BP 3600 states all Consultants/Independent Contractor contracts shall be brought to the Board for Approval.
Board Ratification Date: 

ICA# ____________________________
INDEPENDENT CONTRACTOR TERMS AND CONDITIONS

Independent Contractor Name: Donald P. Buerer Sr.  

1. The Independent Contractor will perform said services independently, not as an employee of the District; therefore, the District is not liable for worker's compensation or unemployment benefits in connection with this Independent Contractor Agreement. Independent Contractor shall assume full responsibility for payment of all Federal, State and Local taxes or contributions, including Unemployment Insurance, Social Security, and Income Taxes with respect to Independent Contractor's employees.

2. Independent Contractor shall furnish, at his/her own expense, all labor, materials, equipment and other items necessary to carry out the terms of this Agreement, unless agreed upon under Additional Expenses on page 1 of this Agreement.

3. In the performance of the work herein contemplated, the Independent Contractor with the authority to control and direct the performance of the details of the work, the District being interested in the results obtained.

4. If applicable, the Independent Contractor will certify in writing, using Administration Form #3515.6, that criminal background checks have been completed as per Board Policy 3515.6 prior to commencement of services. This requirement also applies to any subcontractors or employees utilized by the Independent Contractor.

5. Independent Contractor agrees to defend, indemnify and hold harmless the District, its Board of Trustees, employees and agents from any and all liability or loss arising in any way out of Independent Contractor's negligence in the performance of this Agreement, including, but not limited to, any claim due to injury and/or damage sustained by Independent Contractor, and/or the Independent Contractor's employee or agents.

6. Independent Contractor will provide to Assistant Superintendent, Business Services, upon request, a Certificate of Insurance showing a minimum $1,000,000 combined single limits of general liability and automobile coverage is required by the District.

7. Neither party shall assign or delegate any part of this Agreement without the written consent of the other party.

8. The work completed herein must meet the approval of the District and shall be subject to the District's general right of inspection to secure the satisfactory completion thereof. Independent Contractor agrees to comply with all Federal, State, Municipal and District laws, rules and regulations that are now, or may in the future become applicable to Independent Contractor, Independent Contractor's business, equipment and personnel engaged in operations covered by this Agreement or occurring out of the performance of such operations.

9. The Independent Contractor will be paid by vendor check as an Independent Contractor.

10. Independent Contractor shall provide an original invoice to the Originating Administrator, Independent Contractor shall be paid within 30 days of receipt of invoice and authorization of payment forwarded to the CUSD Accounts Payable department along with the original invoice.

11. Either party may terminate this agreement, with or without cause, upon 30 days written notice to the other. Vendor shall be paid for work actually performed as of the date of receipt of such notice.

12. AGREED TO AND ACCEPTED:

[Signature of Independent Contractor]

Donald P. Buerer, Sr.  

Printed Name  

Date  

3-10-17

13. RECOMMENDED:

[Signature of Originating Administrator]

John Carver  

Printed Name  

Date  

3-10-17

14. APPROVED:

[Signature of District Administrator or Director of Categorical Programs]

[Printed Name]  

Date

15. APPROVED:

[Signature of District Administrator or Director of Business Services]

[Printed Name]  

Date

16. AUTHORIZATION FOR PAYMENT

CHECK REQUIRED

Invoice to accompany payment request:

- Partial Payment through:
- Full or Final Payment

$_________  

Amount

DISPOSITION OF CHECK by Accounts Payable:

- Send to Site Administrator (date):  
- Mail to Independent Contractor (date):

[Originating Administrator's Signature (Blue Ink)]  

[Date]  

7-10-17
Independent Contractor Agreement

Completed By: Doris Luther
Phone: 891-3000

1. This Agreement is made by and between Chico Unified School District and:
   Name: Raven Hunter
   Email Address: ravenwahunter@gmail.com
   Street Address/POB: 415 E 7th Ave
   City, State, Zip Code: Chico, CA 95929
   Phone: __________
   Taxpayer ID/SSN: __________

   This agreement will be in effect From: 1/1/17
   To: 6/30/17
   Site Code: 380
   Location(s) of Services: Inspire School of Arts and Sciences

2. Scope of Work to be performed and Goal (Strategic Plan, Site Plan, Other) to be achieved as a result of Independent Contractor Services (attach separate sheet if necessary):
   a. Scope of Work: choreographing and teaching one dance for Dance 4 on Wednesdays
   b. Goal (if applicable): expose students to new styles of dance and techniques

3. Funding/Program/Grant Affected (corresponding to accounts listed in item 4):
   a. __________
   b. __________
   c. __________

4. 
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<th>Percent (%)</th>
<th>Fund</th>
<th>Resource</th>
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</table>

5. Payment to Independent Contractor for services actually rendered and supported by Independent Contractor Initiated invoices, the District will pay the Independent Contractor not to exceed the payment criteria as follows:
   $300.00 Hourly Rate X 1.00 # hours = $300.00 Total for Services
   (For flat rate fees, please place the flat rate under "hourly rate" and use "1.0" for number of hours.)

   Additional Expenses (if applicable, in the event of changes to service or other expense types)
   Item: ____________________________ $________
   Item: ____________________________ $________
   $300.00 Total of Additional Expenses
   $300.00 Grand Total (Services + Additional Expenses)


7. Completed W9 "Request for Taxpayer Identification Number/Certification" form is [ ] On File [x] Attached
INDEPENDENT CONTRACTOR TERMS AND CONDITIONS

Independent Contractor Name: Raven Hunter

1. The Independent Contractor will perform said services independently, not as an employee of the District; therefore, the District is not liable for worker’s compensation or unemployment benefits in connection with this Independent Contractor Agreement. Independent Contractor shall assume full responsibility for payment of all Federal, State and Local taxes or contributions, including Unemployment Insurance, Social Security, and Income Taxes with respect to Independent Contractor’s employees.

2. Independent Contractor shall furnish, at his/her own expense, all labor, materials, equipment and other items necessary to carry out the terms of this Agreement, unless agreed upon under Additional Expenses on page 1 of this Agreement.

3. In the performance of the work herein contemplated, the Independent Contractor with the authority to control and direct the performance of the details of the work, the District being interested in the results obtained.

4. If applicable, the Independent Contractor will certify in writing, using Administration Form #3515.6, that criminal background checks have been completed as per Board Policy #3515.6 prior to commencement of services. This requirement also applies to any subcontractors or employees utilized by the Independent Contractor.

5. Independent Contractor agrees to defend, indemnify and hold harmless the District, its Board of Trustees, employees and agents from any and all liability or loss arising in any way out of Independent Contractor’s negligence in the performance of this Agreement, including, but not limited to, any claim due to injury and/or damage sustained by Independent Contractor, and/or the Independent Contractor’s employee or agents.

6. Independent Contractor will provide to Assistant Superintendent, Business Services, upon request, a Certificate of Insurance showing a minimum $1,000,000 combined single limits of general liability and automobile coverage as required by the District.

7. Neither party shall assign nor delegate any part of this Agreement without the written consent of the other party.

8. The work completed herein must meet the approval of the District and shall be subject to the District’s general right of inspection to secure the satisfactory performance thereof. Independent Contractor agrees to comply with all Federal, State, Municipal and District laws, rules and regulations that are now, or may in the future become applicable to Independent Contractor, independent Contractor’s business, equipment and personnel engaged in operations covered by this Agreement or occurring out of the performance of such operations.

9. The Independent Contractor will be paid by vendor check as an Independent Contractor.

10. Independent Contractor shall provide an original invoice to the Originating Administrator. Independent Contractor shall be paid within 30 days of receipt of invoice and authorization of payment forwarded to the CUSS Accounts Payable department along with the original invoice.

11. Either party may terminate this agreement, with or without cause, upon 30 days’ written notice to the other. Vendor shall be paid for work actually performed as of the date of receipt of such notice.

12. AGREED TO AND ACCEPTED:

Signature of Independent Contractor

Raven Hunter

Printed Name

02-22-2017

Date

13. RECOMMENDED:

Signature of Originating Administrator

Jerry Crossley

Printed Name

2/23/17

Date

14. APPROVED:

Signature of District Administrator OR Director of Categorical Programs

Printed Name

Date

15. APPROVED:

Signature of District Administrator, Business Services

Printed Name

Date

16. AUTHORIZATION FOR PAYMENT

CHECK REQUIRED

(Invoice to accompany payment request):

[ ] Partial Payment through:

[ ] Full or Final Payment

$_________

Amount

DISPOSITION OF CHECK by Accounts Payable:

(check released upon completion of services)

[ ] Send to Site Administrator (date):

[ ] Mail to Independent Contractor

Originating Administrator Signature (Blue Ink)

Date
Independent Contractor Agreement

Completed By: Doris Luther
Phone: 891-3600

1. This Agreement is made by and between Chico Unified School District and:
   Name: Nichole Lim
   Email Address: nicholamelreeee@gmail.com
   Street Address/POB: 1007 Slabback Ave
   City, State, Zip Code: Nashville, TN 37207
   Phone: 
   Taxpayer ID/SSN: 

   This agreement will be in effect from: 2/24/17 To: 3/15/17
   Site Code: 390 Location(s) of Services: Inspire School of Arts and Sciences

2. Scope of Work to be performed and Goal (Strategic Plan, Site Plan, Other) to be achieved as a result of Independent Contractor Services (attach separate sheet if necessary):
   a. Scope of Work: guest teaching in Stagecraft – specialized training in hair/makeup

   b. Goal (if applicable): learn advanced hair/makeup techniques for Tech Theatre

3. Funding/Program/Grant Affected (corresponding to accounts listed in Item 4):
   a. AME
   b. 
   c. 

4.

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</table>

5. Payment to Independent Contractor for services actually rendered and supported by Independent Contractor Initiated Invoices, the District will pay the Independent Contractor not to exceed the payment criteria as follows:
   $300.00 Hourly Rate X 1.00 # Hours = $300.00 Total for Services
   (For Flat Rate fees, please place the flat rate under "hourly rate" and use "1" for number of hours.)

   Additional Expenses (If applicable, in the event of changes to service or other expense types)
   Item: ___________________________ $_________
   Item: ___________________________ $_________
   $0.00 Total of Additional Expenses
   $300.00 Grand Total (Services + Additional Expenses)


7. Completed W9 "Request for Taxpayer Identification Number/Certification" form is: √ On File □ Attached

BP 3600 states all Consultants/Independent Contractor contracts shall be brought to the Board for Approval.
Board Approval Date:
Board authorizing signature:
INDEPENDENT CONTRACTOR TERMS AND CONDITIONS

Independent Contractor Name: Nichole Lim

1. The Independent Contractor will perform said services independently, not as an employee of the District; therefore, the District is not liable for worker's compensation or unemployment benefits in connection with this Independent Contractor Agreement. Independent Contractor shall assume full responsibility for payment of all Federal, State and Local taxes or contributions, including Unemployment Insurance, Social Security, and Income Taxes with respect to Independent Contractor's employees.

2. Independent Contractor shall furnish, at his/her own expense, all labor, materials, equipment and other items necessary to carry out the terms of this Agreement, unless agreed upon under Additional Expenses on page 1 of this Agreement.

3. In the performance of the work hereinafter contemplated, the Independent Contractor with the authority to control and direct the performance of the details of the work, the District being interested in the results obtained.

4. If applicable, the Independent Contractor will certify in writing, using Administration Form #3515.6., that criminal background checks have been completed as per Board Policy #3515.6 prior to commencement of services. This requirement also applies to any subcontractors or employees utilized by the independent contractor.

5. Independent Contractor agrees to defend, indemnify and hold harmless the District, its Board of Trustees, employees and agents from any and all liability or loss arising in any way out of independent contractor's negligence in the performance of this Agreement, including, but not limited to, any claim due to injury and/or damage sustained by Independent Contractor, and/or the Independent Contractor's employee or agents.

6. Independent Contractor will provide to Assistant Superintendent Business Services, upon request, a Certificate of Insurance showing a minimum $1,000,000 combined single limits of general liability and automobile coverage as required by the District.

7. Neither party shall assign or delegate any part of this Agreement without the written consent of the other party.

8. The work completed herein must meet the approval of the District and shall be subject to the District's general right of Inspection to secure the satisfactory completion thereof. Independent Contractor agrees to comply with all Federal, State, Municipal and District laws, rules and regulations that are now, or may in the future become applicable to Independent Contractor, Independent Contractor's business, equipment and personnel engaged in operations covered by this Agreement or occurring out of the performance of such operations.

9. The Independent Contractor will be paid by vendor check as an Independent Contractor.

10. Independent Contractor shall provide an original invoice to the Originating Administrator. Independent Contractor shall be paid within 30 days of receipt of invoice and authorization of payment forwarded to the CSUG Accounts Payable department along with the original invoice.

11. Either party may terminate this Agreement, with or without cause, upon 30 days' written notice to the other. Vendor shall be paid for work actually performed as of the date of receipt of such notice.

12. AGREED TO AND ACCEPTED:

[Nichole Lim]
Printed Name
2/24/17

13. RECOMMENDED:

[Jerry Creslow]
Printed Name
2/13/17

14. APPROVED:

Signature of District Administrator OR Director of Categorical Programs

15. APPROVED:

Signature of District Administrator, Business Services

16. AUTHORIZATION FOR PAYMENT CHECK REQUIRED

[ ] Partial Payment through:
[ ] Full or Final Payment

$ __________
Amount

DISPOSITION OF CHECK by Accounts Payable:
[ ] Check released upon completion of services
[ ] Send to Site Administrator (date): __________________
[ ] Mail to Independent Contractor

Originating Administrator Signature (Blue Ink)
Date

~ 2 ~
ASB Independent Contractor Agreement

Completed By: Diana Burdine Phone: 895-4110

1. This Agreement is made by and between CUSD-MJHS ASB and:
   Name: Marcus F. Mitchinson
   Email Address: lodgekepee@gmail.com
   Street Address/POB: P O Box 257
   City, State, Zip Code: Hornbrook, CA 96044
   Phone: ____________________________
   Taxpayer ID/SSN: ____________________

   This agreement will be in effect From: 4/20/17 To: 5/31/17
   Location of Services: Marsh Junior High

2. Scope of Work to be performed and Goal (Strategic Plan, Site Plan, Other) to be achieved as a result of Independent Contractor Services:
   b. Goal (if applicable): To promote awareness and empathy for persons living with HIV/AIDS and provide accurate information

3. ASB account name(s) paying for services: ASB account #: Amount:
   a. Discovery Club 410 $1,200.00
   b. ____________________________ ____________________________
   c. ____________________________ ____________________________

4. Payment to Independent Contractor for services actually rendered and supported by Independent Contractor initiated invoices, the District will pay the Independent Contractor not to exceed the payment criteria as follows:
   $1,200.00 Hourly Rate X 1.00 # Hours = $1,200.00 Total for Services
   (For Flat Rate fees, please place the flat rate under “hourly rate” and use “1” for number of hours.)

Additional Expenses (If applicable, in the event of changes to service or other expense types)
   Item: ____________________________ $________________
   Item: ____________________________ $0.00 Total of Additional Expenses
   $1,200.00 Grand Total (Services + Additional Expenses)

5. Completed BS10A "Certificate of Independent Consultant Agreement" guideline is: ☑ On File ☐ Attached

6. Completed W9 "Request for Taxpayer ID Number/Certification" form is: ☑ On File ☐ Attached

BP 3600 states all Consultants/Independent Contractor contracts shall be brought to the Board for Approval.
Board Approval Date: ____________________________
Board authorizing signature: ____________________________
INDEPENDENT CONTRACTOR TERMS AND CONDITIONS

Independent Contractor Name: Mark ‘Marcus’ F. Mitchinson

1. The Independent Contractor will perform said services independently, not as an employee of the District; therefore, the District is not liable for worker’s compensation or unemployment benefits in connection with this Independent Contractor Agreement. Independent Contractor shall assume full responsibility for payment of all Federal, State and Local taxes or contributions, including Unemployment Insurance, Social Security, and Income Taxes with respect to Independent Contractor’s employees.

2. Independent Contractor shall furnish, at his/her own expense, all labor, materials, equipment and other items necessary to carry out the terms of this Agreement, unless agreed upon under Additional Expenses on page 1 of this Agreement.

3. In the performance of the work herein contemplated, the Independent Contractor with the authority to control and direct the performance of the details of the work, the District being interested in the results obtained.

4. If applicable, the Independent Contractor will certify in writing, using Administration Form #3515.6, that criminal background checks have been completed as per Board Policy #3515.6 prior to commencement of services. This requirement also applies to any subcontractors or employees utilized by the Independent Contractor.

5. Independent Contractor agrees to defend, indemnify and hold harmless the District, its Board of Trustees, employees and agents from any and all liability or loss arising in any way out of Independent Contractor’s negligence in the performance of this Agreement, including, but not limited to, any claim due to injury and/or damage sustained by Independent Contractor, and/or the Independent Contractor’s employee or agents.

6. Independent Contractor will provide to Assistant Superintendent, Business Services, upon request, a Certificate of Insurance showing a minimum $1,000,000 combined single limits of general liability and automobile coverage as required by the District.

7. Neither party shall assign or delegate any part of this Agreement without the written consent of the other party.

8. The work completed herein must meet the approval of the District and shall be subject to the District’s general right of inspection to secure the satisfactory completion thereof. Independent Contractor agrees to comply with all Federal, State, Municipal and District laws, rules and regulations that are now, or may in the future become applicable to Independent Contractor, Independent Contractor’s business, equipment and personnel engaged in operations covered by this Agreement or occurring out of the performance of such operations.

9. The Independent Contractor will be paid by vendor check as an Independent Contractor.

10. Independent Contractor shall provide an original invoice to the Origination Administrator. Independent Contractor shall be paid within 30 days of receipt of invoice and authorization of payment forwarded to the CUSD Accounts Payable department along with the original invoice.

11. Either party may terminate this agreement, with or without cause, upon 30 days’ written notice to the other. Vendor shall be paid for work actually performed as of the date of receipt of such notice.

12. AGREED TO AND ACCEPTED:

Mark ‘Marcus’ F. Mitchinson

13. AGREED TO AND ACCEPTED:

Lisa Reynolds

14. APPROVED:

Jay Marchant

15. APPROVED:

Signature of District Administrator,
Business Services

Sarah Grace Arington, ASB Treasurer

~2~
Independent Contractor Agreement

Completed By: Christina Winkie
Phone: (530) 891-5000

1. This Agreement is made by and between Chico Unified School District and:
   Name: Colina C. O'Malley
   Email Address: celine.o'malley@gmail.com
   Street Address/POB: 1260 Palmetto Ave.
   City, State, Zip Code: Chico, CA 95926
   Social Security Number:

   For vendors using a taxpayer identification number please complete a Contract Summary form.

   This agreement will be in effect From: 3/1/17 To: 6/1/17
   Site Code: ____________ Location(s) of Services: YouthBuild, Park Ave.

2. Scope of Work to be performed and Goal (Strategic Plan, Site Plan, Other) to be achieved as a result of Independent Contractor
   Services (attach separate sheet if necessary):
   a. Scope of Work:
      Participants in this program are empowered to tell their own story, rather than have society and others tell their story for them. Storytelling
      and empathetic listening skills are developed, encouraging participants to engage with their own story and others' stories in new and necessary ways
      to become influential and effective leaders in any personal, work or community setting.
   b. Goal (if applicable)

3. Funding/Program/Grant Affected (corresponding to accounts listed in Item 4):
   a. Byrne-JAG Grant
   b. 
   c. 

4. Percent (%) | Fund | Resources | Project/Year | Goal | Function | Object | Site | Manager
   1 100% | 1 | 9150 | 0 | 3600 | 2400 | 6800 | 5/70 | 6/70
   2 0% | | | | | | | |
   3 0% | | | | | | | |

5. Payment to Independent Contractor for services actually rendered and supported by Independent Contractor initiated
   Invoices, the District will pay the Independent Contractor not to exceed the payment criteria as follows:
   $4,500.00 Hourly Rate X 1.00 Quantity (One-Time) = $4,500.00 Total for Services

   Additional Expenses (if applicable, in the event of changes to service or other expense types)
   Item: _____________________________ $ __________
   Item: _____________________________ $ __________
   $ 0.00 Total of Additional Expenses
   $ 4,500.00 Grand Total (Services + Additional Expenses)

6. Completed BS10A "Certificate of Independent Consultant Agreement" guideline is ☐ On File ☑ Attached

7. Completed W9 "Request for Taxpayer Identification Number/Certification" form is ☐ On File ☑ Attached

BP 3600 states all Consultants/Independent Contractor contracts shall be brought to the Board for Approval.
Board Ratification Date: ____________
INDEPENDENT CONTRACTOR TERMS AND CONDITIONS

Independent Contractor Name: Celina C. O'Malley

1. The Independent Contractor will perform said services independently, not as an employee of the District; therefore, the District is not liable for worker's compensation or unemployment benefits in connection with this Independent Contractor Agreement. Independent Contractor shall assume full responsibility for payment of all Federal, State and Local taxes or contributions, including Unemployment Insurance, Social Security, and Income Taxes with respect to Independent Contractor's employees.

2. Independent Contractor shall furnish, at his/her own expense, all labor, materials, equipment and other items necessary to carry out the terms of this Agreement, unless agreed upon under Additional Expenses on page 1 of this Agreement.

3. In the performance of the work herein contemplated, the Independent Contractor with the authority to control and direct the performance of the details of the work, the District being interested in the result obtained.

4. If applicable, the Independent Contractor will certify in writing, using Administration Form #3515.6, that criminal background checks have been completed as per Board Policy #3515.6 prior to commencement of services. This requirement also applies to any subcontractors or employees utilized by the Independent Contractor.

5. Independent Contractor agrees to defend, indemnify and hold harmless the District, its Board of Trustees, employees and agents from any suit or liability or loss arising in any way out of Independent Contractor's negligence in the performance of this Agreement, including, but not limited to, any claim due to injury and/or damage sustained by Independent Contractor, and/or the Independent Contractor's employee or agents.

6. Independent Contractor will provide to Assistant Superintendent, Business Services, upon request, a Certificate of Insurance showing a minimum $1,000,000 combined single limits of general liability and automobile coverage as required by the District.

7. Neither party shall assign nor delegate any part of this Agreement without the written consent of the other party.

8. The work completed herein must meet the approval of the District and shall be subject to the District's general right of inspection to assure the satisfactory completion thereof. Independent Contractor agrees to comply with all Federal, State, Municipal and District laws, rules and regulations that are now, or may in the future become applicable to Independent Contractor, Independent Contractor's business, equipment and personnel engaged in operations covered by this Agreement or occurring out of the performance of such operations.

9. The Independent Contractor will be paid by vendor check to the Independent Contractor. Independent Contractor shall be paid within 30 days of receipt of invoice and authorization of payment forwarded to the CUSD Accounts Payable department along with the original invoice.

10. Either party may terminate this agreement, with or without cause, upon 30 days written notice to the other. Vendor shall be paid for work actually performed as of the date of receipt of such notice.

11. All invoices for work performed shall be submitted to the District Administrator, Business Services.

12. AGREED TO AND ACCEPTED:

Signature of Independent Contractor

13. RECOMMENDED:

Signature of Originating Administrator

14. APPROVED:

Signature of District Administrator OR Director of Categorical Programs

15. APPROVED:

Signature of District Administrator, Business Services

16. AUTHORIZATION FOR PAYMENT

CHECK REQUIRED

[ ] $ Partial Payment through: ___________________________

[ ] Full or Final Payment

$ ___________________________

Amount

DISPOSITION OF CHECK by Accounts Payable:

[ ] Send to Site Administrator (date): ___________________________

[ ] Mail to Independent Contractor

Original Administrator Signature (blue ink) ___________________________

Date 2/22/17

Printed Name Celina C. O'Malley

Date 2/22/17

Printed Name David McKay, Director

Date 2/23/17

Printed Name John Bohannon, Director

Date 2/23/17

Printed Name Kevin Butts, Asst. Superintendent

Date

~2~
ASB Independent Contractor Agreement

Completed By: Lucas Luther Phone: (530) 391-0500

1. This Agreement is made by and between Chico Unified School District ______________________ and:
   
   Name: Vaughn Guelden
   
   Email Address: vgueln1@yahoo.com
   
   Street Address/POB: 584 Valley View Drive
   
   City, State, Zip Code: Paradise, CA 95969
   
   Phone: 
   
   Taxpayer ID/SSN: 

   This agreement will be in effect From: 1/30/17 To: 3/15/17
   
   Location(s) of Services: Inspire School of Arts and Sciences

2. Scope of Work to be performed and Goal (Strategic Plan, Site Plan, Other) to be achieved as a result of Independent Contractor Services (attach separate sheet if necessary):
   
   a. Scope of Work: playing cello for "Into the Woods"

   b. Goal (if applicable): beautiful music

3. ASB Account(s) Affected
   
   a. Production Team
   
   b. ____________________
   
   c. ____________________

   ASB Account #: 212-12
   
   Percentage: 100.00%

   0.00%

   0.00%

4. Payment to Independent Contractor for services actually rendered and supported by Independent Contractor initiated Invoices, the District will pay the Independent Contractor not to exceed the payment criteria as follows:

   $300.00 Hourly Rate X 1.00 # Hours = $300.00 Total for Services

   (For Flat Rate fees, please place the flat rate under "hourly rate" and use "1" for number of hours.)

   Additional Expenses (if applicable, in the event of changes to service or other expense types)

   Item: ____________________________________________________________________________ $________

   Item: ____________________________________________________________________________ $________

   Total of Additional Expenses $________

   Grand Total (Services + Additional Expenses) $300.00

5. Completed BS10A “Certificate of Independent Consultant Agreement” guideline is □ On File ✔ Attached

6. Completed W9 “Request for Taxpayer Identification Number/Certification” form is □ On File ✔ Attached
INDEPENDENT CONTRACTOR TERMS AND CONDITIONS

Independent Contractor Name: Vaughn Quinlan  

1. The Independent Contractor will perform said services independently, not as an employee of the District; therefore, the District is not liable for worker’s compensation or unemployment benefits in connection with this Independent Contractor Agreement. Independent Contractor shall assume full responsibility for payment of all Federal, State and Local taxes or contributions, including Unemployment Insurance, Social Security, and Income Taxes with respect to Independent Contractor’s employees.

2. Independent Contractor shall furnish, at his/her own expense, all labor, materials, equipment and other items necessary to carry out the terms of this Agreement, unless agreed upon under Additional Expenses on page I of this Agreement.

3. In the performance of the work herein contemplated, the Independent Contractor with the authority to control and direct the performance of the details of the work, the District being interested in the results obtained.

4. If applicable, the Independent Contractor will certify in writing, using Administration Form #3555.6., that criminal background checks have been completed as per Board Policy #3555.6 prior to commencement of services. This requirement also applies to any subcontractors or employees utilized by the Independent Contractor.

5. Independent Contractor agrees to defend, indemnify and hold harmless the District, its Board of Trustees, employees and agents from any and all liability or loss arising in any way out of Independent Contractor’s negligence in the performance of this Agreement, including, but not limited to, any claim due to injury and/or damage sustained by Independent Contractor, and/or the Independent Contractor’s employee or agents.

6. Independent Contractor will provide to Assistant Superintendent, Business Services, upon request, a Certificate of Insurance showing a minimum $1,000,000 combined single limits of general liability and automobile coverage as required by the District.

7. Neither party shall assign nor delegate any part of this Agreement without the written consent of the other party.

8. The work completed herein must meet the approval of the District and shall be subject to the District’s general right of inspection to secure the satisfactory completion thereof. Independent Contractor agrees to comply with all Federal, State, Municipal and District laws, rules and regulations that are now, or may in the future become applicable to Independent Contractor, Independent Contractor’s business, equipment and personnel engaged in operations covered by this Agreement or occurring out of the performance of such operations.

9. The Independent Contractor will be paid by vendor check as an Independent Contractor.

10. Independent Contractor shall provide an original invoice to the Originating Administrator. Independent Contractor shall be paid within 30 days of receipt of invoice and authorization of payment forwarded to the CJUSD Accounts Payable department along with the original invoice.

11. Either party may terminate this agreement, with or without cause, upon 30 days’ written notice to the other. Vendor shall be paid for work actually performed as of the date of receipt of such notice.

12. AGREED TO AND ACCEPTED:

[Signature]  [Printed Name]  [Date]

13. RECOMMENDED:

[Signature]  [Printed Name]  [Date]

14. APPROVED:

[Signature]  [Printed Name]  [Date]

15. APPROVED:

[Signature]  [Printed Name]  [Date]

16. ASB Approved Purchase Order #

[Signature]  [Date]

[Signature]  [Date]
AGENDA ITEM: Contracts

Prepared by: Kevin Bultema, Assistant Superintendent

☐ Consent  Board Date March 22, 2017

☐ Information Only

☐ Discussion/Action

Background Information

Per Board Policy 3312 Contracts, all Contracts shall be brought before the board for approval and/or ratification.

- MOU, Butte County Office of Education Regional Occupational Program (Career Pathways Grant, Lower)
- Holdrege and Kull, Loma Vista & Marigold Elementary School Additions (Facilities)
- Holdrege and Kull, Pleasant Valley High Proposed Stadium Improvements (Facilities)
- MOU, Thermalito Union Elementary School (Educational Services)
- United Building Contracts (Facilities)

Educational Implications

Per Board Policy 3312 Contracts, the Governing Board recognizes its responsibility to enter into contracts on behalf of the district for the acquisition of equipment, supplies, services, and other resources necessary for the achievement of district goals. In exercising this authority to enter into a contract, the Board shall ensure that the district’s interest is protected and that the terms of the contract conform to applicable legal standards, including the bidding requirements in Public Contract Code 20111.

The Board may, by a majority vote, delegate to the Superintendent or designee the authority to enter into contracts on behalf of the district. To be valid or to constitute an enforceable obligation against the district, all such contracts must be approved and/or ratified by the Board.

Every contract entered into on behalf of the district shall be made available for public inspection, except when the law prohibits disclosure. No contract shall prohibit a district employee from disparaging the goods or services of any contracting party.

Fiscal Implications

Contracts shall be paid according to agreed upon terms noted.
Memorandum of Understanding

By and between the
Butte County Office of Education Regional Occupational Program
And the
Chico Unified School District

This Memorandum of Understanding (MOU) sets forth the terms and conditions between Butte County Office of Education Regional Occupational Program (BCOE ROP) and Chico Unified School District (CUSD) for BCOE providing supplies, travel expenses, and website design and development costs for a Work Based Learning Intermediary for the Butte- Glenn Career Pathways Consortium Expansion Grant (BGCPC-X).

Background
Butte-Glenn Career Pathways Consortium (BGCPC) was awarded CCPT round two funds beginning in the 2015-2016 school year with CUSD as the lead fiscal agent. The grant includes funding for a Work Based Learning Intermediary who was hired in November of 2016. BCOE is housing this position, and the CCPT funds are contributing funding for it. Also written into the regional grant application are funds for the WBL Intermediary’s supplies, travel expenses, and website design and development.

Funding
BCOE may invoice CUSD (lead fiscal agent on the round two CCPT funds) for up to $3,000 in supplies, $5,000 in travel expenses, and $15,000 in website design and development for the WBL Intermediary entity from November 1, 2016 through June 30, 2018.

Duration
This MOU shall be in effect from November 1, 2016 through June 30, 2018. This MOU will become effective upon dual execution of this agreement by the authorized officials of the CUSD and BCOE.

Contact Information
Chico Unified School District
John Bohannon, Director of State and Federal Programs
1163 E. Seventh Street, Chico, CA 95928
jbohannon@chicosisd.org

Butte County Office of Education, ROP
Susan Steward, Senior Director, CTE/ROP
2491 Carmichael Drive, Suite 500, Chico, CA 95928
(530) 879-7462, sssteward@bcoe.org

Kelly Stanley, Superintendent, CUSD
Tim Taylor, Superintendent, BCOE

Date

2-27-17

3-1-17
March 7, 2017  
Proposal No. PC17.022

Ms. Maria Campos  
Construction Manager  
Chico Unified School District  
Facilities & Construction Department  
2455 Carmichael Drive  
Chico, CA 95928

REFERENCE:  
Loma Vista and Marigold Elementary Schools Additions  
2404 and 2446 Marigold Avenue  
Chico, Butte County, California

SUBJECT:  
Proposal for Geologic and Geotechnical Engineering Services

Dear Ms. Campos,

In accordance with your request and discussions with Rainforth Grau Architects, Holdrege & Kull (H&K) prepared this proposal to provide geologic and geotechnical engineering investigation and consulting services for the development of the above-referenced new classrooms, multipurpose and administration buildings at Loma Vista Elementary School (LVES) and Marigold Elementary School (MES), in Chico, California. H&K will perform the appropriate geological hazards and geotechnical investigation in accordance with the requirements of the California Department of Education (CDE), School Facilities Planning Division form 4.01, Division of the State Architect (DSA), the California Geological Survey (CGS) Note 48, and the 2016 California Building Code (CBC). H&K will prepare a combined geological hazards and geotechnical engineering investigation report for both schools presenting the findings, conclusions and recommendations for the proposed school campus improvements. The following presents our understanding of the project and our proposed engineering services.

1.0 PROJECT DESCRIPTION

The LVES and MES operated individual school on a merged campus at the above referenced addresses. The proposed campus improvements include a new multipurpose/administrative building, and wood framed and modular classroom buildings that are assumed to include the following:

- Marigold Multipurpose/Administrative Building is approximately 16,000 square feet (sqft) consisting of concrete masonry unit (CMU) and wood framed walls, continuous spread and isolated foundation footings, concrete slab-on-grade floors, and concrete slab on grade sidewalks and landscape improvements.
• MES Classroom Addition consists of adding approximately 2000 sqft on to an existing classroom building using wood framing, continuous spread and isolated foundation footings, concrete slab-on-grade floors, and concrete slab on grade sidewalks and landscape improvements.

• MES Two Story Classroom will consist of a combines new frame construction and prefabricated modular buildings with a 12,000 sqft ground level footprint which will consist of 2,500 sqft of onsite constructed wood framed structure with the rest consisting of modular construction. Construction may consist of continuous spread and isolated foundation footings, wood framing, concrete slab-on-grade floors, and concrete slab on grade sidewalks and landscape improvements.

• LVES Classroom Building is approximately 28,000 square feet of new construction consisting of continuous spread and isolated foundation footings, wood framing, concrete slab-on-grade floors, and concrete slab on grade sidewalks and landscape improvements.

The new improvements will require the removal of some existing portable/modular classrooms, demolition of playground, landscaping, and school yard. Earthwork grading will involve minor cuts and fills to meet the proposed building grade.

2.0 SCOPE OF SERVICES
Based on our understanding of the proposed site improvements and our knowledge of the local geologic conditions at the school site and a past geologic and geotechnical report compiled by H&K on the LVES campus, H&K is proposing the following cost savings approach to our scope of services. The subsurface exploration will utilize two previously completed borings within the new building areas, a previously executed shear-wave profile completed onsite in the upper 30 meters of the subsurface using Refraction Microtremor (ReMi) methodology, and include new borings using a truck-mounted drill rig. H&K will be able to collect the necessary subsurface soil samples for foundation recommendations using the borings, and meet the requirements of Chapter 16A of the 2016 CBC for seismic design parameters using the previously completed geophysical survey on the school campus.

H&K proposes to perform the following tasks as basic services with no other additional services included: Task 1 Site Investigation and Laboratory Testing, Task 2 Data Analysis, Task 3 Report Preparation, Task 4 Final Plan Review, and Task 5 Construction Testing and Inspection Services. Each task is described in the following:

2.1 Task 1, Site Investigation and Laboratory Testing
H&K will perform a site investigation using a hollow stem auger/mud rotary drill rig and a seismic refraction survey to characterize the soil, rock and groundwater conditions encountered at the surface and beneath the site. The site investigation information will be used to prepare a geological hazard evaluation report in
accordance with CGS Note 48 and geotechnical recommendations in accordance with the 2016 CBC. The site investigation includes the following components, which are described below: Surface Reconnaissance Investigation, Subsurface Investigation, and Laboratory Testing. These surface and subsurface investigations do not include the evaluation of the site for the presence of hazardous waste materials and/or groundwater pollutants.

2.1.1 Surface Reconnaissance Investigation

H&K will perform a surface reconnaissance of the project site to identify surface conditions that may impact the proposed site development plans. In general, H&K’s field engineer/geologist will observe and describe surface exposures of the following existing site conditions:

- Site and surrounding land uses.
- Surface soil conditions.
- Existing site improvements including earthwork grading and structures.
- Site topography and drainage.
- Vegetation.

2.1.2 Subsurface Investigation

A minimum of 48 hours prior to performing the subsurface investigation, H&K will mark the proposed subsurface exploratory locations with white paint and notify Underground Services Alert (USA) as required by California state law. USA members will inspect each proposed subsurface exploratory location to determine if any underground utilities are present at these locations. The owner, Chico Unified School District, is responsible for marking all known utilities inside the subject property. If USA identifies the presence of underground utilities at any of the proposed exploratory locations then we will move the excavation location to an area that is clear of underground utilities.

H&K will perform a subsurface investigation to obtain an understanding of the soil, rock and groundwater conditions underlying the new school site to the maximum depth explored. Ten (10) exploratory borings will be advanced surrounding the truck and field within the proposed building footprint areas accessible using a truck-mounted mud rotary/hollow stem auger drill rig. Borings will be advanced in accordance with the 2016 CBC requirements of a minimum of one boring per 5,000 square feet of building footprint, or a minimum of two per building. The exploratory borings will be advanced up to a maximum depth of 50 feet below the existing surface, in accordance with Section 1803A.3.1 of the CBC and CGS Special Publication 117A for liquefaction analyses or until refusal is met, if hard subsurface conditions exist in the shallow subsurface. Additional borings will be advanced along the west side of the track within the footprint of the proposed light towers and stadium bleachers. H&K may be advanced across the site to provide adequate coverage for assessing the geologic conditions beneath the school site, if deemed appropriate by our engineering geologist. H&K will attempt to locate the exploratory...
borings at the approximate locations of new building corners that may have heavy loads or deep foundations, however, due to the wet surface soil conditions, the borings will be spaced appropriately across the area to provide adequate coverage. Drill cuttings will be stockpiled onsite at the direction of Chico Unified School District. If H&K must remove excess drill cuttings (soil) from the site, additional costs will be incurred. Each exploratory boring will be backfilled immediately after logging and sampling activities are completed, in accordance with Butte County Environmental Health requirements.

H&K’s field engineer/geologist will collect both relatively undisturbed and disturbed soil samples from each exploratory boring. Relatively undisturbed soil samples will be collected with a standard penetration test (SPT) sampler and a 2.5-inch-diameter (inside diameter) split-spoon barrel sampler equipped with brass liner tubes. Generally, soil samples will be collected at the following depths below the existing ground surface: 0 feet, 2.0 feet, 5 feet, 10 feet, and continuing on five foot intervals, or change in geologic material, until the boring is terminated. Additional soil samples may be collected and/or the sample intervals may be changed depending upon the soil conditions encountered. The soil samples will be labeled, sealed and transported to our laboratory facility where selected samples will be tested to determine their engineering material properties. If the groundwater table is encountered, the depth to groundwater below the existing ground surface will be measured.

H&K will use the results of a previous in-situ shear-wave velocity profile of the upper 100 feet (30 meters) of the site using SeisOpt® ReMi™ Vs30 Method for shear-wave profiling. In September 2010, a seismic refraction survey was performed by H&K on the CHS campus. The purpose of the seismic survey was to use the SeisOpt® ReMi™ Vs30 method to determine the in-situ shear-wave (S-wave) velocity profile of the first 100-feet of soil beneath the site for the previously planned gymnasium project. H&K will use this ReMi™ Vs30 evaluation as additional support for the site class determination. Based on the known subsurface geologic conditions at the CHS site, this evaluation was selected to determine the Site Class in accordance with American Society of Civil Engineers publication ASCE 7-10.

2.1.4 Laboratory Testing Investigation

H&K will perform laboratory tests on selected soil samples to determine their engineering material properties. All laboratory tests will be performed consistent with the guidelines of the American Society for Testing and Materials (ASTM). The ASTM soil characterization tests may include:

- D2487 & D2488, Unified Soil Classification System, Description Visual Method
- D2937 & D2216, Density and Moisture Content
- D422, Particle Size Distribution, Sieve and Hydrometer Analysis
- D2166 Unconfined Shear Strength
- D3080, Direct Shear Strength
- D2166, Unconfined Compressive Strength
• D4318, Atterberg Plasticity Indices
• D4829, Expansion Index

If soil is encountered with a high potential for volume change (i.e., expansion or consolidation), then H&K may recommend additional laboratory testing to evaluate expansion or consolidation impacts and provide appropriate recommendations on the proposed earthwork and structural improvements. Additional testing may include ASTM D2435 one-dimensional consolidation, ASTM D4546 one-dimensional swell, and ASTM D4767 consolidated-drained triaxial shear strength. The costs to perform these additional tests are not included in the fee estimate presented herein. H&K will not perform these additional tests without written authorization to proceed and a budget augmentation to cover the cost of performing these additional laboratory tests.

H&K will collect additional samples of the shallow soil to perform laboratory testing for corrosion. Soil samples shall be taken from depths at which buried piping and concrete structures will be placed. H&K will select samples to be submitted to a California-certified laboratory and tested for the following.

• pH
• Resistivity (ohm-centimeter)
• Redox (millivolts, positive or negative)
• Sulfides (positive, negative, or trace)
• Chlorides (parts per million)
• Sulfates (parts per million)

2.2 Task 2, Data Analysis
H&K will use the state-of-the practice geological and geotechnical engineering analyses methods to evaluate the on-site soil properties. These analyses methods may include but will not be limited to the following:

2.2.1 Data Analysis Methods
• Soil and rock stratigraphy.
• Seismic (earthquake shaking) design parameters.
• Liquefaction evaluation (limited to SPT data collected)
• Location to nearest active faults and fault traces
• Cut and fill slope stability analyses.
• Soil bearing capacity for shallow and deep foundations.
• Lateral earth pressures.
• Soil-Concrete friction coefficients.
• Flood or dam flood inundation
• Soil expansion potential.
• Soil shear strength.
• Building and surcharge loads.
• Soil plasticity indices.
• Groundwater seepage and drainage controls.

H&K will develop geotechnical engineering recommendations for earthwork and structural improvements and provide applicable recommendations. The geotechnical engineering recommendations may include but not be limited to the following:

2.2.2 Earthwork Improvement Recommendations
• Site clearing and soil subgrade preparation.
• Exclusion of oversize fill soil materials.
• Aerial fill moisture conditioning and compaction requirements.
• Fill soil loose lift (layer) thickness requirements.
• Cut slope and fill slope geometries.
• Utility trench backfill material placement and compaction requirements.
• Surface water drainage.
• Expansive soil mitigation (not including lime, flyash or cement treatment details).
• Temporary construction de-watering methods.
• Subdrain systems (if necessary).

2.2.3 Structural Improvements
• Deep and shallow foundation types, dimensions and embedment depths.
• Deep and shallow foundation soil bearing capacity pressures.
• Foundation-soil sliding friction coefficients.
• Concrete slab-on-grade floors.
• Seismic (earthquake shaking) design parameters.

2.3 Task 3, Report Preparation
H&K will prepare a geotechnical engineering report that will present our findings, conclusions and recommendations. The geologic hazard evaluation and geotechnical engineering investigation report will meet or exceed the minimum requirements of the 2016 CBC, Division of the State Architect, the California Geological Survey Note 48, and the accepted geotechnical engineering principles and practices performed in northern California. The report will include descriptions of the site conditions, field investigation, laboratory testing, geologic hazard seismic response update, and geotechnical engineering design recommendations for the proposed earthwork and structural improvements. H&K will deliver five bound copies of the final report to the address shown on page one of this proposal. The report will be signed and stamped by a responsible California certified engineering geologist and licensed geotechnical engineer for this project.
2.4 Task 4, Final Plan Review

H&K will review the final earthwork grading improvement plans and project specifications prior to commencement of construction to determine whether our geotechnical engineering recommendations have been implemented and, if necessary, to provide additional and/or modified recommendations. The costs associated with performing plan review services are not included herein and are to be determined later.

2.5 Task 5, Construction Testing and Inspection Services

H&K proposes to perform construction quality assurance (CQA) monitoring of the earthwork grading performed by the construction contractor. As part of our CQA services, H&K's geotechnical engineer will oversee and certify the earthwork grading in accordance with the plans, specifications and recommendations provided in the geotechnical engineering report. In addition, as accredited by DSA's Laboratory Evaluation Accreditation (LEA) program (LEA# 210 and 284), H&K can provide special inspection services related to the steel fabrication, CMU construction, reinforced concrete placement, welding, high strength bolt testing, spray fire proofing, and more. The costs associated with performing CQA and special inspection services are not included herein and are to be determined later. H&K can prepare a contract cost amendment to include these services following approval of the final plans and specification and selection of a construction contractor.

3.0 SCHEDULE

H&K's proposed work schedule is based on our present and expected workload. H&K is prepared to commence work on this project following receipt of a signed contract and notice to proceed. H&K estimates that the subsurface investigation can be performed within 2 weeks following receipt of a signed contract and notice to proceed, weather, stable site access, and subcontractor availability permitting. H&K can provide verbal preliminary design recommendations immediately following the site investigation based on the field investigation data, however, the final recommendations will be developed from both the field and laboratory data. Therefore, the final recommendations will govern the design. H&K estimates that the final report can be completed within 4 weeks following completion of the field activities, weather and site access permitting.

The time required to complete our geological investigation field work may be increased as a result of encountering unforeseen subsurface conditions, adverse weather conditions, soil stability, property access problems, or scheduling of exploratory equipment.

4.0 COST ESTIMATE

H&K proposes to perform the geological and geotechnical investigations and prepare the reports on a fixed cost lump sum basis of $19,900.00, in accordance with the attached General Conditions For Geotechnical Engineering Services contract agreement terms and conditions. This fee includes the cost of a drill rig and operator. Invoices will be generated on a monthly basis; terms of payment are
net 30 days. Full payment is due upon completion of the work and issuance of the report. The cost associated with this scope of service is valid for a period of 60 days from the date of this proposal.

This cost estimate may require modification if unusual or unexpected site conditions are encountered which significantly change the work scope and increase the associated costs, if the client requests an expansion of the work scope, or if the County requires the purchase of any additional permits in order to complete the site investigation. H&K will not perform additional work outside the scope of services presented above until a written authorization to proceed and an approved budget augmentation is received.

5.0 CLOSING
Please sign the attached contract agreement form to indicate your acceptance of this proposed work scope, schedule, and fee estimate. Your signature indicates that you accept the terms and conditions of this contract agreement and is a written authorization for us to proceed with the work scope presented in this proposal. Please mail or email the signed contract agreement forms to our office. After receiving the signed agreement form, H&K will sign and issue the fully executed contract agreement.

Holdrege & Kull appreciates the opportunity to provide you with a proposal on this important project. If you should have questions or comments, please do not hesitate to contact the undersigned at (530) 894-2487.

Sincerely,

Holdrege & Kull

Shane D. Cummings, PG, CHG, CEG
Principal Engineering Geologist

Attachments:
Attachment 1, General Conditions For Geotechnical Engineering Services
GENERAL CONDITIONS FOR GEOTECHNICAL ENGINEERING SERVICES

THIS AGREEMENT, effective as of this 07 day of March, 2017, is by and between Chico Unified School District ("Client") and Holdrege & Kull Consulting Engineers and Geologists ("Engineer").

THE PROJECT is generally described as: Loma Vista and Marigold Elementary School Additions and is located at 2404 and 2448 Marigold Avenue, in Chico, California ("Project Site").

THE FEE to perform the proposed scope of services presented above on a lump sum basis is $19,000.00.

THIS AGREEMENT consists of the following documents which are incorporated herein by reference:

- GENERAL CONDITIONS FOR GEOTECHNICAL ENGINEERING SERVICES; and
- Engineer’s PROPOSAL PC17.022 dated March 7, 2017 and Fee Schedule; and
- Any documents specifically listed below or incorporated by reference in the listed documents.

Engineer agrees to perform the Services set forth in this Agreement and in accordance with its terms, including all attachments incorporated herein by reference. This Agreement may not be modified or altered, except in writing as specifically described in this Agreement.

CLIENT:

Chico Unified School District

Signature: [Signature]

Print Name: Julia M. Kistie
Title: Director of Facilities & Construction
Street Address: 2455 Carmichael Dr
City, State, Zip Code: Chico, CA 95928
Phone: 530-891-3140
Date: 3/18/17

ENGINEER:

Holdrege & Kull

Signature: [Signature]

Print Name: Shane D. Cummings
Title: Principal
Street Address: 48 Bellarmine Court, Suite 40
City, State, Zip Code: Chico, CA 95928
Phone: (530) 894-2487
Date: March 7, 2017
GENERAL CONDITIONS FOR
GEOTECHNICAL ENGINEERING SERVICES

1. DEFINITIONS

1.1. Contract Documents. Plans, specifications, and agreements between Client and Contractor, including addenda, amendments, supplementary instructions, and change orders.

1.2. Contractor. The contractor or contractors, including its/subcontractors of every tier, retained to construct the Project for which Engineer is providing Services under this Agreement.

1.3. Day(s). Calendar day(s) unless otherwise stated.

1.4. Hazardous Materials. The term Hazardous Materials means any toxic substances, chemicals, radioactivity, pollutants or other materials, in whatever form or state, known or suspected to impair the environment in any way whatsoever. Hazardous Materials include, but are not limited to, those substances defined, designated or listed in any federal, state or local law, regulation or ordinance concerning hazardous wastes, toxic substances or pollution.

1.5. Services. The Services provided by Engineer as set forth in this Agreement, the Proposal and any written amendment to this Agreement.

1.6. Work. The labor, materials, equipment and services required to complete the work described in the Contract Documents.

2. SCOPE OF SERVICES

Engineer will perform the Services described in the attached PROPOSAL.

2.1. Changes In Scope. If Engineer provides Client with a written confirmation of a change in the scope of services outlined in the Proposal, it will become an amendment to this Agreement unless Client objects in writing within 5 business days after receipt. All Services performed by Engineer on the Project are subject to the terms and limitations of this Agreement. If Services are performed, but the parties do not reach agreement concerning modifications to the scope of services outlined in the Proposal or compensation, then the terms and limitations of this Agreement apply to such Services, except for the payment terms. The parties agree to resolve disputes concerning modifications to scope or compensation pursuant to Section 19, “Disputes.”

2.2. Licenses. Engineer will procure and maintain business and professional licenses and registrations necessary to provide its Services.

2.3. Excluded Services. Engineer’s Services under this Agreement include only those Services specified in the Proposal.

2.3.1. General. Client expressly waives any claim against Engineer resulting from its failure to perform recommended additional Services that Client has not authorized Engineer to perform, and any claim that Engineer failed to perform services that Client instructs Engineer not to perform.

2.3.2. Biological Pollutants. Engineer’s scope of services outlined in the Proposal specifically excludes the investigation, detection, prevention or assessment of the presence of Biological Pollutants. The term “Biological Pollutants” includes, but is not limited to, molds, fungi, spores, bacteria, viruses, and/or any of their byproducts. Engineer’s scope of services outlined in the Proposal will not include any interpretations, recommendations or findings pertaining to Biological Pollutants. Client agrees that Engineer has no liability for any claims alleging a failure to investigate, detect, prevent, assess, or make recommendations for preventing, controlling, or abating Biological Pollutants. Furthermore, Client agrees to defend, indemnify, and hold harmless Engineer from any claims by any third party concerning Biological Pollutants, except for damages caused by Engineer’s sole negligence.

3. PAYMENTS TO ENGINEER

3.1. Basic Services. Engineer will perform Services set forth in the attached PROPOSAL and Fee Schedule (if applicable) for the amount(s) set forth therein.

3.2. Additional Services. Any Services performed under this Agreement, except those Services expressly identified in the attached PROPOSAL, will be provided on a time and materials basis unless otherwise specifically agreed to in writing by both parties.

3.3. Estimate of Fees. Engineer will, to the best of its ability, perform the Services and accomplish the objectives defined in this Agreement within any written cost estimate provided by Engineer. Client recognizes that changes in scope and schedule, and unforeseen circumstances can all influence the successful completion of Services within the estimated cost. The use of an estimate of fees or of a “not to exceed” limitation is not a guarantee that the Services will be completed for that amount, rather, it indicates that Engineer shall not incur fees and expenses in excess of the estimate or limit amount without obtaining Client’s agreement to do so.

3.4. Rates. Client will pay Engineer at the rates set forth in the PROPOSAL and Fee Schedule, as applicable.

3.4.1. Changes to Rates. Client and Engineer agree that the Fee Schedule is subject to periodic review and amendment, as appropriate to reflect Engineer’s then-current fee structure. Engineer will give Client at least 30 days advance notice of any
changes. Unless Client objects in writing to the proposed amended fee structure within 30 days of notification, the amended fee structure will be incorporated into this Agreement and will then supersede any prior fee structure. If Client timely objects to the amended fee structure, and Engineer and Client cannot agree upon a new fee structure within 30 days after notice, Engineer may terminate this Agreement and be compensated as set forth under Section 18, "Termination."

3.4.2. Prevailing Wages. Unless Client specifically informs Engineer in writing that prevailing wage regulations cover the Project and the Proposal identifies it as covered by such regulations, Client will reimburse, defend, indemnify and hold harmless Engineer from and against any liability resulting from a subsequent determination that prevailing wage regulations cover the Project, including all costs, fines and attorneys' fees.

3.5. Payment Timing; Late Charge. All invoices are due upon receipt. All amounts unpaid 30 days after the invoice date will include a late payment charge from the date of the invoice, at the rate of 1-1/2% per month or the highest rate permitted by law. Client will reimburse Engineer for any costs, including legal fees, associated with the collection of unpaid amounts.

4. STANDARD OF PERFORMANCE; DISCLAIMER OF WARRANTIES

4.1. Level of Service. Engineer offers different levels of geotechnical engineering Services to suit the desires and needs of different clients. Although the possibility of error can never be eliminated, more detailed and extensive Services yield more information and reduce the probability of error, but at increased cost. Client must determine the level of Services adequate for its purposes. Client has reviewed the Proposal and has determined that it does not need or want a greater level of Services than that being provided.

4.2. Standard of Care. Subject to the limitations inherent in the agreed scope of services outlined in the Proposal as to the degree of care, the amount of time and expenses to be incurred, and subject to any other limitations contained in this Agreement, Engineer may perform its Services consistent with that level of care and skill ordinarily exercised by other professional engineers practicing in the same locale and under similar circumstances at the time the Services are performed.

4.3. No Warranty. No warranty, express or implied, is included or intended by this Agreement.

5. ESTIMATE OF CONSTRUCTION COSTS

Client acknowledges that construction and Project development are subject to many influences that are not subject to precise forecasting and are outside of Engineer's control. Client further acknowledges that actual costs incurred may vary substantially from the estimates prepared by Engineer and that Engineer does not warrant or guaranty the accuracy of construction or development cost estimates.

6. CONSTRUCTION PHASE SERVICES

If Engineer's scope of services outlined in the Proposal includes observation and/or testing during the course of construction, Engineer may:


6.1.1. Site Meetings & Visits. Engineer will participate in job site meetings as requested by Client, and, unless otherwise requested by Client, visit the site at times specified in the Proposal or, if not specified in the Proposal, at intervals as Engineer deems appropriate to the various stages of construction to observe the geotechnical conditions encountered by Contractor and the progress and quality of the geotechnical aspects of the Work. Engineer will rely on Client or Client's representative for timely notification of changes to the construction schedule, so that Engineer can schedule site visits for testing and observation accordingly. Based on information obtained during such visits and on such observations, Engineer may inform Client of the progress of the geotechnical aspects of the Work. Client understands that Engineer may not be on site continuously; and, unless expressly agreed otherwise, Engineer will not observe all of the Work.

6.1.2. Contractor's Performance. Engineer does not, and cannot, warrant or guarantee that all of the geotechnical Work performed by Contractor meets the requirements of Engineer's geotechnical recommendations or the plans and specifications for such geotechnical Work; nor can Engineer be responsible for Contractor's failure to perform the Work in accordance with the plans, specifications or the recommendations of Engineer.

6.1.3. Contractor's Responsibilities. Engineer will not supervise, direct or have control over the Work nor will Engineer have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by Contractor for the geotechnical aspects of the Project; for safety precautions and programs incident to the Work; nor for any failure of Contractor to comply with Laws and Regulations applicable to Contractor furnishing and performing its Work.

6.1.4. Final Report. At the conclusion of Construction Phase Services, Engineer will provide Client with a written report summarizing the tests and observations, if any, made by Engineer.

6.2. Review of Contractor's Submittals. If included in the scope of services outlined in the Proposal, Engineer will review and take appropriate action on the Contractor's submittals, such as shop drawings, product data, samples, and other required submittals. Engineer will review such submittals solely for general conformance with Engineer's design, and will not
include review for the following, all of which will remain
the responsibility of the Contractor: accuracy or
completeness of details, quantities or dimensions;
construction means, methods, sequences or
procedures; coordination among trades; or
construction safety.

6.3. Tests. Tests performed by Engineer on finished
Work or Work in progress are taken intermittently
and indicate the general acceptability of the Work on a
statistical basis. Engineer's tests and observations of
the Work are not a guarantee of the quality of Work
and do not relieve other parties from their responsibility
to perform their Work in accordance with applicable
plans, specifications and requirements.

7. CLIENT'S RESPONSIBILITIES

In addition to payment for the Services performed
under this Agreement, Client agrees to:

7.1. Cooperation. Assist and cooperate with
Engineer in any manner necessary and within its ability
to facilitate Engineer's performance under this
Agreement.

7.2. Representative. Designate a representative
with authority to receive all notices and information
pertaining to this Agreement, communicate Client's
policies and decisions, and assist as necessary in
matters pertaining to the Project and this Agreement.
Client's representative will be subject to charge by
written notice.

7.3. Rights of Entry. Provide access to and/or
obtain permission for Engineer to enter upon all
property, whether or not owned by Client, as required
to perform and complete the Services. Engineer will
operate with reasonable care to reduce damage to the
Project Site(s). However, Client recognizes that
Engineer's operations and the use of investigative
equipment may unavoidably alter conditions or affect
the environment at the existing Project Site(s). The
cost of repairing such damage will be borne by Client
and is not included in the fee unless otherwise stated.

7.4. Relevant Information. Supply Engineer with all
information and documents in Client's possession or
knowledge which are relevant to Engineer's Services.
Client warrants the accuracy of any information
supplied to Engineer, and acknowledges that
Engineer is entitled to rely upon such information
without verifying its accuracy. Prior to the
completion of any Services in connection with
a specific property, Client will notify Engineer of any
known potential or possible health or safety hazard
existing on or near the Project Site, with particular
reference to Hazardous Materials or conditions.

7.5. Subsurface Structures. Correctly designate on
plans to be furnished to Engineer, the location of all
subsurface structures, such as pipes, tanks, cables
and utilities within the property lines of the Project
Site(s), and be responsible for any damage
inadvertently caused by Engineer to any such structure
or utility not so designated. Engineer is not liable to
Client for any losses, damages or claims arising from
damage to subsurface structures or utilities that
were not correctly shown on plans furnished by Client
to Engineer.

8. CHANGED CONDITIONS

If Engineer discovers conditions or circumstances that
it had not contemplated at the commencement of this
Agreement ("Changed Conditions"), Engineer will
notify Client of the Changed Conditions. Client and
Engineer agree that they will then renegotiate in
good faith the terms and conditions of this Agreement.
If Engineer and Client cannot agree upon amended
terms and conditions within 30 days after notice,
Engineer may terminate this Agreement and be
compensated as set forth in Section 18, "Termination."

9. HAZARDOUS MATERIALS

Client understands that Engineer's Services under this
Agreement are limited to geotechnical engineering and
that Engineer has no responsibility to locate, identify,
evaluate, treat or otherwise consider or deal with
Hazardous Materials. Client is solely responsible for
notifying all appropriate federal, state, municipal or
other governmental agencies, including the potentially
affected public, of the existence of any Hazardous
Materials located on or in the Project site, or located
during the performance of this Agreement. The
existence or discovery of Hazardous Materials
constitutes a Changed Condition under this Agreement.

10. CERTIFICATIONS

Client agrees not to require that Engineer execute any
certification with regard to Services performed or Work
tested and/or observed under this Agreement unless:
1) Engineer believes that it has performed sufficient
Services to provide a sufficient basis to issue the
certification; 2) Engineer believes that the Services
performed or Work tested and/or observed meet the
criteria of the certification; and 3) Engineer has
reviewed and approved in writing the exact form of
such certification prior to execution of this Agreement.
Any certification by Engineer is limited to an
expression of professional opinion based upon the
Services performed by Engineer, and does not
constitute a warranty or guaranty, either expressed or
implied.

11. ALLOCATION OF RISK

11.1. Limitation of Remedies. The total cumulative
liability of Engineer, its sub-Engineers and
subcontractors, and all of their respective
shareholders, directors, officers, employees and
agents (collectively "Engineer Entities"), to Client
arising from Services under this Agreement, including
attorney's fees due under this Agreement, will not
exceed the gross compensation received by Engineer
under this Agreement or $50,000, whichever is
greater, provided, however, that such liability is further limited as described below. This limitation applies to all lawsuits, claims or actions that allege errors or omissions in Engineer's Services, whether alleged to arise in tort, contract, warranty, or other legal theory. Upon Client's written request, Engineer and Client may agree to increase the limitation to a greater amount in exchange for a negotiated increase in Engineer's fee, provided that they amend this Agreement in writing as provided in Section 20.

11.2. Indemnification.

11.2.1. Indemnification of Client. Subject to the provisions and limitations of this Agreement and all otherwise applicable statutes of limitations and repose, Engineer agrees to indemnify and hold harmless Client, its shareholders, officers, directors and employees from and against claims, suits, liabilities, damages, expenses (including reimbursement of reasonable attorney's fees and costs of defense), or other losses (collectively "Losses") to the extent caused by Engineer's negligent performance of its Services under this Agreement. Consultant's defense obligation under this indemnity paragraph includes only the reimbursement of reasonable defense costs to the extent of Consultant's actual indemnity obligation hereunder.

11.2.2. Indemnification of Engineer. Client will indemnify and hold harmless Engineer Entities from and against any and all Losses to the extent caused by the negligence of Client, its employees, agents and contractors. In addition, except to the extent caused by Engineer's sole negligence, Client expressly agrees to defend, indemnify and hold harmless Engineer Entities from and against any and all Losses arising from or related to the existence, disposal, release, discharge, treatment or transportation of Hazardous Materials, or the exposure of any person to Hazardous Materials, or the degradation of the environment due to the presence, discharge, disposal, release of or exposure to Hazardous Material.

11.3. Consequential Damages. Neither Client nor Engineer will be liable to the other for any special, consequential, incidental or penal losses or damages including but not limited to losses, damages or claims related to the unavailability of property or facilities, shutdowns or service interruptions, loss of use, profits, revenue, or inventory, or for use charges, cost of capital, or claims of the other party and/or its customers.

11.4. No Personal Liability. Client expressly waives that right to sue or otherwise make any claim against any of the Engineer's officers or employees, past or present, as individuals, for any cause.

11.5. Continuing Agreement. The indemnity obligations and the limitations of liability established under this Agreement will survive the expiration or termination of this Agreement. If Engineer provides Services to Client that the parties do not confirm through execution of an amendment to this Agreement, the obligations of the parties to indemnify each other and the limitations on liability established under this Agreement apply to such Services as if the parties had executed an amendment.

12. INSURANCE

12.1. Engineer's Insurance. Engineer will obtain, if reasonably available, the following coverage:

12.1.1. Statutory Workers' Compensation/ Employer's Liability Insurance;

12.1.2. Commercial General Liability Insurance with a limit of not less than $1,000,000 per occurrence and $1,000,000 aggregate limit;

12.1.3. Automobile Liability Insurance, including liability for all owned, hired and non-owned vehicles with a combined single limit per occurrence of $1,000,000; and

12.1.4. Professional Liability Insurance in amounts of $1,000,000 per claim and annual aggregate.

12.2. Contractor's Insurance. Client shall require that all Contractors and subcontractors for the Project name Engineer as an additional insured under their General Liability and Automobile Liability insurance policies. If Client is not the Project owner, Client will require the Project owner to require the owner's Contractor to purchase and maintain General Liability, Builder's Risk, Automobile Liability, Workers' Compensation, and Employer's Liability insurance with limits no less than as set forth above, and to name Engineer and its subcontractors and subconsultants as additional insureds on the owners' General Liability insurance.

12.3. Certificates of Insurance. Upon request, Engineer and Client will each provide the other with certificate(s) of insurance evidencing the existence of the policies required herein. Except for Professional Liability and Workers' Compensation Insurance, all policies required herein shall contain a waiver of subrogation.

13. OWNERSHIP AND USE OF DOCUMENTS

13.1. Client Documents. All documents provided by Client will remain the property of Client. Engineer will return all such documents to Client upon request, but may retain file copies of such documents.

13.2. Engineer's Documents. Unless otherwise agreed in writing, all documents and information prepared by Engineer or obtained by Engineer from any third party in connection with the performance of Services, including, but not limited to, Engineer's reports, boring logs, maps, field data, field notes, drawings and specifications, laboratory test data and other similar documents (collectively "Documents") are the property of Engineer. Engineer has the right, in its sole discretion, to dispose of or retain the Documents.
13.3. Use of Documents. All Documents prepared by Engineer are solely for use by Client.

13.3.1. Use by Client. Client has the right to reuse the Documents for purposes reasonably connected with the Project for which the Services are provided, including without limitation design and licensing requirements of the Project.

13.3.2. Use by Engineer. Engineer retains the right of ownership with respect to any patentable concepts or copyrightable materials arising from its Services and the right to use the Documents for any purpose.

13.4. Electronic Media. Engineer may agree at Client's request to provide Documents and information in an electronic format. Client recognizes that Documents or other information recorded on or transmitted as electronic media are subject to undetectable alteration due to (among other causes) transmission, conversion, media degradation, software error, or human alteration. Accordingly, all Documents and information provided by Engineer in electronic media are for informational purposes only and not as final documentation. Unless otherwise defined in the Proposal, Engineer's electronic Documents and media will conform to Engineer's standards. Engineer will provide any requested electronic Documents for a 30-day acceptance period, and Engineer will correct any defects reported by Client to Engineer during this period. Engineer makes no warranties, either express or implied, regarding the fitness or suitability of any electronic Documents or media.

13.5. Unauthorized Reuse. No party other than Client may rely, and Client will not represent to any other party that it may rely on Documents without Engineer's express prior written consent and receipt of additional compensation. Client will not permit disclosure, mention, or communication of, or reference to the Documents in any offering circular, securities offering, loan application, real estate sales documentation, or similar promotional material without Engineer's express prior written consent. Client waives any and all claims against Engineer resulting in any way from the unauthorized reuse or alteration of Documents by itself or anyone obtaining them through Client. Client will defend, indemnify and hold harmless Engineer from and against any claim, action or proceeding brought by any party (including reasonable attorneys fees, expert fees and other costs of defense) arising out of the reuse, alteration, or reliance on the Documents or Information or opinions contained in Documents without having obtained Engineer's prior written consent.

14. SAMPLES AND CUTTINGS

14.1. Sample Retention. If Engineer provides laboratory testing or analytic Services, Engineer will preserve such soil, rock, water, or other samples as it deems necessary for the Project, but no longer than 45 days after issuance of any Documents that include the data obtained from these samples. Client will promptly pay and be responsible for the removal and lawful disposal of all contaminated samples, cuttings, Hazardous Materials, and other hazardous substances.

14.2. Monitoring Wells. Client will take custody of all monitoring wells and probes installed during any investigation by Engineer, and will take any and all necessary steps for the proper maintenance, repair or closure of such wells or probes at Client's expense.

15. RELATIONSHIP OF THE PARTIES

Engineer will perform Services under this Agreement as an independent contractor.

16. CONSENT TO ASSIGNMENT

Client and Engineer, respectively, each binds itself and its successors and assigns to the other and its successors and assigns with respect to all covenants of this Agreement. Neither Client nor Engineer shall assign, sublet or transfer any rights under interest in this Agreement without the prior written consent of the other party, including but not limited to: (a) any interest in the proceeds of this Agreement, or any proceeds of claims arising from or under this Agreement; (b) any claims, causes of action or rights against the other party arising from or under this Agreement; (c) the control of claims or causes of action against the other party arising from or under this Agreement; and (d) any proceeds from claims or causes of action as security, collateral or the source of payment for any notes of liabilities to any third party. This section shall not, however, apply to any subrogation rights (if any) of any insurer of either party. This section shall survive the completion or termination of this Agreement for any reason and shall remain enforceable between parties.

Engineer may subcontract for the services of others without obtaining Client's consent if Engineer deems it necessary or desirable for others to perform certain Services.

17. SUSPENSION AND DELAYS

17.1. Procedures. Client may, at any time by 10 days written notice suspend performance of all or any part of the Services by Engineer. Engineer may terminate this Agreement if Client suspends Engineer's Services for more than 60 days and Client will pay Engineer as set forth under Section 18, "Termination." If Client suspends Engineer's Services, or if Client or others delay Engineer's Services, Client and Engineer agree to equitably adjust: (1) the time for completion of the Services; and (2) Engineer's compensation in accordance with Engineer's then current Fee Schedule for the additional labor, equipment, and other charges associated with maintaining its workforce for Client's benefit during the delay or suspension, or charges incurred by Engineer for demobilization and subsequent remobilization.

17.2. Liability. Engineer is not liable to Client for any failure to perform or delay in performance due to
circumstances beyond Engineer's control, including but not limited to pollution, contamination, or release of hazardous substances, strikes, lockouts, riots, wars, fires, flood, explosion, "acts of God," adverse weather conditions, acts of government, labor disputes, delays in transportation or inability to obtain material and equipment in the open market.

18. TERMINATION

18.1. Termination for Convenience. Engineer and Client may terminate this Agreement for convenience upon 30 days written notice delivered or mailed to the other party.

18.2. Termination for Cause. In the event of material breach of this Agreement, the party not breaching the Agreement may terminate it upon 10 days written notice delivered or mailed to the other party. The termination notice shall state the basis for the termination. The Agreement may not be terminated for cause if the breaching party cures the breach within the 10-day period.

18.3. Payment on Termination. Following termination other than for Engineer's material breach of this Agreement, Client will pay Engineer for Services performed prior to the termination notice date, and for any necessary Services and expenses incurred in connection with the termination of the Project, including but not limited to, the costs of completing analysis, records and reports necessary to document job status at the time of termination and costs associated with termination of subcontractor contracts in accordance with Engineer's then current Fee Schedule.

19. DISPUTES

19.1. Mediation. All disputes between Engineer and Client are subject to mediation. Either party may demand mediation by serving a written notice stating the essential nature of the dispute, amount of time or money claimed, and requiring that the matter be mediated within 45 days of service of notice.

19.2. Precondition to Other Action. No action or suit may be commenced unless the mediation did not occur within 45 days after service of notice; or the mediation occurred but did not resolve the dispute; or a statute of limitation would elapse if suit was not filed prior to 45 days after service of notice.

19.3. Choice of Law; Venue. This Agreement will be construed in accordance with and governed by the laws of the state in which the Project is located. Unless the parties agree otherwise, any mediation or other legal proceedings will occur in the state in which the Project is located.

19.4. Statute of Limitations. Any applicable statute of limitations will be deemed to commence running on the earlier of the date of substantial completion of Engineer's Services under this Agreement or the date on which claimant knew, or should have known, of facts giving rise to its claims.

20. MISCELLANEOUS

20.1. Integration and Severability. This Agreement reflects the entire agreement of the parties with respect to its terms and supersedes all prior agreements, whether written or oral. If any portion of this Agreement is void or voidable, such portion will be deemed stricken and the Agreement reformed to as closely approximate the stricken portions as the law allows.

20.2. Modification of this Agreement. This Agreement may not be modified or altered, except by a written agreement signed by authorized representatives of both parties and referring specifically to this Agreement.

20.3. Notices. Any and all notices, requests, instructions, or other communications given by either party to the other must be in writing and either hand delivered to the recipient, or delivered by first-class mail (postage prepaid), or express mail (billed to sender), by fax, or by email, at the addresses given in this Agreement.

20.4. Headings. The headings used in this Agreement are for convenience only and are not a part of this Agreement.

20.5. Waiver. The waiver of any term, condition or breach of this Agreement will not operate as a subsequent waiver of the same term, condition, or breach.

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End of General Conditions
March 9, 2017
Proposal No. PC17.039

Ms. Lalanya Rothenberger
Construction & Energy Manager
Chico Unified School District
2455 Carmichael Drive
Chico, CA 95928

REFERENCE:  Pleasant Valley High School, Proposed Stadium Improvements
1375 East Avenue
Chico, Butte County, California

SUBJECT:  Proposal for Geotechnical Engineering Services

Dear Ms. Rothenberger,

In accordance with your request, Holdrege & Kull (H&K) prepared this proposal to provide geotechnical engineering investigation and consulting services for the development of the above-referenced stadium improvement project at Pleasant Valley High School (PVHS), in Chico, California. H&K will perform the appropriate geotechnical investigation in accordance with the requirements of the Division of the State Architect (DSA) and the 2016 California Building Code (CBC). H&K will prepare a geological hazards and geotechnical engineering investigation report presenting our findings, conclusions and recommendations for the proposed school improvements. The following presents our understanding of the project and our proposed engineering services.

1.0 PROJECT DESCRIPTION
The PVHS track and field underwent a turf and track resurfacing project the summer of 2016. The next phase of improvements will involve the construction of a new score board, stadium lights, grand stands/bleachers, concessions, restrooms, and equipment storage, and locker rooms. At the time this proposal is being prepared, no preliminary improvement plans were available for review, therefore, H&K assumes that the construction of the stadium improvements may consist of the following improvements: deep pier/pile foundations for the score board and stadium lights, spread and isolated foundations for the bleachers, continuous spread and isolated foundation footings for single story, wood and or light gauge steel frame buildings, with construction masonry unit (CMU) walls, concrete slab-on-grade floors, concrete sidewalk and landscape areas. Earthwork grading following may include general site preparation and minor cuts and fills required to balance the site to meet the proposed grades.
2.0 SCOPE OF SERVICES

Based on our understanding of the proposed site improvements, past geologic hazard reports completed for this school campus, and our knowledge of the local geologic conditions at the school, H&K is proposing the following cost savings approach to our scope of services. The subsurface exploration will focus on the deep foundation needs of the score board and stadium light towers, and shallow foundations for the grand stands/bleachers. H&K will be performed the site specific investigation using a truck-mounted drill rig and utilize a previously executed shear-wave profile completed onsite in the upper 30 meters of the subsurface using Refraction Microtremor (ReMi) methodology. H&K will be able to collect the necessary subsurface soil samples for foundation recommendations using the borings, and meet the requirements of Chapter 16A of the 2016 CBC for seismic design parameters using the previously completed geophysical survey on the school campus.

H&K proposes to perform the following tasks as basic services with no other additional services included: Task 1 Site Investigation and Laboratory Testing, Task 2 Data Analysis, Task 3 Report Preparation, Task 4 Final Plan Review, and Task 5 Construction Testing and Inspection Services. Each task is described in the following:

2.1 Task 1, Site Investigation and Laboratory Testing

H&K will perform a site investigation using a hollow stem auger/mud rotary drill rig and a seismic refraction survey to characterize the soil, rock and groundwater conditions encountered at the surface and beneath the site. The site investigation information will be used to prepare geotechnical recommendations in accordance with the 2016 CBC. The site investigation includes the following components, which are described below: Surface Reconnaissance Investigation, Subsurface Investigation, and Laboratory Testing. These surface and subsurface investigations do not include the evaluation of the site for the presence of hazardous waste materials and/or groundwater pollutants.

2.1.1 Surface Reconnaissance Investigation

H&K will perform a surface reconnaissance of the project site to identify surface conditions that may impact the proposed site development plans. In general, H&K's field engineer/geologist will observe and describe surface exposures of the following existing site conditions:

- Site and surrounding land uses.
- Surface soil conditions.
- Existing site improvements including earthwork grading and structures.
- Site topography and drainage.
- Vegetation.
2.1.2 Subsurface Investigation

A minimum of 48 hours prior to performing the subsurface investigation, H&K will mark the proposed subsurface exploratory locations with white paint and notify Underground Services Alert (USA) as required by California state law. USA members will inspect each proposed subsurface exploratory location to determine if any underground utilities are present at these locations. The owner, Chico Unified School District, is responsible for marking all known utilities inside the subject property. If USA identifies the presence of underground utilities at any of the proposed exploratory locations then we will move the excavation location to an area that is clear of underground utilities.

H&K will perform a subsurface investigation at PVHS track and field to obtain an understanding of the soil, rock and groundwater conditions underlying the new school site to the maximum depth explored. Up to four (4) exploratory borings will be advanced surrounding the truck and field, where accessible, using a truck-mounted mud rotary/hollow stem auger drill rig. The exploratory borings will be advanced up to a maximum depth of 50 feet below the existing surface, in accordance with Section 1803A.3.1 of the CBC and CGS Special Publication 117A for liquefaction analyses or until refusal is met, if hard subsurface conditions exist in the shallow subsurface. H&K may be advanced additional borings across the site to provide adequate coverage for assessing the geologic conditions beneath the school site, if deemed appropriate by our engineering geologist. Drill cuttings will be stockpiled onsite at the direction of Chico Unified School District. If H&K must remove excess drill cuttings (soil) from the site, additional costs will be incurred. Each exploratory boring will be backfilled immediately after logging and sampling activities are completed, in accordance with Butte County Environmental Health requirements.

H&K’s field engineer/geologist will collect both relatively undisturbed and disturbed soil samples from each exploratory boring. Relatively undisturbed soil samples will be collected with a standard penetration test (SPT) sampler and a 2.5-inch-diameter (inside diameter) split-spoon barrel sampler equipped with brass liner tubes. Generally, soil samples will be collected at the following depths below the existing ground surface: 0 feet, 2.0 feet, 5 feet, 10 feet, and continuing on five foot intervals, or change in geologic material, until the boring is terminated. Additional soil samples may be collected and/or the sample intervals may be changed depending upon the soil conditions encountered. The soil samples will be labeled, sealed and transported to our laboratory facility where selected samples will be tested to determine their engineering material properties. If the groundwater table is encountered, the depth to groundwater below the existing ground surface will be measured.

H&K will use the results of a previous in-situ shear-wave velocity profile of the upper 100 feet (30 meters) of the site using SeisOpt® ReMi™ Vs30 Method for shear-wave profiling. In September 2010, a seismic refraction survey was performed by H&K on the PVHS campus. The purpose of the seismic survey was to use the SeisOpt® ReMi™ Vs30 method to determine the in-situ shear-wave (S-wave)
velocity profile of the first 100-feet of soil beneath the site for the previously planned
gymnasium project. H&K will use this ReMi™ Vs30 evaluation as additional support
for the site class determination. Based on the known subsurface geologic conditions
at the CHS site, this evaluation was selected to determine the Site Class in
accordance with American Society of Civil Engineers publication ASCE 7-10.

2.1.4 Laboratory Testing Investigation
H&K will perform laboratory tests on selected soil samples to determine their
engineering material properties. All laboratory tests will be performed consistent
with the guidelines of the American Society for Testing and Materials (ASTM). The
ASTM soil characterization tests may include:

- D2487 & D2488, Unified Soil Classification System, Description Visual Method
- D2937 & D2216, Density and Moisture Content
- D422, Particle Size Distribution, Sieve and Hydrometer Analysis
- D2166 Unconfined Shear Strength
- D3080, Direct Shear Strength
- D2166, Unconfined Compressive Strength
- D4318, Atterberg Plasticity Indices
- D4829, Expansion Index

If soil is encountered with a high potential for volume change (i.e., expansion or
consolidation), then H&K may recommend additional laboratory testing to evaluate
expansion or consolidation impacts and provide appropriate recommendations on
the proposed earthwork and structural improvements. Additional testing may
include ASTM D2435 one-dimensional consolidation, ASTM D4546
one-dimensional swell, and ASTM D4767 consolidated-undrained triaxial shear
strength. The costs to perform these additional tests are not included in the fee
estimate presented herein. H&K will not perform these additional tests without
written authorization to proceed and a budget augmentation to cover the cost of
performing these additional laboratory tests.

H&K will collect additional samples of the shallow soil to perform laboratory testing
for corrosion. Soil samples shall be taken from depths at which buried piping and
concrete structures will be placed. H&K will select samples to be submitted to a
California-certified laboratory and tested for the following:

- pH
- Resistivity (ohm-centimeter)
- Redox (millivolts, positive or negative)
- Sulfides (positive, negative, or trace)
- Chlorides (parts per million)
- Sulfates (parts per million)
2.2 Task 2, Data Analysis
H&K will use the state-of-the-practice geological and geotechnical engineering analyses methods to evaluate the on-site soil properties. These analyses methods may include but will not be limited to the following:

2.2.1 Data Analysis Methods
- Soil and rock stratigraphy.
- Seismic (earthquake shaking) design parameters.
- Liquefaction evaluation (limited to SPT data collected)
- Soil bearing capacity for shallow and deep foundations.
- Lateral earth pressures.
- Soil-Concrete friction coefficients.
- Soil expansion potential.
- Soil shear strength.
- Building and surcharge loads.
- Soil plasticity indices.
- Groundwater seepage and drainage controls.

H&K will develop geotechnical engineering recommendations for earthwork and structural improvements and provide applicable recommendations. The geotechnical engineering recommendations may include but not be limited to the following:

2.2.2 Earthwork Improvement Recommendations
- Site clearing and soil subgrade preparation.
- Exclusion of oversize fill soil materials.
- Aerial fill moisture conditioning and compaction requirements.
- Fill soil loose lift (layer) thickness requirements.
- Utility trench backfill material placement and compaction requirements.
- Surface water drainage.
- Expansive soil mitigation (not including lime, flyash or cement treatment details).
- Temporary construction de-watering methods.
- Subdrain systems (if necessary).

2.2.3 Structural Improvements
- Deep and shallow foundation types, dimensions and embedment depths.
- Deep and shallow foundation soil bearing capacity pressures.
- Foundation-soil sliding friction coefficients.
- Concrete slab-on-grade floors.
- Seismic (earthquake shaking) design parameters.
2.3 Task 3, Report Preparation
H&K will prepare a geotechnical engineering report that will present our findings, conclusions and recommendations. The geotechnical engineering investigation report will meet or exceed the minimum requirements of the 2016 CBC, Division of the State Architect, and the accepted geotechnical engineering principles and practices performed in northern California. The report will include descriptions of the site conditions, field investigation, laboratory testing, geologic hazard seismic response update, and geotechnical engineering design recommendations for the proposed earthwork and structural improvements. H&K will provide a complete electronic portable format (PDF) of the final report for the client to distribute. The report will be signed and stamped by a responsible California-certified engineering geologist and licensed geotechnical engineer for this project.

2.4 Task 4, Final Plan Review
H&K will review the final earthwork grading improvement plans and project specifications prior to commencement of construction to determine whether our geotechnical engineering recommendations have been implemented and, if necessary, to provide additional and/or modified recommendations. The costs associated with performing plan review services are not included herein and are to be determined later.

2.5 Task 5, Construction Testing and Inspection Services
H&K proposes to perform construction quality assurance (CQA) monitoring of the earthwork grading performed by the construction contractor. As part of our CQA services, H&K's geotechnical engineer will oversee and certify the earthwork grading in accordance with the plan, specifications and recommendations provided in the geotechnical engineering report. In addition, as accredited by DSA's Laboratory Evaluation Accreditation (LEA) program (LEA# 210 and 284), H&K can provide special inspection services related to the steel fabrication, CMU construction, reinforced concrete placement, welding, high strength bolt testing, spray fire proofing, and more. The costs associated with performing CQA and special inspection services are not included herein and are to be determined later. H&K can prepare a contract cost amendment to include these services following approval of the final plans and specification and selection of a construction contractor.

3.0 SCHEDULE
H&K's proposed work schedule is based on our present and expected workload. H&K is prepared to commence work on this project following receipt of a sign contract and notice to proceed. H&K estimates that the subsurface investigation can be performed within 2 weeks following receipt of a sign contract and notice to proceed, weather, stable site access, and subcontractor availability permitting. H&K can provide verbal preliminary design recommendations immediately following the site investigation based on the field investigation data, however, the final recommendations will be developed from both the field and laboratory data. Therefore, the final recommendations will govern the design. H&K estimates that
the final report can be completed within 4 weeks following completion of the field activities, weather and site access permitting.

The time required to complete our geological investigation field work may be increased as a result of encountering unforeseen subsurface conditions, adverse weather conditions, soil stability, property access problems, or scheduling of exploratory equipment.

4.0 COST ESTIMATE
H&K proposes to perform the geological and geotechnical investigations and prepare the reports on a fixed cost lump sum basis of $12,935.00, in accordance with the attached General Conditions For Geotechnical Engineering Services contract agreement terms and conditions. This fee includes the cost of a drill rig and operator. Invoices will be generated on a monthly basis; terms of payment are net 30 days. The cost associated with this scope of service is valid for a period of 60 days from the date of this proposal.

This cost estimate may require modification if unusual or unexpected site conditions are encountered which significantly change the work scope and increase the associated costs, if the client requests an expansion of the work scope, or if the County requires the purchase of any additional permits in order to complete the site investigation. H&K will not perform additional work outside the scope of services presented above until a written authorization to proceed and an approved budget augmentation is received.

5.0 CLOSING
Please sign the attached contract agreement form to indicate your acceptance of this proposed work scope, schedule, and fee estimate. Your signature indicates that you accept the terms and conditions of this contract agreement and is a written authorization for us to proceed with the work scope presented in this proposal. Please mail or email the signed contract agreement forms to our office. After receiving the signed agreement form, H&K will sign and issue the fully executed contract agreement.

Holdrege & Kull appreciates the opportunity to provide you with a proposal on this important project. If you should have questions or comments, please do not hesitate to contact the undersigned at (530) 894-2487.

Sincerely,

Holdrege & Kull

Shane D. Cummings, PG, CHG, CEG
Principal Engineering Geologist

Attachments:
Attachment 1, General Conditions For Geotechnical Engineering Services
GENERAL CONDITIONS FOR
GEOTECHNICAL ENGINEERING SERVICES

THIS AGREEMENT, effective as of this 9 day of March, 2017, is by and between Chico Unified School District ("Client") and Holdrege & Kull Consulting Engineers and Geologists ("Engineer").

THE PROJECT is generally described as: PVHS Stadium Improvements and is located at 1375 East Avenue, in Chico, California ("Project Site").

THE FEE to perform the proposed scope of services presented above on a lump sum basis is $12,935.00.

THIS AGREEMENT consists of the following documents which are incorporated herein by reference:

• GENERAL CONDITIONS FOR GEOTECHNICAL ENGINEERING SERVICES; and
• Engineer's PROPOSAL PC17.039 dated March 9, 2017 and FEE SCHEDULE; and
• Any documents specifically listed below or incorporated by reference in the listed documents.

Engineer agrees to perform the Services set forth in this Agreement and in accordance with its terms, including all attachments incorporated herein by reference. This Agreement may not be modified or altered, except in writing as specifically described in this Agreement.

CLIENT: Chico Unified School District

Signature: Julia M. Kistle

Print Name: Julia M. Kistle

Title: Director of Facilities and Construction

Street Address: 2455 Carmichael Drive

City, State, Zip Code: Chico, CA 95928

Phone: (530) 891-3140

Date: 3/9/17

ENGINEER: Holdrege & Kull

Signature: Shane D. Cummings

Print Name: Shane D. Cummings

Title: Principal

Street Address: 48 Bellarmine Court, Suite 40

City, State, Zip Code: Chico, CA 95928

Phone: (530) 894-2487

Date: March 9, 2017
1. DEFINITIONS


1.2. Contractor. The contractor or contractors, including its/their subcontractors of every tier, retained to construct the Project for which Engineer is providing Services under this Agreement.

1.3. Day(s). Calendar day(s) unless otherwise stated.

1.4. Hazardous Materials. The term Hazardous Materials means any toxic substances, chemicals, radioactivity, pollutants or other materials, in whatever form or state, known or suspected to impair the environment in any way whatsoever. Hazardous Materials include, but are not limited to, those substances defined, designated or listed in any federal, state or local law, regulation or ordinance concerning hazardous wastes, toxic substances or pollution.

1.5. Services. The Services provided by Engineer as set forth in this Agreement, the PROPOSAL and any written amendment to this Agreement.

1.6. Work. The labor, materials, equipment and services required to complete the work described in the Contract Documents.

2. SCOPE OF SERVICES

Engineer will perform the Services described in the attached PROPOSAL.

2.1. Changes In Scope. If Engineer provides Client with a written confirmation of a change in the scope of services outlined in the PROPOSAL, it will become an amendment to this Agreement unless Client objects in writing within 5 business days after receipt. All Services performed by Engineer on the Project are subject to the terms and limitations of this Agreement. If Services are performed, the parties do not reach agreement concerning modifications to the scope of services outlined in the PROPOSAL or compensation, then the terms and limitations of this Agreement apply to such Services, except for the payment terms. The parties agree to resolve disputes concerning modifications to scope or compensation pursuant to Section 19, "Disputes."

2.2. Licenses. Engineer will procure and maintain business and professional licenses and registrations necessary to provide its Services.

2.3. Excluded Services. Engineer's Services under this Agreement include only those Services specified in the PROPOSAL.

2.3.1. General. Client expressly waives any claim against Engineer resulting from its failure to perform recommended additional Services that Client has not authorized Engineer to perform, and any claim that Engineer failed to perform Services that Client instructs Engineer not to perform.

2.3.2. Biological Pollutants. Engineer's scope of services outlined in the PROPOSAL specifically excludes the investigation, detection, prevention or assessment of the presence of Biological Pollutants. The term "Biological Pollutants" includes, but is not limited to, molds, fungi, spores, bacteria, viruses, and/or any of their byproducts. Engineer's scope of services outlined in the PROPOSAL will not include any interpretations, recommendations or findings pertaining to Biological Pollutants. Client agrees that Engineer has no liability for any claims alleging a failure to investigate, detect, prevent, assess, or make recommendations for preventing, controlling, or abating Biological Pollutants. Furthermore, Client agrees to defend, indemnify, and hold harmless Engineer from all claims by any third party concerning Biological Pollutants, except for damages caused by Engineer's sole negligence.

3. PAYMENTS TO ENGINEER

3.1. Basic Services. Engineer will perform Services set forth in the attached PROPOSAL and Fee Schedule (if applicable) for the amount(s) set forth therein.

3.2. Additional Services. Any Services performed under this Agreement, except those Services expressly identified in the attached PROPOSAL, will be provided on a time and materials basis unless otherwise specifically agreed to in writing by both parties.

3.3. Estimate of Fees. Engineer will, to the best of its ability, perform the Services and accomplish the objectives defined in this Agreement within any written cost estimate provided by Engineer. Client recognizes that changes in scope and schedule, and unforeseen circumstances can all influence the successful completion of Services within the estimated cost. The use of an estimate of fees or of a "not to exceed" limitation is not a guarantee that the Services will be completed for that amount; rather, it indicates that Engineer shall not incur fees and expenses in excess of the estimate or limitation amount without obtaining Client's agreement to do so.

3.4. Rates. Client will pay Engineer at the rates set forth in the PROPOSAL and Fee Schedule, as applicable.

3.4.1. Changes to Rates. Client and Engineer agree that the Fee Schedule is subject to periodic review and amendment, as appropriate to reflect Engineer's then-current fee structure. Engineer will give Client at least 30 days advance notice of any...
charges. Unless Client objects in writing to the proposed amended fee structure within 30 days of notification, the amended fee structure will be incorporated into this Agreement and will then supersede any prior fee structure. If Client timely objects to the amended fee structure, and Engineer and Client cannot agree upon a new fee structure within 30 days after notice, Engineer may terminate this Agreement and be compensated as set forth under Section 18. "Termination."

3.4.2. Prevailing Wages. Unless Client specifically informs Engineer in writing that prevailing wage regulations cover the Project and the PROPOSAL identifies it as covered by such regulations, Client will reimburse, defend, indemnify and hold harmless Engineer from and against any liability resulting from a subsequent determination that prevailing wage regulations cover the Project, including all costs, fines and attorneys’ fees.

3.5. Payment Timing; Late Charge. All invoices are due upon receipt. All amounts unpaid 30 days after the invoice date will include a late payment charge from the date of the invoice, at the rate of 1-1/2% per month or the highest rate permitted by law. Client will reimburse Engineer for any costs, including legal fees, associated with the collection of unpaid amounts.

4. STANDARD OF PERFORMANCE; DISCLAIMER OF WARRANTIES

4.1. Level of Service. Engineer offers different levels of geotechnical engineering Services to suit the desires and needs of different clients. Although the possibility of error can never be eliminated, more detailed and extensive Services yield more information and reduce the probability of error, but at increased cost. Client must determine the level of Services adequate for its purposes. Client has reviewed the Proposal and has determined that it does not need or want a greater level of Services than that being provided.

4.2. Standard of Care. Subject to the limitations inherent in the agreed scope of services outlined in the Proposal as to the degree of care, the amount of time and expenses to be incurred, and subject to any other limitations contained in this Agreement, Engineer may perform its Services consistent with that level of care and skill ordinarily exercised by other professional engineers practicing in the same locale and under similar circumstances at the time the Services are performed.

4.3. No Warranty. No warranty, express or implied, is included or intended by this Agreement.

5. ESTIMATE OF CONSTRUCTION COSTS

Client acknowledges that construction and Project development are subject to many influences that are not subject to precise forecasting and are outside of Engineer’s control. Client further acknowledges that actual costs incurred may vary substantially from the estimates prepared by Engineer and that Engineer does not warrant or guaranty the accuracy of construction or development cost estimates.

6. CONSTRUCTION PHASE SERVICES

If Engineer’s scope of services outlined in the Proposal includes observation and/or testing during the course of construction, Engineer may:


6.1.1. Site Meetings & Visits. Engineer will participate in job site meetings as requested by Client, and, unless otherwise requested by Client, visit the site at times specified in the Proposal or, if not specified in the Proposal, at intervals as Engineer deems appropriate to the various stages of construction to observe the geotechnical conditions encountered by Contractor and the progress and quality of the geotechnical aspects of the Work. Engineer will rely on Client or Client’s representative for timely notification of changes to the construction schedule, so that Engineer can schedule site visits for testing and observation accordingly. Based on information obtained during such visits and on such observations, Engineer may inform Client of the progress of the geotechnical aspects of the Work. Client understands that Engineer may not be on site continuously; and, unless expressly agreed otherwise, Engineer will not observe all of the Work.

6.1.2. Contractor’s Performance. Engineer does not, and cannot, warrant or guarantee that all of the geotechnical Work performed by Contractor meets the requirements of Engineer’s geotechnical recommendations or the plans and specifications for such geotechnical Work; nor can Engineer be responsible for Contractor’s failure to perform the Work in accordance with the plans, specifications or the recommendations of Engineer.

6.1.3. Contractor’s Responsibilities. Engineer will not supervise, direct or have control over the Work nor will Engineer have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by Contractor for the geotechnical aspects of the Project; for safety precautions and programs incident to the Work; nor for any failure of Contractor to comply with Laws and Regulations applicable to Contractor furnishing and performing the Work.

6.1.4. Final Report. At the conclusion of Construction Phase Services, Engineer will provide Client with a written report summarizing the tests and observations, if any, made by Engineer.

6.2. Review of Contractor’s Submittals. If included in the scope of services outlined in the Proposal, Engineer will review and take appropriate action on the Contractor’s submittals, such as shop drawings, product data, samples, and other required submittals. Engineer will review such submittals solely for general conformance with Engineer’s design, and will not
include review for the following, all of which will remain
the responsibility of the Contractor: accuracy or
completeness of details, quantities or dimensions;
construction means, methods, sequences or
procedures; coordination among trades; or
construction safety.

6.3. Tests. Tests performed by Engineer on finished
Work or Work in progress are taken intermittently and
indicate the general acceptability of the Work on a
statistical basis. Engineer's tests and observations of
the Work are not a guarantee of the quality of Work
and do not relieve other parties from their responsibility
to perform their Work in accordance with applicable
plans, specifications and requirements.

7. CLIENT'S RESPONSIBILITIES
In addition to payment for the Services performed
under this Agreement, Client agrees to:

7.1. Cooperation. Assist and cooperate with
Engineer in any manner necessary and within its ability
to facilitate Engineer's performance under this
Agreement.

7.2. Representative. Designate a representative
with authority to receive all notices and information
pertaining to this Agreement, communicate Client's
policies and decisions, and assist as necessary in
matters pertaining to the Project and this Agreement.
Client's representative will be subject to change by
written notice.

7.3. Rights of Entry. Provide access to and/or
obtain permission for Engineer to enter upon all
property, whether or not owned by Client, as required
to perform and complete the Services. Engineer will
operate with reasonable care to reduce damage to the
Project Site(s). However, Client recognizes that
Engineer's operations and the use of investigative
equipment may unavoidably alter conditions or affect
the environment at the existing Project Site(s). The
cost of repairing such damage will be borne by Client
and is not included in the fee unless otherwise stated.

7.4. Relevant Information. Supply Engineer with all
information and documents in Client's possession or
knowledge which are relevant to Engineer's Services.
Client warrants the accuracy of any information
supplied by it to Engineer, and acknowledges that
Engineer is entitled to rely upon such information
without verifying its accuracy. Prior to the
commencement of any Services in connection with a
specific property, Client will notify Engineer of any
known potential or possible health or safety hazard
existing on or near the Project Site, with particular
reference to Hazardous Materials or conditions.

7.5. Subsurface Structures. Correctly designate on
plans to be furnished to Engineer, the location of all
subsurface structures, such as pipes, tanks, cables
and utilities within the property lines of the Project
Site(s), and be responsible for any damage inadvertently caused by Engineer to any such structure
or utility not so designated. Engineer is not liable to
Client for any losses, damages or claims arising from
damage to subterranean structures or utilities that
were not correctly shown on plans furnished by Client
to Engineer.

8. CHANGED CONDITIONS
If Engineer discovers conditions or circumstances that
it had not contemplated at the commencement of this
Agreement ("Changed Conditions"), Engineer will
notify Client of the Changed Conditions. Client and
Engineer agree to that they will then renegotiate in
good faith the terms and conditions of this Agreement.
If Engineer and Client cannot agree upon amended
terms and conditions within 30 days after notice,
Engineer may terminate this Agreement and be
compensated as set forth in Section 18, "Termination."

9. HAZARDOUS MATERIALS
Client understands that Engineer's Services under this
Agreement are limited to geotechnical engineering and
that Engineer has no responsibility to locate, identify,
evaluate, treat or otherwise consider or deal with
Hazardous Materials. Client is solely responsible for
notifying all appropriate federal, state, municipal or
other governmental agencies, including the potentially
affected public, of the existence of any Hazardous
Materials located on or in the Project site, or located
during the performance of this Agreement. The
existence or discovery of Hazardous Materials
constitutes a Changed Condition under this
Agreement.

10. CERTIFICATIONS
Client agrees not to require that Engineer executes any
certification with regard to Services performed or Work
tested and/or observed under this Agreement unless:
1) Engineer believes that it has performed sufficient
Services to provide a sufficient basis to issue the
certification; 2) Engineer believes that the Services
performed or Work tested and/or observed meet the
criteria of the certification; and 3) Engineer has
reviewed and approved in writing the exact form of
such certification prior to execution of this Agreement.
Any certification by Engineer is limited to an
expression of professional opinion based upon the
Services performed by Engineer, and does not
constitute a warranty or guaranty, either expressed or
implied.

11. ALLOCATION OF RISK
11.1. Limitation of Remedies. The total cumulative
liability of Engineer, its sub-Engineers and
subcontractors, and all of their respective
shareholders, directors, officers, employees and
agents (collectively "Engineer Entitles"), to Client
arising from Services under this Agreement, including
attorney's fees due under this Agreement, will not
exceed the gross compensation received by Engineer
under this Agreement or $50,000, whichever is
greater, provided, however, that such liability is further limited as described below. This limitation applies to all lawsuits, claims or actions that allege errors or omissions in Engineer's Services, whether alleged to arise in tort, contract, warranty, or other legal theory. Upon Client's written request, Engineer and Client may agree to increase the limitation to a greater amount in exchange for a negotiated increase in Engineer's fee, provided that they amend this Agreement in writing as provided in Section 20.

11.2. Indemnification.

11.2.1. Indemnification of Client. Subject to the provisions and limitations of this Agreement and all otherwise applicable statutes of limitations and repose, Engineer agrees to indemnify and hold harmless Client, its shareholders, officers, directors and employees from and against claims, suits, liabilities, damages, expenses (including reimbursement of reasonable attorney's fees and costs of defense), or other losses (collectively "Losses") to the extent caused by Engineer's negligent performance of its Services under this Agreement. Client's defense obligation under this indemnity paragraph includes only the reimbursement of reasonable defense costs to the extent of Consultant's actual indemnity obligation hereunder.

11.2.2. Indemnification of Engineer. Client will indemnify and hold harmless Engineer Entities from and against any and all Losses to the extent caused by the negligence of Client, its employees, agents and contractors. In addition, except to the extent caused by Engineer's sole negligence, Client expressly agrees to defend, indemnify and hold harmless Engineer Entities from and against any and all Losses arising from or related to the existence, disposal, release, discharge, treatment or transportation of Hazardous Materials, or the exposure of any person to Hazardous Materials, or the degradation of the environment due to the presence, discharge, disposal, release or exposure to Hazardous Material.

11.3. Consequential Damages. Neither Client nor Engineer will be liable to the other for any special, consequential, incidental or penal losses or damages including but not limited to losses, damages or claims related to the unavailability of property or facilities, shutdowns or service interruptions, loss of use, profits, revenue, or inventory, or for use charges, cost of capital, or claims of the other party and/or its customers.

11.4. No Personal Liability. Client expressly waives that right to sue or otherwise make any claim against any of the Engineer's officers or employees, past or present, as individuals, for any cause.

11.5. Continuing Agreement. The indemnity obligations and the limitations of liability established under this Agreement will survive the expiration or termination of this Agreement. If Engineer provides Services to Client that the parties do not confirm through execution of an amendment to this Agreement, the obligations of the parties to indemnify each other and the limitations on liability established under this Agreement apply to such Services as if the parties had executed an amendment.

12. INSURANCE

12.1. Engineer's Insurance. Engineer will obtain, if reasonably available, the following coverage:

12.1.1. Statutory Workers' Compensation/ Employer's Liability Insurance;

12.1.2. Commercial General Liability Insurance with a limit of not less than $1,000,000 per occurrence and $1,000,000 aggregate limit;

12.1.3. Automobile Liability Insurance, including liability for all owned, hired and non-owned vehicles with a combined single limit per occurrence of $1,000,000; and

12.1.4. Professional Liability Insurance in amounts of $1,000,000 per claim and annual aggregate.

12.2. Contractor's Insurance. Client shall require that all Contractors and subcontractors for the Project name Engineer as an additional insured under their General Liability and Automobile Liability insurance policies. If Client is not the Project owner, Client will require the Project owner to require the owner's Contractor to purchase and maintain General Liability, Builder's Risk, Automobile Liability, Workers' Compensation, and Employer's Liability insurance with limits no less than as set forth above, and to name Engineer and its subcontractors and subconsultants as additional insureds on the owners' General Liability insurance.

12.3. Certificates of Insurance. Upon request, Engineer and Client will each provide the other with certificate(s) of insurance evidencing the existence of the policies required herein. Except for Professional Liability and Workers' Compensation Insurance, all policies required herein shall contain a waiver of subrogation.

13. OWNERSHIP AND USE OF DOCUMENTS

13.1. Client Documents. All documents provided by Client will remain the property of Client. Engineer will return all such documents to Client upon request, but may retain file copies of such documents.

13.2. Engineer’s Documents. Unless otherwise agreed in writing, all documents and information prepared by Engineer or obtained by Engineer from any third party in connection with the performance of Services, including, but not limited to, Engineer's reports, boring logs, maps, field data, field notes, drawings and specifications, laboratory test data and other similar documents (collectively "Documents") are the property of Engineer. Engineer has the right, in its sole discretion, to dispose of or retain the Documents.
13.3. Use of Documents. All Documents prepared by Engineer are solely for use by Client.

13.3.1. Use by Client. Client has the right to reuse the Documents for purposes reasonably connected with the Project for which the Services are provided, including without limitation design and licensing requirements of the Project.

13.3.2. Use by Engineer. Engineer retains the right of ownership with respect to any patentable concepts or copyrightable materials arising from its Services and the right to use the Documents for any purpose.

13.4. Electronic Media. Engineer may agree at Client’s request to provide Documents and Information in an electronic format. Client recognizes that Documents or other information recorded on or transmitted as electronic media are subject to undetectable alteration due to (among other causes) transmission, conversion, media degradation, software error, or human alteration. Accordingly, all Documents and information provided by Engineer in electronic media are for informational purposes only and not as final documentation. Unless otherwise defined in the Procurement Agreement, Engineer’s electronic Documents and media will conform to Engineer’s standards. Engineer will provide any requested electronic Documents for a 30-day acceptance period, and Engineer will correct any defects reported by Client to Engineer during this period. Engineer makes no warranties, either express or implied, regarding the fitness or suitability of any electronic Documents or media.

13.5. Unauthorized Reuse. No party other than Client may rely, and Client will not represent to any other party that it may rely on Documents without Engineer’s express prior written consent and receipt of additional compensation. Client will not permit disclosure, mention, or communication of, or reference to the Documents in any offering circular, securities offering, loan application, real estate sales documentation, or similar promotional material without Engineer’s express prior written consent. Client waives any and all claims against Engineer resulting in any way from the unauthorized reuse or alteration of Documents by itself or anyone obtaining them through Client. Client will defend, indemnify and hold harmless Engineer from and against any claim, action or proceeding brought by any party (including reasonable attorneys fees, expert fees and other costs of defense) arising out of the reuse, alteration, or reliance on the Documents or Information contained in Documents without having obtained Engineer’s prior written consent.

14. SAMPLES AND CUTTINGS

14.1. Sample Retention. If Engineer provides laboratory testing or analytic Services, Engineer will preserve such soil, rock, water, or other samples as it deems necessary for the Project, but no longer than 45 days after issuance of any Documents that include the data obtained from these samples. Client will promptly pay and be responsible for the removal and lawful disposal of all contaminated samples, cuttings, Hazardous Materials, and other hazardous substances.

14.2. Monitoring Wells. Client will take custody of all monitoring wells and probes installed during any investigation by Engineer, and will take any and all necessary steps for the proper maintenance, repair or closure of such wells or probes at Client’s expense.

15. RELATIONSHIP OF THE PARTIES

Engineer will perform Services under this Agreement as an independent contractor.

16. CONSENT TO ASSIGNMENT

Client and Engineer, respectively, each binds itself and its successors and assigns with respect to all covenants of this Agreement. Neither Client nor Engineer shall assign, sublet or transfer any rights under or interest in this Agreement without the prior written consent of the other party, including but not limited to: (a) any interest in the proceeds of this Agreement, or any proceeds of claims arising from or under this Agreement; (b) any claims, causes of action or rights against the other party arising from or under this Agreement; (c) the control of claims or causes of action against the other party arising from or under this Agreement; and (d) any proceeds from claims or causes of action as security, collateral or the source of payment for any notes or liabilities to any third party. This section shall not, however, apply to any subrogation rights (if any) of any insurer of either party. This section shall survive the completion or termination of this Agreement for any reason and shall remain enforceable between parties.

Engineer may subcontract for the services of others without obtaining Client’s consent if Engineer deems it necessary or desirable for others to perform certain Services.

17. SUSPENSION AND DELAYS

17.1. Procedures. Client may, at any time by 10 days written notice suspend performance of all or any part of the Services by Engineer. Engineer may terminate this Agreement if Client suspends Engineer’s Services for more than 60 days and Client will pay Engineer as set forth under Section 18, “Termination.” If Client suspends Engineer’s Services, or if Client or others delay Engineer’s Services, Client and Engineer agree to equitably adjust: (1) the time for completion of the Services; and (2) Engineer’s compensation in accordance with Engineer’s then current Fee Schedule for the additional labor, equipment, and other charges associated with maintaining its workforce for Client’s benefit during the delay or suspension, or charges incurred by Engineer for demobilization and subsequent mobilization.

17.2. Liability. Engineer is not liable to Client for any failure to perform or delay in performance due to
circumstances beyond Engineer’s control, including but not limited to pollution, contamination, or release of hazardous substances, strikes, lockouts, riots, wars, fires, flood, explosion, “acts of God,” adverse weather conditions, acts of government, labor disputes, delays in transportation or inability to obtain material and equipment in the open market.

18. TERMINATION

18.1. Termination for Convenience. Engineer and Client may terminate this Agreement for convenience upon 30 days written notice delivered or mailed to the other party.

18.2. Termination for Cause. In the event of material breach of this Agreement, the party not breaching the Agreement may terminate it upon 10 days written notice delivered or mailed to the other party. The termination notice shall state the basis for the termination. The Agreement may not be terminated for cause if the breaching party cures the breach within the 10-day period.

18.3. Payment on Termination. Following termination other than for Engineer’s material breach of this Agreement, Client will pay Engineer for Services performed prior to the termination notice date, and for any necessary Services and expenses incurred in connection with the termination of the Project, including but not limited to, the costs of completing analysis, records and reports necessary to document job status at the time of termination and costs associated with termination of subcontractor contracts in accordance with Engineer’s then current Fee Schedule.

19. DISPUTES

19.1. Mediation. All disputes between Engineer and Client are subject to mediation. Either party may demand mediation by serving a written notice stating the essential nature of the dispute, amount of time or money claimed, and requiring that the matter be mediated within 45 days of service of notice.

19.2. Precondition to Other Action. No action or suit may be commenced unless the mediation did not occur within 45 days after service of notice, or the mediation occurred but did not resolve the dispute; or a statute of limitation would elapse if suit was not filed prior to 45 days after service of notice.

19.3. Choice of Law; Venue. This Agreement will be construed in accordance with and governed by the laws of the state in which the Project is located. Unless the parties agree otherwise, any mediation or other legal proceeding will occur in the state in which the Project is located.

19.4. Statutes of Limitations. Any applicable statute of limitations will be deemed to commence running on the earlier of the date of substantial completion of Engineer’s Services under this Agreement or the date on which claimant knew, or should have known, of facts giving rise to its claims.

20. MISCELLANEOUS

20.1. Integration and Severability. This Agreement reflects the entire agreement of the parties with respect to its terms and supersedes all prior agreements, whether written or oral. If any portion of this Agreement is void or voidable, such portion will be deemed stricken and the Agreement reformed to as closely approximate the stricken portions as the law allows.

20.2. Modification of this Agreement. This Agreement may not be modified or altered, except by a written agreement signed by authorized representatives of both parties and referring specifically to this Agreement.

20.3. Notices. Any and all notices, requests, instructions, or other communications given by either party to the other must be in writing and either hand delivered to the recipient, or delivered by first-class mail (postage prepaid), or express mail (billed to sender), by fax, or by email, at the addresses given in this Agreement.

20.4. Headings. The headings used in this Agreement are for convenience only and are not a part of this Agreement.

20.5. Waiver. The waiver of any term, condition or breach of this Agreement will not operate as a subsequent waiver of the same term, condition, or breach.

End of General Conditions
Memorandum of Understanding
between
the Chico Unified School District
and
the Thermalito Union Elementary School District

Re: Purchase of Consultant time of Thermalito Union Child Development Coordinator

This Memorandum of Understanding ("MOU") is between the Chico Unified School District ("CUSD") and the Thermalito Union Elementary School District ("TUESD") as follows:

TERMS

CUSD proposes to purchase up to 117 days of service from the TUESD for the Child Development Coordinator at the daily rate of pay, including all related benefit costs, as per the TUESD salary schedule (8 hour workday). Amount not to exceed $60,000.

Mileage incurred for travel between Chico site locations will be reimbursed. Additional home to work commute mileage (Chico vs. Thermalito) will be reimbursed. Additional mutually agreed upon mileage expenses will be reimbursed.

The days of service will take place between July 1, 2017 - June 30, 2018 as mutually agreed to by CUSD and TUESD.

SALARY SCHEDULE

The rate of pay is determined by the TUESD Salary Schedule for Certificated Administration, Classified Management and Confidential Employee effective 7/1/2017.

SUNSET PROVISION

This MOU is valid only until the close of business June 30, 2018 and shall be null and void and of no effect after that date.

Ted Sullivan, Elementary Director of Education
Chico Unified School District

Date

Connie Cavanaugh, Assistant Superintendent
Thermalito Union Elementary School District

Date
PART 1 - GENERAL

1.1 AGREEMENT

This Agreement made and entered into this 8th day of March, 2017 by and between Chico Unified School District of Butte County, California, First Party, sometimes hereinafter called the Owner, and United Building Contractors, Second Party, sometimes hereinafter called the Contractor,

WITNESSETH: That the parties hereto mutually covenanted and agreed, and by these present do covenant and agree with each other, as follows:

1. The NOTICE TO CONTRACTORS, ACCEPTED PROPOSAL LIST OF SUBCONTRACTORS, INSTRUCTIONS TO BIDDERS, WORKER'S COMPENSATION INSURANCE CERTIFICATE, GENERAL CONDITIONS, SPECIAL CONDITIONS, LABOR AND MATERIAL PAYMENT BOND and PERFORMANCE BOND are attached to and are a part of this Agreement. The complete Contract also includes the Drawings, and all modifications and amendments thereto. All Contract Documents are intended to cooperate so that any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all Contract Documents.

2. The said Contractor agrees to furnish all tools, equipment, apparatus, facilities, transportation, labor, and material, other than material, if any, agreed to be furnished by the District hereunder, necessary to perform and complete, and to perform and complete in a good and workmanlike manner, the HVAC Replacement and Reroof at Pleasant Valley High School Varley Gymnasium, Chico, Butte County, California, as called for, and in the manner designated in, and in strict conformity with this Agreement, and with the Drawings and are hereby specifically referred to and made a part of this Agreement with like effect as if fully set forth therein.

3. It is understood and agreed that said tools, equipment, apparatus, facilities, transportation, labor, and material shall be furnished and said work performed and completed as required in said Drawings under the direction, and subject to the approval of, the Owner. The Owner shall have the right to accept or reject materials or workmanship, and to determine when the Contractor has complied with the conditions of the Contract.

4. The District agrees to pay and the Contractor agrees to accept, in full payment for the work above agreed to be done, the sum of

Six Hundred Forty-Nine Thousand, Nine Hundred Fifty Dollars

($649,950.00)

which sum is to be paid according to the provisions of the General Conditions.

5. Copies of the prevailing rate of per diem wages as determined by the Director of the Department of Industrial Relations in accordance with Labor Code Section 1773 are available as stated in the Notice to Contractors.

6. The Contractor agrees to comply with Labor Code Section 1775 (Payment of Prevailing Wage Rates) and Labor Code Section 1776 (Keeping Accurate Payroll Records) and Labor Code Section 1777.5, placing the responsibility for compliance with the statutory requirements for all apprenticeable occupations on the prime contractor. The Contractor shall comply with the requirements imposed by California Labor Code Sections 1720 through 1815 regarding public works projects and prevailing wage law. In particular, Labor Code sections 1725.5 (contractor registration requirements and criteria), 1771.1 (requirement to register with the Department of Industrial Relations as a condition to bid work on any public works), and 1771.4 (project compliance monitoring).
IN WITNESS WHEREOF, the said Board of Trustees has caused this Agreement to be subscribed by its duly authorized officer in its behalf, and the said Party of the Second Part has signed this Agreement the day and year first above written.

Chico Unified School District
of Butte County, a Political
Subdivision of the State of California

By: [Signature]
Kevin Bulterma, Assistant-Superintendent
Chico Unified School District

By: [Signature]
Representative
United Building Contractors

* End Document 00 52 01*
PROPOSED AGENDA ITEM: Declaration of Surplus Property

Prepared by: Jaclyn Kruger - Director, Fiscal Services

☐ Consent
☐ Information Only
☐ Discussion/Action

Board Date 03/22/2017

Background Information:

In accordance with the California Ed Code, Chico Unified School District's property may be disposed of by any of the following methods:

1. The Superintendent may advertise for bids and either sell the property to the highest responsible bidder or reject all bids. Timely notice for bids shall be posted or published. The Superintendent or designee may sell property for which no qualified bid has been received, without further advertising.

2. The Superintendent may authorize the sale of the property by public auction.

3. Without advertisement for bids, the County Superintendent may sell or lease the property to government agencies, other school districts, or to any agency eligible under the federal surplus property law. In such cases, the sale price shall be equal to the value of the property plus estimated cost of purchasing, storing, and handling. Excess equipment with a value of less than one hundred dollars may be sold directly to an agency without advertising with the approval of the Assistant Superintendent of Business Services or designee.

4. If the Superintendent or Designee agrees that the property is worth no more than $2,500, the Superintendent may designate any employee to sell the property without advertising.

5. If the Superintendent or Designee finds that the value of the property is insufficient to defray the costs of arranging a sale, the property may be donated to a charitable organization deemed appropriate by the Superintendent or may be disposed of by dumping. If any equipment contains universal waste, it will be disposed of in a legal manner.

Educational Implications: NONE

Fiscal Implications: NONE

D.O. Recommendation: Recommended for approval
## Useable Surplus Property 07/01/15 through 02/28/17

<table>
<thead>
<tr>
<th>BO#</th>
<th>Description</th>
<th>Cond.</th>
<th>Transfer / Sold</th>
<th>Rec'd From</th>
<th>Value</th>
<th>Universal Waste</th>
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**Condition:**
1. Useable but no longer needed
2. Needs Minor Repair
3. Unrepairable

Page 1 of 4
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Condition:
1. Useable but no longer needed
2. Needs Minor Repair
3. Unrepairable
## Useable Surplus Property 07/01/15 through 02/28/17

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2. Needs Minor Repair
3. Unrepairable
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1. Useable but no longer needed
2. Needs Minor Repair
3. Unrepairable
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**Condition:**
1. Useable but no longer needed
2. Needs Minor Repair
3. Unrepairable
Surplus Property 07/01/15 through 02/28/17 to Computers for Classrooms for refurbishing to current technology standards and reallocating back to schools

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* t no longer needed
* x Repair
  
  Page 1 of 4
Surplus Property 07/01/15 through 02/28/17 to Computers for Classrooms for refurbishing to current technology standards and reallocating back to schools

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Condition:
1. Useable but no longer needed
2. Needs Minor Repair
3. Unrepairable
AGENDA ITEM: Cabling Infrastructure Phase 2 Project at Bidwell Jr. High

Prepared by: Julia Kistle, Director of Facilities & Construction

☐ Consent  Board Date March 22, 2017
☐ Information Only
☐ Discussion/Action

**Background Information**

Proposals were reviewed on March 14, 2017, and are listed below:

<table>
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<th>Contractor</th>
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<tr>
<td>Tec-Com</td>
<td>$27,370</td>
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The lowest responsive bidder is Tec-Com.

**Educational Implications**
The District’s Strategic Plan states: “A safe, nurturing and inspiring environment is essential for individuals to thrive.”

**Fiscal Implications**
This project will be funded with E-Rate funds.

**Recommendation**
It is recommended that the Board of Education authorize the Superintendent or designee to enter into an Agreement with Tec-Com, for the Cabling Infrastructure Phase 2 Project at Bidwell Jr. High School.
AGENDA ITEM: Notice of Completion of Cabling Infrastructure Project at McManus Elementary School

Prepared by: Julia Kistle, Director Facilities & Construction

☐ Consent  Board Date March 22, 2017

☐ Information Only

☐ Discussion/Action

Background Information
The Cabling Infrastructure Project at McManus Elementary School was completed on March 10, 2017.

The filing of a Notice of Completion (NOC) begins a thirty-five day lien period during which unpaid subcontractors, suppliers and other vendors can file a mechanics lien.

Educational Implications
The District's Strategic Plan states: "A safe, nurturing and inspiring environment is essential for individuals to thrive."

Fiscal Implications
Funding through the E-Rate Program.

Recommendation
It is requested that the Board of Education authorize the Superintendent or Designee to approve and execute the Notice of Completion for the Cabling Infrastructure Project at McManus Elementary School.
NOTICE OF COMPLETION

1. The undersigned is OWNER or agent of the OWNER of the interest or estate stated below in the property hereinafter described.

2. The FULL NAME of the OWNER is CHICO UNIFIED SCHOOL DISTRICT.

3. The FULL ADDRESS of the OWNER is 1163 EAST SEVENTH STREET, CHICO, CALIFORNIA, 95928-5999.

4. The NATURE OF THE INTEREST or ESTATE of the undersigned is: IN FEE

5. A work of improvement on the property hereinafter described was COMPLETED on March 10, 2017 and accepted by the Chico Unified School District on March 22, 2017.

6. The work of improvement completed is described as follows: FURNISHING OF ALL LABOR, MATERIALS AND SERVICES FOR Cabling Infrastructure Project at McManus Elementary School FOR THE CHICO UNIFIED SCHOOL DISTRICT, CHICO, BUTTE COUNTY, CALIFORNIA.

7. The NAME OF THE ORIGINAL CONTRACTOR for such work of improvement is KS Telecom, Inc., PO Box 330, Penryn, CA 95663

8. The street address of said property is:
   McManus Elementary School, 988 East Avenue, Chico, CA 95926

9. The property on which said improvement was completed in the CITY OF CHICO, COUNTY OF BUTTE, STATE OF CALIFORNIA, and described as follows:

   ASSESSORS PARCEL NUMBER: 015-230-028-000, 015-230-029-000

Date: ____________________ Signature of Owner or agent of owner

Julia M. Kistle
Director, Facilities & Construction
Chico Unified School District

Verification for NON-INDIVIDUAL OWNER: I, the undersigned, declare under penalty of perjury under the laws of the State of California that I am the Business Manager of the aforesaid interest in the property described in the above notice; that I have read the said notice, that I know and understand the contents thereof, and that the facts stated therein are true and correct.

Chico, CA

Date and Place

Julia M. Kistle
Director, Facilities & Construction
Chico Unified School District
AGENDA ITEM: Charter Review Committee Recommendation – Sherwood Montessori

Prepared by: John Bohannon, Director

☐ Consent

☐ Information Only

☒ Discussion/Action

Board Date March 22, 2017

Background Information
Sherwood Montessori was first approved as a charter school in 2009. The Sherwood charter was renewed for a five-year term in 2012. The current charter will expire June 2017.

CUSD received a charter renewal petition for Sherwood on January 18, 2017. Pursuant to California Education code, the CUSD Board of Directors held a public hearing regarding the renewal on February 15, 2017.

The CUSD Charter School Review Committee reviewed the Sherwood Renewal petition and is ready to make a recommendation to the board.

Educational Implications
Sherwood offers students in grades TK-8 another educational option.

Fiscal Implications
ADA generated by Sherwood students flows to the school and will not come to CUSD.

Additional Information
When a charter petition is renewed, Education Code mandates the term of the renewal is for five years.
To: Board of Education

From: John Bohannon, Director State and Federal Programs

Date: March 22, 2017

RE: Sherwood Montessori Renewal Request

Action Requested: Approve Sherwood Montessori's renewal because the charter school has met the standards and expectations set forth in the Charter Schools Act, Education Code 47605(b)(5), which governs charter school renewals.

Summary: Staff recommends approval based on the following factors:

1. Sherwood's academic achievement is comparable to similar CUSD schools.
2. Sherwood's governance and finance support the schools vision and function.
3. The Sherwood Charter Petition meets the 16 required elements of a charter petition and neither the school or petition display any of the reasons necessary for denial of a charter petition.

Governing Law: Under the California Charters Schools Act, authorizers are required to apply the "standards and criteria" set forth for the review and approval or denial of a charter school petition. The following excerpt is taken from section 47605 of the California Charter Schools Act:

A school district governing board shall grant a charter for the operation of a school under this part if it is satisfied that granting the charter is consistent with sound educational practice.

The governing board of the school district shall not deny a petition for the establishment (or renewal) of a charter school unless it makes written factual findings, specific to the particular petition, setting forth specific facts to support one of more of the following findings:

(1) The charter is presents an unsound educational program for the pupils to be enrolled in the charter school.
(2) The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.
(3) The petition does not contain the number of signatures required by subdivision (a). (not a requirement for renewal).
(4) The petition does not contain an affirmation of each of the conditions described in subdivision (d).
(5) The petition does not contain reasonably comprehensive descriptions of all of the required charter elements.
**Academic Performance:** Pursuant to Education Code 47607(a)(3)(A) the most important factor in determining whether to grant a charter renewal is the increase in pupil academic achievement for all groups of pupils served by the charter school.

The California Assessment of Student Performance and Progress (CAASPP) System only contains two years of data, but Sherwood's academic performance is comparable to demographically comparable schools within Chico Unified.

**Procedural Background:**

2. CUSD Charter Committee communicated via email about the submission during the first week of February.
3. A public hearing was held on February 15, 2017. Representatives from the petitioning group presented.
4. CUSD Charter Committee completed matrix of the 16 required elements of a charter petition between Feb. 7 and March 7.
AGENDA ITEM: Charter Review Committee Recommendation – Inspire School of Arts and Sciences

Prepared by: John Bohannon, Director

☐ Consent  Board Date: March 22, 2017
☐ Information Only
☒ Discussion/Action

Background Information
Inspire School of Arts and Sciences was first approved as a charter school in 2010. The Inspire charter was renewed for a five-year term in 2012. The current charter will expire June 2017.

CUSD received a charter renewal petition for Inspire School of Arts and Sciences on January 18, 2017. Pursuant to California Education code, the CUSD Board of Directors held a public hearing regarding the renewal on February 15, 2017.

The CUSD Charter School Review Committee reviewed the Inspire Renewal petition and is ready to make a recommendation to the board.

Educational Implications
Inspire School of Arts and Sciences offers students in grades 9-12 another educational option.

Fiscal Implications
ADA generated by Inspire students flows to the school and will not come to CUSD.

Additional Information
When a charter petition is renewed, Education Code mandates the term of the renewal is for five years.
To: Board of Education

From: John Bohannon, Director State and Federal Programs

Date: March 22, 2017

RE: Inspire School of Arts and Sciences Renewal Request

**Action Requested:** Approve Inspire School of Arts and Sciences renewal because the charter school has met the standards and expectations set forth in the Charter Schools Act, Education Code 47605(b)(5), which governs charter school renewals.

**Summary:** Staff recommends approval based on the following factors:

1. Inspire School of Arts and Sciences' academic achievement is comparable to similar CUSD schools.
2. Inspire School of Arts and Sciences governance and finance support the schools vision and function.
3. The Inspire School of Arts and Sciences Charter Petition meets the 16 required elements of a charter petition and neither the school or petition display any of the reasons necessary for denial of a charter petition.

**Governing Law:** Under the California Charters Schools Act, authorizers are required to apply the "standards and criteria" set forth for the review and approval or denial of a charter school petition. The following excerpt is taken from section 47605 of the California Charter Schools Act:

A school district governing board shall grant a charter for the operation of a school under this part if it is satisfied that granting the charter is consistent with sound educational practice.

The governing board of the school district shall not deny a petition for the establishment (or renewal) of a charter school unless it makes written factual findings, specific to the particular petition, setting forth specific facts to support one of more of the following findings:

1. The charter is presents an unsound educational program for the pupils to be enrolled in the charter school.
2. The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.
3. The petition does not contain the number of signatures required by subdivision (a). (not a requirement for renewal).
4. The petition does not contain an affirmation of each of the conditions described in subdivision (d).
5. The petition does not contain reasonably comprehensive descriptions of all of the required charter elements.
**Academic Performance:** Pursuant to Education Code 47607(a)(3)(A) the most important factor in determining whether to grant a charter renewal is the increase in pupil academic achievement for all groups of pupils served by the charter school.

The California Assessment of Student Performance and Progress (CAASPP) System only contains two years of data, but Inspire’s academic performance is comparable or stronger than comparable schools within Chico Unified.

**Procedural Background:**

1. Inspire School of Arts and Sciences submitted its renewal petition on January 18, 2017, at the regularly scheduled Board of Education Meeting.
2. CUSD Charter Committee communicated via email about the submission during the first week of February.
3. A public hearing was held on February 15, 2017. Representatives from the petitioning group presented.
4. CUSD Charter Committee completed matrix of the 16 required elements of a charter petition between February 7 and March 7.
AGENDA ITEM: 6th – 8th Grade CUSD Assessment System

Prepared by: David McKay

☐ Consent Board Date 3/22/17
☐ Information Only
☐ Discussion/Action

Background Information

During the August CUSD Board Workshop, Members directed staff to develop a presentation analyzing the 6th – 8th grade assessment system. Secondary DLC representatives, other teacher leaders, along with site and district administrators have been developing a new secondary assessment system since the fall of 2015. Developing an effective secondary assessment system has historically proven to be a daunting task as CUSD has struggled to find a balance between assessments that are perceived as both valuable to teachers and district administration. As a result of the last 16 months of work, CUSD now has a developing secondary assessment system that is teacher-driven, informative to day-to-day instructional practices, and also relevant to student achievement on state and federal tests.

Educational Implications

This presentation will cover the 6th – 8th grade assessment continuum: from site PLC assessments, to district benchmark assessments, to SBAC. The focus will be on how teachers use assessment data to improve student learning for all kids. The Board will see specific assessments—both PLC and district-level—along with student samples, and aggregated data. Once again, this model is only 18 months in the works, so we invite input and feedback from the Board as well as request direction for continued development and refinement of not only the 6th – 8th grade assessment system, but the 9th – 12th grades as well.

Fiscal Implications

There are ongoing minimal costs for release days for teachers to collaborate and analyze student data, as well as design and refine district assessments. Ed Services has also purchased a three-year contract with iReady.
AGENDA ITEM: Interfund Borrowing Between Funds

Prepared by: Jaclyn Kruger, Director of Fiscal Services

☐ Consent  Board Date March 22, 2017

☐ Information Only

☒ Discussion/Action

**Background Information**
Due to the timing between revenue received and expenses paid, there are times when Chico Unified School District (CUSD) may need to borrow cash between funds to stay cash solvent in all funds.

**Educational Implications**
N/A

**Fiscal Implications**
At this point in time, CUSD anticipates the need to interfund borrow for the Child Development Fund and the Cafeteria Fund. The money will be borrowed from the General Fund.

The General Fund (Fund 01) will be paid interest for the days when cash was temporarily borrowed.

**Recommendation**
It is recommended the Board approve the Interfund Borrowing resolution. This resolution provides administration the flexibility to borrow cash between funds through June 30, 2017.
RESOLUTION ON TEMPORARY BORROWING BETWEEN FUNDS

WHEREAS, The Board of Trustees of the Chico Unified School District has determined that there may be insufficient cash to meet current obligations in certain Funds; and

WHEREAS, Education Code Section 42603 permits the Governing Board of any school district to direct that monies held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations. The transfer shall be accounted for as temporary borrowing between funds and shall not be available for appropriation or be considered income to the borrowing fund.

NOW, THEREFORE, BE IT RESOLVED, that in accordance with Education Code Section 42603, monies may be transferred between funds of the district and repaid in accordance with Education Code Section 42603.

PASSED AND ADOPTED at a regular meeting of the Governing Board of the Chico Unified School District of Butte County on March 22, 2017.

AYES:
NOES:
ABSENT:
ABSTAIN:

__________________________________________  ______________________________
President of the Governing Board          Date
of the Chico Unified School District
AGENDA ITEM: Student Services of California, Operational Review: Nutrition Services

Prepared by: Kevin Bultema, Assistant Superintendent

☐ Consent  Board Date  March 22, 2017

☐ Information Only

☒ Discussion/Action

Background Information

CUSD has requested Student Services of California (SSC) to conduct an operational review of the Nutritional Services/Food Services division. The review will include:

- Review of workflow in the division, including the ability of current staffing levels to handle workload peaks,
- Analysis of labor costs, food purchases, and other expenses, in light of student participation and revenue constraints,
- Review of operational procedures to determine potential areas for increased efficiencies,
- Areas of enhancement of the internal control structure to detect and correct errors in a timely manner,
- Suggestions for the computerization of any manually kept records,
- Identification and suggested elimination of duplicated or unnecessary work,
- Analysis of the current organizational structure to determine potential changes in the organizational structure or staffing.

Educational Implications

The District’s Strategic Plan states: "A safe, nurturing and inspiring environment is essential for individuals to thrive."

Fiscal Implications

SSC fees for this study is $28,600, plus actual and reasonable expenses not to exceed $2,000. Expenses are defined as actual, out-of-pocket expenses, such as travel, meals, shipping, and duplication of materials. If additional meetings are required that are not described in this proposal (for example, additional days of follow up), a charge of $240 per hour, per consultant will be billed in addition to actual and reasonable expenses.

Recommendation

It is recommended the Board ratify this contract with School Services of California.
February 3, 2017

Mr. Kevin Bultema  
Assistant Superintendent, Business Services  
Chico Unified School District  
1163 East Seventh Street  
Chico, CA 95928

Dear Mr. Bultema:

School Services of California, Inc., (SSC) is pleased to respond to Chico Unified School District’s (District) request for a proposal for an operational review of the Food Services division. We are qualified to provide an expert, impartial analysis of the operational and financial issues affecting the Food Services program in your District.

Issues to be covered by the operational review of the Food Services division will include:

- Review of workflow in the division, including the ability of current staffing levels to handle workload peaks
- Analysis of labor costs, food purchases, and other expenses, in light of student participation and revenue constraints
- Review of operational procedures to determine potential areas for increased efficiencies
- Areas of enhancement of the internal control structure to detect and correct errors in a timely manner
- Suggestions for the computerization of any manually kept records
- Identification and suggested elimination of duplicated or unnecessary work
- Analysis of the current organizational structure to determine potential changes in the organizational structure or staffing
The approach we propose to use includes input from staff and focuses on organizationwide goals. The breadth of the recommendations, spanning issues of cost controls to duplication of work effort, requires coordination of all affected staff since changes in any one process will likely affect more than one individual.

The operational review work plan is outlined in the following steps:

**Step 1: Measuring Current Operational Status**

This step will consist primarily of interviews with District employees, observation of the work environment, and review of key documents.

The interviews will focus on obtaining an understanding of each position’s job content, work schedule, procedures followed, and systems used. The interviews will be scheduled over one to two days and will include Food Services staff members along with selected other staff members and administrators. Each interviewee should arrive at the meeting with their job description and should be prepared to discuss their key duties, how they accomplish those duties, and any efficiencies or cost-saving measures that they would recommend.

Throughout the visit, the work environment will be observed and measurement data gathered in order to verify the interview results and provide further insight into current Food Services operations. Key documents will also be analyzed during this phase, including financial and budget reports, bargaining unit agreements, existing job descriptions and organization charts, and any other documents necessary to obtain a complete understanding of the Food Services department’s workload, operations, and financial situation.

**Step 2: Evaluation of Current Operations and Formulation of Recommended Changes**

We will review the data collected in Step 1 and formulate suggestions for operational changes. Questions and facts to be considered would include:

- How might the Food Services’ organizational structure be reorganized to gain efficiency and still meet workload demands?
- Are there inefficiencies—duplicative or ineffective procedures?
- Is the workload fairly distributed among the existing staff?
- Are there technology or tools available that can be deployed to gain efficiencies or reduce costs?
• Are there services that should be provided but are not because of operational or staffing limitations?

• How might reorganization of Food Services staffing levels and/or work schedules improve financial performance without reducing services to the school sites and students?

We will discuss the preliminary study results with the Assistant Superintendent, Business Services, and other staff designated by the Assistant Superintendent, Business Services.

Step 3: Consultant’s Report

Our report is expected to be organized in the following manner:

Executive Summary: Synopsis of the operational study results and major recommendations.

Study Objectives and Methodologies: Detailed discussion of the study objectives in relation to key operational issues identified. This section will also include an overview of our methodology in conducting the study.

Analysis of Current Operations and Recommendations: Description of the existing operational structure and financial status structure and any recommended changes. This section will include results of our interviews, review of key documents, and observations of the work environment, along with any recommendations to reorganize, gain efficiencies, and/or reduce costs.

Step 4: Final Presentation and Follow-Up

We believe the results of any consulting study must be a working tool for school districts we serve. To facilitate putting the recommendations into action, we recommend a meeting with SSC staff and the Assistant Superintendent, Business Services to discuss the results and recommended courses of action.

Study Timeline

The study will commence at an agreed-upon time. The draft report is expected to be completed within six to eight weeks following the site visits and receipt of the required District documents necessary to complete the project.
About SSC’s Consultants

Staff for this project will include two consultants from SSC from the list below. Each portion of the project will be led by a member of SSC with special expertise in the assigned area.

**Debbie Fry**, Director, Management Consulting Services, provides support to school districts, charter schools, county offices, and community college districts in school finance and budgeting, collective bargaining, employer-employee relations, human resources, special education, and general consulting. Debbie brings a wealth of experience in the area of school finance, employment, personnel management, and special education. Debbie completed the Fiscal Crisis & Management Assistance Team (FCMAT) CBO Mentor Program, earned her Chief Business Official (CBO) certification from the California Association of School Business Officials (CASBO), and is a certified Administrator of School Finance and Operations from Association of School Business Officials (ASBO) International. She has served in increasingly responsible fiscal positions in California school districts for more than 20 years and most recently served as the CBO and Director of Human Resources at the Metropolitan Education District. Debbie graduated from Ashford University with a Master’s degree in Business Administration.

**Brianna García**, Director, Management Consulting Services, has worked with school districts to strengthen their organizations by conducting organizational reviews, comparative analyses of school district resources and staffing, facilities reviews, and charter petition reviews. She has provided guidance to school districts as they work through the Local Control and Accountability Plan process and also has extensive experience related to planning and development of public school facilities, including charter schools and Proposition 39. She has more than a decade of professional experience in public K-12 education, worked as Facilities Development Manager for the Los Angeles Unified School District, and completed the University of Southern California Rossier School of Education School Business Management Program earning designation as a certified Chief Business Official. Brianna graduated from the University of Southern California with a Bachelor of Architecture, a Master of Planning, and a Master of Real Estate Development.

**John Gray**, CIA, President, contributes tremendous practical experience to the management consulting team and serves SSC’s clients by conducting fiscal health analyses, providing collective bargaining assistance, performing multiyear financial projections, performing school district efficiency studies, conducting internal control reviews, conducting district office organization reviews, and directing executive search services. Prior to joining SSC, John served as the Director of Fiscal Services for the Fresno Unified School District. Prior to joining Fresno Unified, he served as Audit Supervisor for the Title IX Title of Title IX and Auditing Officer for Union Bank. He has also performed consulting work for the Fiscal Crisis & Management Assistance Team (FCMAT). John received his Bachelor of Science degree in Accounting from California State University, Fresno, and his Master’s degree in Administrative Leadership from Fresno Pacific University.
Dave Heckler, Director, Technology and Governmental Relations, provides clients with valuable information on what is happening in the State Capitol regarding legislative and State Budget matters. Dave also shares his expertise in education funding as a consultant to several statewide education coalitions, providing detailed revenue analyses and funding projections for special education. Prior to joining SSC, Dave served in the legislative and constituent affairs office for the Secretary of State and represented the Secretary before policy committees. In addition, while working in the Legislature, one of Dave’s major accomplishments was successfully working out various changes to the 2005 federal special education conformity bill (Assembly Bill 1662 [Chapter 653/2005]). Dave is a graduate of California’s public school system and received his Bachelor of Arts degree from San Jose State University.

Matt Phillips, CPA, Director, Management Consulting Services, provides support to school districts in fiscal-related issues including budget reviews, salary schedule analyses, organizational reviews, and negotiations, including factfinding services. He also participates in workshops across the state on a variety of topics including the Local Control and Accountability Plan (LCAP), advanced collective bargaining, district budgeting, and auditing. His background as a Certified Public Accountant, experience working in a school district, and completion of the California Association of School Business Officials (CASBO) Chief Business Official Certification program provide the foundation for these areas. Matt graduated from California State University, Chico, with a degree in business administration with emphasis in accounting.

Charlene Quilao, Assistant Director, Management Consulting Services, provides extensive technical and professional services to local school agencies and community colleges to help them implement and maintain effective and efficient operations. As an integral member of our Management Consulting Services team, Charlene prepares research and data analysis in order to conduct organizational reviews, efficiency studies, comparative analyses of school district resources and staffing, statewide workshops, informative publications, and other client services. She also serves as SSC’s liaison to the State Board of Education, monitoring emerging education policy issues and providing this essential information to school districts. Charlene received her bachelor’s degree from San Francisco State University, focusing on social sciences and research and is an American Bar Association Certified Paralegal.

Suzanne Speck, Vice President, provides support to school districts, county offices, and community college districts in governance, management, collective bargaining, employee-employer relations, human resources, special education, and general consulting. Suzanne is responsible for leadership of SSC’s executive search services and brings a wealth of experience in the area of employment, personnel management, strategic planning, and organizational development. She served on the Fiscal Crisis & Management Assistance Team for human resources in South Monterey Joint Union High School District, Compton Community College District, and Inglewood Unified School District. Suzanne has served school districts in California for more than 20 years as a special education teacher, principal, and Assistant Superintendent, Human Resources. Suzanne holds a Bachelor’s degree in Special Education and Early Childhood...
Education from Radford University, Radford, Virginia. She received two credentials and her Master’s degree in Education Administration from California State University, Sacramento.

**Kathleen Spencer,** Director, Management Consulting Services, works with school districts, charter schools, county offices of education, and community colleges to implement effective and efficient operations through innovative strategies. She serves educational agencies in strengthening operations and resource management through organizational reviews, shared services and efficiency studies, budget reviews, comparative analyses of school district resources and staffing, total compensation studies, and facilities reviews. She specializes in the impacts of federal health care reform and the demands on employers to provide cost effective and legally compliant benefits. Kathleen also provides negotiations support to local educational agencies (LEA) and has prepared and presented many school district factfinding cases, resulting in positive and improved labor relations for both the LEA and employee group. Kathleen received her bachelor’s degree from California State University, Sacramento, focusing on social sciences and research.

**Sheila G. Vickers,** Vice President, provides support to school districts, county offices, and community college districts in collective bargaining, legislative issues, human resources, information systems, executive search services, fiscal health analyses, and other management consulting services. She is a presenter at statewide workshops on school finance, collective bargaining, human resources, and employee benefits. She has served on Fiscal Crisis & Management Assistance Teams (FCMAT) for human resources and finance, and as a county-appointed fiscal advisor for school districts in financial distress. For 11 years prior to joining SSC, Sheila served in various financial roles in both K-12 public school districts and community colleges. Sheila received her Master’s of Business Administration from California State University, Sacramento (CSUS), with emphasis on Management Information Systems. Her Bachelor of Science degree, also from CSUS, is in Business Administration with concentrations in Accounting and Management Information Systems.

**Cost of Project**

Our fee for this study is $28,600, plus actual and reasonable expenses not to exceed $2,000. Expenses are defined as actual, out-of-pocket expenses, such as travel, meals, shipping, and duplication of materials. If additional meetings are required that are not described in this proposal (for example, additional days of follow up), a charge of $240 per hour, per consultant will be billed in addition to actual and reasonable expenses. We will submit monthly billings for services associated with the project.

After reviewing the proposal, if you decide the proposed scope should be expanded or contracted, we would be happy to make modifications and provide an estimated fee. If the proposal meets with your approval, please sign the enclosed Agreement for Special Services and return it to our office, whereupon a final executed Agreement will be returned for your records. Our proposal is valid for 60 days from the date of this letter.
We appreciate the confidence you have in our firm and look forward to working with the District on the upcoming project.

Very truly yours,

[Signature]

SHEILA G. VICKERS
Vice President

Enclosure
AGREEMENT FOR SPECIAL SERVICES
Consultation Services

This is an Agreement between the CHICO UNIFIED SCHOOL DISTRICT, hereinafter referred to as “Client,” and SCHOOL SERVICES OF CALIFORNIA, INC., hereinafter referred to as “Consultant,” entered into as of February 3, 2017.

RECITALS

WHEREAS, the Client needs assistance regarding an operational review of the Food Services division; and

WHEREAS, the Consultant is professionally and specially trained and competent to provide these services; and

WHEREAS, the authority for entering into this Agreement is contained in Section 53060 of the Government Code and such other provisions of California law as may be applicable;

NOW, THEREFORE, the parties to this Agreement do hereby mutually agree as follows:

1. The Consultant agrees to assist the Client with an operational review of the Food Services division.

2. The Client agrees to pay the Consultant not to exceed the amount of $28,600, plus expenses not to exceed $2,000, upon receipt of billing from Consultant.
   a. “Expenses” are defined as actual, out-of-pocket expenses, such as travel, meals, shipping, and duplication of materials.
   b. If additional meetings or presentations are required that are not described in our proposal (for example, a Board presentation), a charge of $240 per hour, per consultant will be billed in addition to actual and reasonable expenses.

3. This Agreement shall be for the period commencing February 3, 2017, and terminating October 31, 2017. It may be terminated at any time prior to completion by either party on thirty (30) days’ written notice. In case of cancellation, the Client shall be liable for any costs accrued to date of cancellation.
4. It is expressly understood and agreed to by both parties that the Consultant, while carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and is not an employee of the Client.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as indicated below:

BY: ________________________________ DATE: ____________________________
KEVIN BULTEMA
Assistant Superintendent, Business Services
Chico Unified School District

BY: ________________________________ DATE: ____________________________
SHEILA G. VICKERS
Vice President
School Services of California, Inc.

______________________________
Superintendent, Kelly Staley

2-28-17
AGENDA ITEM: Measure K Charter School Facilities Committee Recommendation

Prepared by: Kevin Bulterma, Assistant Superintendent

☐ Consent Board Date March 22, 2017

☐ Information Only

☒ Discussion/Action

Background Information

Chico Unified School District (CUSD) was successful at elections conducted on November 8, 2016, in obtaining authorization from the District’s voters to issue up to $152 million in general obligation bonds ("Measure K"). Resolution 1375-17 Establishing Measure K Charter Facilities Committee calls for the CUSD Board to consider recommendations of a special committee established by the District and comprised of a majority of representatives of the charter schools within the district’s boundaries regarding expenditure of the 15.34% of bond proceeds for financed facilities for charter schools serving in-district students.

Primary (P) and Alternate (A) applicants applying for CSFC membership are:
- Blue Oak School: (P) Susan Domenighini; (A) Shannon O’Laughlin
- Chico Country Day: (P) Margaret Reece; (A) Lori Mclone
- CORE Butte: (P) Mary Cox; (A) Susan Smith
- Forest Ranch Elementary: (P) Lisa Speegle; (A) Christia Marasco
- Inspire School of Arts and Sciences: (P) Jerry Crosby; (A) Dan La Bar
- Nord Country School: (P) Kathy Dahlgren; (A) Tom Williams
- Sherwood Montessori School: (P) Michelle Yezbick; (A) Monica Woodward
- Step Up: (P) Spencer Anserge; (A) Mike Long
- Wildflower: (P) Tom Hicks; (A) Jonas Herzog

Educational Implications

The proper accounting, reporting and use of the District’s financial resources supports high quality and broad based educational programs for the students of the Chico Unified School District.

Fiscal Implications

No impact to the General Fund.

Recommendation

It is recommended that the Board approve the CSFC membership applications for the above referenced applicants.
AGENDA ITEM: Measure K Bond Sales Resolution 1376-17

Prepared by: Kevin Bulterma – Assistant Superintendent, Business Services

☐ Consent

☐ Information Only

☒ Discussion/Action

Board Date March 22, 2017

Background Information

On November 8, 2016 Chico Unified School District successfully passed Measure K, a $152 million dollar School Bond. With the passage of the Bond, the District now desires to issue its first series of bonds under Measure K in an amount not-to-exceed $45 million dollars to be issued in two parts with approximate repayment terms of 5-8 years and 20-25 years.

Per Senate Bill (SB) 1029, CUSD is required to adopt local debt policies and certify policies have been adopted. The Board of Education approved Board Policy 3470 for Debt Issuance and Management at the February 15, 2017 meeting the requirements of SB 1029.

Included with the resolution are the legal documents required to issue the sale of the bonds. The various documents are being submitted for approval in their original format form and have several blanks in them. Information will be filled in after sales information and comments are received from other parties closer to sale and close.

Educational Implications

N/A

Fiscal Implications

No impact to Chico Unified School District's General Fund. General Obligation Bonds are financed by taxpayers.

Recommendation

Administration recommends the Board of Education approve Resolution 1376-17 authorizing the issuance and sale of the Measure K Bonds.
CHICO UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 1376-17

AUTHORIZING THE ISSUANCE OF BONDS OF THE DISTRICT; APPROVING FORMS OF AND AUTHORIZING EXECUTION AND DELIVERY OF A PAYING AGENT AGREEMENT, A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT AND A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING DISTRIBUTION OF THE OFFICIAL STATEMENT; AND AUTHORIZING EXECUTION OF NECESSARY CERTIFICATES

WHEREAS, pursuant to Education Code Sections 5304, 5322 and 15264 et.seq., and Article XVI, Section 18(b), of the California Constitution, the Board of Education (the “Board”) of the Chico Unified School District (the “District”) adopted its Resolution No. 1342-16 on June 22, 2016 (the “Election Resolution”), ordering a school bond election, which was then regularly held in the District on November 8, 2016;

WHEREAS, the measure for incurring bonded indebtedness, which was fully described in the Election Resolution, was submitted to the voters at the election and abbreviated on the ballot as follows:

“To improve the quality of local public education by preventing overcrowding at elementary schools and providing safe schools through repairing or replacing leaky roofs and outdated electrical and plumbing systems, upgrading, modernizing and constructing classrooms and science labs, improving student access to technology and improving access for students with disabilities shall Chico Unified School District issue $152,000,000 of bonds at legal rates, including independent citizens’ oversight, audits, all funds staying local and NO money for administrative salaries?”

WHEREAS, the returns of the election were thereafter canvassed pursuant to law and, the certificate of election results shows that more than 55% (the amount required for passage) of the votes cast were in favor of issuing the general obligation bonds, the Board entered that fact upon its minutes on January 18, 2016, and thereafter certified the election proceedings to the Board of Supervisors of the County of Butte (the “County”);

WHEREAS, the Board has established and appointed the members of a citizens’ oversight committee in accordance with Education Code Section 15278;

WHEREAS, the Board has determined that it is necessary and desirable to issue two series of the Bonds authorized by the electors, which are to be designated (i) “Chico Unified School District General Obligation Bonds, Election of 2016, Series A-1” (the “Series A-1 Bonds”) in an aggregate principal amount not exceeding $20,000,000, and (ii) “Chico Unified School District General Obligation Bonds, Election of 2016, Series A-2” (the “Series A-2 Bonds,” and together with the Series A-1 Bonds, the “Bonds”) in an aggregate principal amount not exceeding $25,000,000, according to the terms and in the manner hereinafter set forth;
WHEREAS, the following documents and proposed agreements relating to the issuance and sale of the Bonds, which are incorporated herein by reference, have been presented to the Board for its review and approval:

a. the Paying Agent Agreement relating to the Bonds (the “Paying Agent Agreement”), between the District and The Bank of New York Mellon Trust Company, N.A., as Paying Agent (the “Paying Agent”);

b. the Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), whereby the District undertakes to provide annual reports and material events notices as required under federal securities laws;

c. the Bond Purchase Agreement (the “Bond Purchase Agreement”) between the District and Morgan Stanley & Co. LLC (the “Underwriter”), whereby the Underwriter will agree to purchase the Bonds when and as issued and delivered by the District;

d. the Official Statement (the “Official Statement”) describing the Bonds and the District;

NOW, THEREFORE, be it resolved by the Board of Education of the Chico Unified School District, as follows:

Section 1. Recitals. The Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Issues Authorized. The Board hereby authorizes the issuance of (i) the Series A-1 Bonds in an aggregate principal amount not exceeding $20,000,000, and (ii) the Series A-2 Bonds in an aggregate principal amount not exceeding $25,000,000. The District is issuing the Bonds pursuant to the terms of Article 4.5, Chapter 3, Part 1, Division 2, Title 5 of the California Government Code (commencing with Section 53506). Other terms and conditions of the Bonds and their execution, issuance, and sale not prescribed by Article 4.5 shall be governed by the relevant provisions of the Government Code and Education Code. The Board hereby finds that the useful life of the facilities to be acquired by the proceeds of the Bonds exceeds the maturity date of the Bonds.

Section 3. Authorization of Officers to Execute and Deliver Documents. The Board hereby authorizes the President, the Vice President, the Secretary, and Clerk of this Board and the Superintendent, the Assistant Superintendent, Business Services (the “Designated Officers”), and each of them individually, for and in the name of and on behalf of the District, to approve, execute, and deliver the following agreements and documents:

a. the Paying Agent Agreement;

b. the Continuing Disclosure Certificate;

c. the Bond Purchase Agreement; and

d. the Official Statement;
in substantially the form presented to the Board at this meeting, which documents are hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer or officers, upon the advice of Kronick, Moskovitz, Tiedemann & Girard (“Bond Counsel”), executing the documents for the District. The execution of the foregoing documents by a Designated Officer or Officers shall constitute conclusive evidence of such officer’s or officers’ and the Board’s approval of any such changes, insertions, revisions, corrections, or amendments to the respective forms of documents presented to the Board at this meeting. The date, respective principal amounts of each maturity, the interest rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption, and other terms of the Bonds, shall be as provided in the Paying Agent Agreement as finally executed.

Section 4. Approval of Method of Sale and Bond Purchase Agreement. The Board hereby authorizes the sale of the Bonds. Upon the recommendation of Isom Advisors, a Division of Urban Futures (the “Financial Advisor”), the Designated Officers, and each of them individually, on behalf of this Board, are hereby authorized to negotiate the sale of the Bonds with the Underwriter and to execute and deliver the Bond Purchase Agreement to the Underwriter. This method of sale has been selected by the Board because it offers greater flexibility than a public sale process in setting and changing the time and terms of the sale. The estimated costs associated with the issuance of the Bonds, including the expenses of bond counsel, the Financial Advisor, the rating agency and other services, excluding underwriter’s discount and premium for municipal bond insurance, are $150,000. Underwriter’s discount shall not exceed 0.3% of the par amount of Bonds.

Section 5. Distribution of Official Statement. The Board hereby authorizes and directs the Financial Advisor and/or the Underwriter to distribute copies of the Official Statement in preliminary form to persons who may be interested in the purchase of the Bonds and to deliver copies of the final Official Statement to all purchasers of the Bonds. The Board hereby authorizes and directs the Designated Officers, and each of them individually, to deliver to the Underwriter or the Financial Advisor a certificate to the effect that the District deems the preliminary Official Statement, in the form approved by the Designated Officer, to be final and complete as of its date.

Section 6. Valid Obligations. The Board hereby determines that all acts and conditions necessary to be performed by the District or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 7. Paying Agent’s Fees. In accordance with Education Code Section 15232, the District hereby requests the County Board of Supervisors to include within the annual tax levy for the Bonds, the fees and expenses payable to the Paying Agent.

Section 8. Building Fund and Tax Collection Fund.

(a) Building Fund. The District hereby requests that the County Auditor-Controller establish and create and/or maintain the “Chico Unified School District Building Fund,” and keep the fund separate and distinct from all other District and County funds. The District hereby further requests that the County Treasurer deposit the proceeds of
the sale of the Bonds (except any premium or accrued interest received from the sale) into the Building Fund for use by the District to pay the costs of the school facilities described in the bond measure approved by the voters of the District and costs of issuance of the Bonds.

(b) **Tax Collection Fund.** The District hereby requests that the County Auditor-Controller establish and create and/or maintain the “Chico Unified School District Tax Collection Fund,” and keep the fund separate and distinct from all other District and County funds. The District hereby further requests that the County Treasurer deposit any premium received from the sale of the Bonds into the Tax Collection Fund. The District hereby further requests that the County Treasurer and the County Auditor-Controller withdraw from the Tax Collection Fund and transfer to the Paying Agent at the times requested by the District, the amounts required to pay debt service on the Bonds and to pay the fees and expenses of the Paying Agent.

**Section 9. Levy of Taxes.** The Board hereby formally requests the Board of Supervisors of Butte County to levy taxes in an amount not less than sufficient to pay the principal and interest on the Bonds and to direct the Auditor-Controller of Butte County to place on its 2017-18 tax roll, and all subsequent tax rolls until the Bonds are paid in accordance with their terms, taxes not less than sufficient to fulfill the requirements of the debt service schedules that will be provided after issuance of the Bonds. The Board further requests the Board of Supervisors to establish an annual reserve for the purpose of avoiding fluctuating tax levies, as allowed under Education Code section 15250. The Board hereby authorizes the Assistant Superintendent, Business Services, to coordinate with the County Auditor-Controller concerning the rate of taxes to be levied.

**Section 10. Authorization of Officers to Execute Documents.** The Board hereby authorizes and directs its officers and the officials and staff of the District, and each of them individually, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the sale, issuance, and delivery of the Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution. All actions heretofore taken by such officers, officials and staff that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed, and approved in all respects.

**Section 11. Identification of Professionals Involved.** The Board hereby approves the firm of Isom Advisors, a Division of Urban Futures, to act as financial advisor and the firm of Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, to act as bond and disclosure counsel to the District, with respect to the sale and delivery of the Bonds. The Designated Officers, and each of them individually, are hereby authorized to execute and deliver a services agreement with such companies.

**Section 12. Effective Date.** This resolution shall take effect immediately upon its adoption.
PASSED AND ADOPTED by the following vote of the members of the Board of Education of the Chico Unified School District this 22nd day of March, 2017:

AYES:
NOES:
ABSTAIN:
ABSENT:

_________________________________
President of the Board of Education

ATTEST:

_________________________________
Secretary of the Board of Education
PAYING AGENT AGREEMENT

between

CHICO UNIFIED SCHOOL DISTRICT

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Paying Agent

Dated __________ 1, 2017

CHICO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES A-1
ELECTION OF 2016, SERIES A-2
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EXHIBIT A – FORM OF SERIES A-1 BONDS
EXHIBIT B – FORM OF SERIES A-2 BONDS
PAYING AGENT AGREEMENT

This PAYING AGENT AGREEMENT, dated _______ 1, 2017 (this “Paying Agent Agreement”), is by and between the CHICO UNIFIED SCHOOL DISTRICT (the “District”), a school district duly established and existing under the laws of the State of California, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (the “Paying Agent”), a national banking association duly organized and existing pursuant to the laws of the United States of America.

WITNESSETH:

WHEREAS, the District is authorized pursuant to Education Code sections 15264 et seq. and Government Code sections 53506 et seq. and the approving vote of its qualified electors at an election held on November 8, 2016 (the “2016 Election”), to issue or have issued on its behalf general obligation bonds (the “Bonds”) in an aggregate principal amount not exceeding $152,000,000;

WHEREAS, the District intends to issue its first series of Bonds (the “Series A-1 Bonds”) in the aggregate principal amount of [A-1 PAR AMOUNT], and its second series of Bonds (the “Series A-2 Bonds”) in the aggregate principal amount of [A-2 PAR AMOUNT], respectively, pursuant to Government Code sections 53506 et seq., to pay the cost of the acquisition, construction, and completion of improvements described in the measure approved in the 2016 Election, including (i) all necessary legal, financial, engineering, and contingent costs in connection therewith; and (ii) certain legal, accounting, and financing expenses incurred in connection with the issuance of the Series A-1 Bonds and Series A-2 Bonds (collectively, the “Series 2017 Bonds”);

WHEREAS, the District and the Paying Agent have determined to enter into this Paying Agent Agreement in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds shall be issued and secured, and to secure the payment of the principal thereof and premium (if any) and interest thereon;

WHEREAS, the execution and delivery of this Paying Agent Agreement have in all respects been duly and validly authorized by a resolution duly passed and approved by the District; and

WHEREAS, the District has determined that all acts, conditions, and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and the entering into of this Paying Agent Agreement do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Paying Agent Agreement.

NOW, THEREFORE, THIS PAYING AGENT AGREEMENT WITNESSETH that, in order to secure the payment of the principal of and the interest on all Bonds at any time issued, authenticated, and delivered hereunder, and to provide the terms and conditions under which all property, rights, and interests hereby assigned and pledged are to be dealt with and disposed of, and to secure performance and observance of the terms, conditions, covenants, and agreements hereininafter expressed, and in consideration of the promises and of the material covenants herein contained, and of the purchase and acceptance of the Bonds by the Owners (as defined herein) thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the
District does hereby agree and covenant with the Paying Agent for the benefit of the respective Owners, from time to time, of the Bonds, or any part thereof, as follows:

ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICABILITY

Section 1.1. Definitions.

(A) General Principles of Interpretation. For all purposes of this Paying Agent Agreement and of any Supplemental Paying Agent Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires:

1. The terms defined in this Section shall have the meanings herein specified and include the plural as well as the singular.

2. All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

3. All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of applicability thereof.

4. All references herein to “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Paying Agent Agreement as originally executed.

5. The words “herein,” “hereof,” “hereby,” “hereunder,” and other words of similar import refer to this Paying Agent Agreement as a whole and not to any particular Article, Section, or other subdivision.

6. Words of any gender shall mean and include words of all other genders.

7. Unless otherwise defined in this Paying Agent Agreement, all terms used herein shall have the meanings assigned to such terms in the Bond Law.

(B) Specific Definitions. For all purposes of this Paying Agent Agreement and of any Supplemental Paying Agent Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires, the following terms have the meanings herein specified:

Accreted Value means, with respect to any Capital Appreciation Bond, the principal amount thereof plus the interest accrued thereon from its date, compounded at the interest rate thereon on each date specified therein. The Accreted Values at any compounding date to which reference is made shall be the amounts set forth in the Accreted Value Table as of such date. The Accreted Value between compounding dates shall be calculated assuming that the Accreted Values increase in equal daily amounts on the basis of a 360-day year of twelve 30-day months.
**Accreted Value Table** means the table by that name attached as an exhibit to this Paying Agent Agreement or a Supplemental Paying Agent Agreement for the Series of Capital Appreciation Bonds issued pursuant thereto.

**Authorized District Representative** means the Superintendent or the Assistant Superintendent of Business Services of the District, and any other designee of the Superintendent or the Board, acting with the authority of the Superintendent.

**Board** means the governing board of Education of the District.

**Bond or Bonds** means the Chico Unified School District, General Obligation Bonds, Election of 2016, authorized by, and at any time Outstanding pursuant to, this Paying Agent Agreement, or any supplement hereto.

**Bond Law** means Sections 15100 et seq. and Sections 15264 et seq. of the California Education Code, Government Code sections 53506 et seq., Government Code sections 53550 et seq., and other provisions of California law concerning the issuance of debt payable from ad valorem property taxes, as now in effect and as such statutes may from time to time hereafter be amended or supplemented.

**Bond Obligation** means, as of any date (1) with respect to any Outstanding Current Interest Bond, the principal amount of such Bond, and (2) with respect to any Outstanding Capital Appreciation Bond, the Accreted Value thereof.

**Bond Register** has the meaning stated in Section 2.6 (Registration, Transfer, and Exchange).

**Building Fund** means the building fund of the District established pursuant to Education Code section 15146 and the request of the District.

**Business Day** means any day other than a Saturday, Sunday, or a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed.

**Capital Appreciation Bonds** means the Bonds of any Series designated as Capital Appreciation Bonds in this Paying Agent Agreement or the Supplemental Paying Agent Agreement providing for the issuance of such Series and on which interest is compounded and paid at maturity or on prior redemption.

**Certificate, Statement, Request, Requisition, and Order of the District** mean, respectively, a written certificate, statement, request, requisition, or order signed in the name of the District by its Superintendent or any other person authorized by the Superintendent to execute such instruments. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.6 (Form and Content of Certificates and Opinions), each such instrument shall include the statements provided for in Section 1.6 (Form and Content of Certificates and Opinions).

**Closing Date**, with respect to a Series of Bonds, means the date of delivery of the Bonds of such Series to the initial purchaser thereof.
Code means the Internal Revenue Code of 1986, as amended, and the regulations applicable
to or issued thereunder.

Continuing Disclosure Certificate means, with respect to a Series of Bonds, the certificate
or agreement delivered on the Closing Date of such Series concerning the District’s undertakings
made to allow the “Participating Underwriters” to fulfill their responsibilities under Rule 15c2-12
adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as
such certificate or agreement was originally executed by the District or as it may from time to time
be supplemented or amended in accordance with its terms.

Costs of Issuance means all items of expense directly or indirectly payable by or
reimbursable to the District and related to the original authorization, execution, sale, and delivery of
the Bonds, including, but not limited to, advertising and printing costs, costs of preparation and
reproduction of documents, costs of printing and distribution of the preliminary and final official
statements, filing and recording fees, initial fees and charges of the Paying Agent, legal fees and
charges, fees and disbursements of consultants and professionals, financial advisor fees and
expenses, rating agency fees, premiums and other fees for municipal bond insurance and other credit
enhancement, fees and charges for preparation, execution, transportation and safekeeping of the
Bonds, and any other cost, charge, or fee in connection with the original delivery of the Bonds.

Costs of Issuance Fund means the fund held by the Paying Agent for the purposes of paying
Costs of Issuance.

County means Butte County, California.

Current Interest Bonds means the Bonds of any Series designated as Current Interest
Bonds in this Paying Agent Agreement or the Supplemental Paying Agent Agreement providing for
the issuance of such Series of Bonds and that pay interest at least semiannually to the Owners thereof
(excluding the first payment of interest thereon).

DTC means The Depository Trust Company, a New York corporation.

Defeasance Securities means:

(i) any bonds or other obligations that as to principal and interest constitute direct
obligations of, or are unconditionally guaranteed by, the United States of America, including
obligations of any federal agency or federally sponsored entity to the extent unconditionally
 guaranteed by the United States of America;

(ii) any certificates, receipts, securities or other obligations evidencing ownership of, or
the right to receive, a specified portion of one or more interest payments or principal payments, or
any combination thereof, to be made on any bond, note, or other obligation described above in clause
(i); and

(iii) any bonds or other obligations of any state of the United States of America or any
political subdivision thereof (a) that are not callable prior to maturity or as to which irrevocable
instructions have been given to the trustee of such bonds or other obligations by the obligor to give
due notice of redemption and to call such bonds for redemption on the date or dates specified in such
instructions, (b) that are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described above in clause (i) or (ii), which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the interest payment dates and the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described above in clause (i) or (ii) that have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay the principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (iii) on the interest payment dates and the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (iii), as appropriate, and (d) that have been rated in one of the two highest long-term Rating Categories of a nationally recognized rating agency;

District means the Chico Unified School District, a school district of the State of California, duly organized and existing under the Constitution and laws of the State.

Event of Default means any of the events specified in Section 9.1 (Events of Default).

Fiscal Year means the period beginning on July 1 of each year and ending on the next succeeding June 30 or any other twelve-month period hereafter selected and designated as the official fiscal year period of the District.

Information Service means the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") website, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds, or no such services, as the District may designate in a Request of the District delivered to the Paying Agent.

Interest Payment Date with respect to the Bonds means February 1 and August 1 of each year.

Investment Securities means any securities in which funds of the District may now or hereafter be legally invested as provided by applicable law in effect at the time of such investment, subject to any limitations imposed by the investment policy approved by the Board and, in the case of funds invested by the Treasurer on behalf of the District, subject to any additional restrictions imposed by the investment policy of the County, but without regard to any limitations concerning the percentage of moneys available for investment being invested in a particular type of security.

Mandatory Redemption Payment means, with respect to Bonds of any Series and maturity, the amount required by this Paying Agent Agreement or a Supplemental Paying Agent Agreement hereto to be paid for the mandatory redemption or payment at maturity of Term Bonds of such Series and maturity.

Opinion of Bond Counsel means a written opinion of a law firm experienced in matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes, selected by the District.
Outstanding, when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Paying Agent under this Paying Agent Agreement except (1) Bonds theretofore cancelled by the Paying Agent or surrendered to the Paying Agent for cancellation; (2) Bonds with respect to which all liability of the District shall have been discharged in accordance with Section 6.2 (Discharge of Liability on Bonds), including Bonds (or portions of Bonds) referred to in Section 7.6 (Money Held for Particular Bonds); and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Paying Agent pursuant to this Paying Agent Agreement.

Owner or Bondholder or Bondowner, whenever used herein with respect to a Bond, means the person in whose name such Bond is registered.

Paying Agent means The Bank of New York Mellon Trust Company, N.A., as Paying Agent, or its successor as Paying Agent as provided in Section 10.9 (Removal and Resignation; Appointment of Successor).

Paying Agent Agreement means this Paying Agent Agreement, dated March 1, 2017, between the District and the Paying Agent, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Paying Agent Agreement delivered pursuant to the provisions hereof.

Paying Agent's Office means the office of the Paying Agent located at 2001 Bryan Street, 11th Floor, Dallas, TX 75201, Attention: Corporate Trust Services, or such other or additional offices as may be designated by the Paying Agent.

Person means an individual, a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

Project means the facilities to be funded by the District with Bond proceeds.

Rating Category means (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Rebate Fund means the fund by that name established pursuant to Section 7.3 (Rebate Fund).

Redemption Price means, with respect to any Bond (or portion thereof) the principal amount or Accreted Value of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Paying Agent Agreement.

Regular Record Date for interest payable on any Interest Payment Date on the Bonds of any Series means the date specified in the provisions of this Paying Agent Agreement for the Bonds or any Supplemental Paying Agent Agreement for any subsequent Series.
Responsible Officer means the president, any vice-president, any assistant vice-president, the secretary, any assistant secretary, the clerk, the treasurer, any assistant treasurer, or any other officer of the Paying Agent customarily performing functions similar to those performed by any of the above-designated officers and also means, with respect to a particular corporate trust matter, any other officer of the Paying Agent to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Paying Agent Agreement.

Serial Bonds means the Bonds, maturing in specified years, for which no mandatory redemption is provided.

Series, whenever used herein with respect to the Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption, and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.


Special Record Date for the payment of any defaulted interest on Bonds of any Series means a date fixed by the Paying Agent pursuant to Section 2.8 (Payment of Interest on Bonds; Interest Rights Preserved).

State means the State of California.

Supplemental Paying Agent Agreement means any agreement hereafter duly executed and delivered, supplementing, modifying, or amending this Paying Agent Agreement, but only if and to the extent that such Supplemental Paying Agent Agreement is specifically authorized hereunder.

Tax Certificate, with respect to a Series of Bonds, means the tax certificate delivered by the District at the time of the issuance and delivery of such Series, as the same may be further amended or supplemented in accordance with its terms.

Tax Collection Fund means the interest and sinking fund of the District established pursuant to Education Code section 15251 (and also governed by Sections 15233 and 15234) at the request of the District.

Term Bonds means the Bonds subject to mandatory redemption, in part, at or before their specified maturity date or dates in amounts deemed necessary to retire such Bonds on or before their specified maturity date or dates.

Treasurer-Tax Collector means the Treasurer-Tax Collector of Butte County.
Section 1.2. **Equality of Security.** In consideration of the acceptance of the Bonds by the Owners thereof from time to time, this Paying Agent Agreement shall be deemed to be and shall constitute a contract between the District and the Owners from time to time of the Bonds and the covenants and agreements herein set forth to be performed by or on behalf of the District or the Paying Agent shall be for the equal and proportionate benefit, security, and protection of all Owners of the Bonds, without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the Series, time of issue, sale, or negotiation thereof or for any cause whatsoever, except as expressly provided therein or herein.

Section 1.3. **Acts of Bondholders.** Any request, consent, or other instrument required or permitted by this Paying Agent Agreement to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent, or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Paying Agent Agreement and shall be conclusive in favor of the Paying Agent and the District if made in the manner provided in this Section.

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

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Paying Agent or the District in accordance therewith or reliance thereon.

Section 1.4. **Notices to District and Paying Agent.** Any notice to or demand upon the Paying Agent may be served or presented, and such demand may be made, at the Paying Agent’s Office. Any notice to or demand upon the District shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class mail postage prepaid, in a post office letter box, addressed to the Chico Unified School District, 1163 East Seventh Street, Chico, CA 95928, Attention: Superintendent (or such other address as may have been filed in writing by the District with the Paying Agent).

Section 1.5. **Notices to Bondholders: Waiver.** In any case where notice to Bondholders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Bondholder shall affect the sufficiency of such notice with respect to other Bondholders.

Where this Paying Agent Agreement provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondholders shall be filed...
with the District, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.6. **Form and Content of Certificates and Opinions.** Every certificate or opinion provided for in this Paying Agent Agreement with respect to compliance with any provision hereof shall include (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (4) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the District may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant, or an independent consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant, or an independent consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the District) upon a certificate or opinion of or representation by an officer of the District, unless such counsel, accountant, or independent consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person’s certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the District, or the same counsel, or accountant or independent consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Paying Agent Agreement, but different officers, counsel, accountants, or independent consultants may certify to different matters, respectively.

Section 1.7. **Effect of Headings and Table of Contents.** The headings or titles of the Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Paying Agent Agreement.

Section 1.8. **Successors and Assigns.** Whenever in this Paying Agent Agreement the District or the Paying Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Paying Agent Agreement contained by or on behalf of the District or the Paying Agent shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

Section 1.9. **Benefits of Paying Agent Agreement.** Nothing in this Paying Agent Agreement or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the District, the Paying Agent, and the Owners of the Bonds, any legal or equitable right, remedy, or claim under or in respect of this Paying Agent Agreement or any covenant, condition, or provision therein or herein contained; and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Paying Agent, and the Owners of the Bonds.
Section 1.10. **Payments/Actions Otherwise Scheduled on Non-Business Days.** Except as specifically set forth in a Supplemental Paying Agent Agreement, any payments or transfers that would otherwise become due on any day that is not a Business Day shall become due or shall be made on the next succeeding Business Day. When any other action is provided for herein to be done on a day named or within a specified time period and the day named or the last day of the specified period falls on a day other than a Business Day, such action may be performed on the next succeeding Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 1.11. **No Personal Liability for Debt Service.** No Board member, officer, agent, or employee of the District or the Paying Agent shall be individually or personally liable for the payment of the Bond Obligation or Redemption Price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent, or employee of the District or the Paying Agent from the performance of any official duty provided by law or by this Paying Agent Agreement.

Section 1.12. **Severability Clause.** If any one or more of the provisions contained in this Paying Agent Agreement or in the Bonds shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Paying Agent Agreement and such invalidity, illegality, or unenforceability shall not affect any other provision of this Paying Agent Agreement, and this Paying Agent Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have adopted this Paying Agent Agreement and each and every other Section, paragraph, sentence, clause, or phrase hereof, and authorized the issuance of the Bonds pursuant thereto, irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Paying Agent Agreement may be held illegal, invalid, or unenforceable.

Section 1.13. **Governing Law.** This Paying Agent Agreement shall be construed and governed in accordance with the laws of the State.

Section 1.14. **Execution in Counterparts.** This Paying Agent Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

**ARTICLE 2**

**THE BONDS**

Section 2.1. **Title; Issuable in Series; General Limitations.** The general title of the Bonds of all Series shall be “Chico Unified School District, General Obligation Bonds, Election of 2016.” With respect to the Bonds of any particular Series, the District may incorporate into or add to the general title of such Bonds any words, letters, or figures designed to distinguish that Series.

The District may issue Bonds in Series hereunder, in book-entry form or otherwise, as from time to time authorized by the Board, subject to the covenants, provisions, and conditions contained in this Paying Agent Agreement.
The maximum principal amount of Bonds that the District may issue hereunder is not limited; subject, however, to any limitations contained in the Bond Law and to the right of the District, which is hereby reserved, to limit the aggregate principal amount of Bonds that may be issued or Outstanding hereunder.

Section 2.2. **Terms of Particular Series.** Each Series of Bonds, except the Series 2017 Bonds created by Article 3, shall be created by a Supplemental Paying Agent Agreement authorized by the Board and establishing the terms and provisions of such Series of Bonds and the form of the Bonds of such Series. The several Series of Bonds may differ from the Series 2017 Bonds and as between Series in any respect not in conflict with the provisions of this Paying Agent Agreement and as may be prescribed in the Supplemental Paying Agent Agreement creating such Series.

The District shall determine, at the time of issuance of each Series of Bonds, the terms thereof, including the interest rate or rates at which interest is borne by the Bonds of such Series or the manner in which the interest rate or rates are determined (not to exceed the maximum rate of interest permitted by law), the intervals at which interest on the Bonds of such Series shall be payable, the date or dates on which and the year or years in which the Bonds of such Series shall mature and become payable, and the manner in which principal of and interest on the Bonds of such Series shall be payable.

Section 2.3. **Forms and Denominations.** The form of the Bonds of each Series shall be established by the provisions of this Paying Agent Agreement creating such Series. The Bonds of each Series shall be distinguished from the Bonds of other Series as may be determined by the officers of the District executing particular Bonds, as evidenced by their execution thereof.

The District may issue the Bonds of any Series (i) in such denominations as it specifies at the time of issuance thereof and (ii) in fully registered form without coupons or in fully registered book-entry form.

Section 2.4. **Execution, Authentication, Delivery, and Dating.** The Bonds issued by the District shall be executed by the President of the Board and countersigned by the Clerk or Secretary of the Board. The signature of any of these officers on the Bonds may be facsimile or manual; provided that one such signature or countersignature shall be manually affixed, unless the Bonds are authenticated by the Paying Agent. Unless otherwise provided in any Supplemental Paying Agent Agreement, the Bonds shall then be delivered to the Paying Agent for authentication by it.

In case any of the officers who shall have signed or countersigned any of the Bonds shall cease to be such officer or officers of the District before the Bonds so signed or countersigned shall have been authenticated, or delivered by the Paying Agent, or issued by the District, such Bonds may nevertheless be authenticated, delivered, and issued and, upon such authentication, delivery, and issue, shall be as binding upon the District as though those who signed and countersigned the same had continued to be such officers of the District. Any Bond may be signed and countersigned on behalf of the District or the County by such persons as at the actual date of execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.
Except as may be provided in any Supplemental Paying Agent Agreement, no Bond shall be valid or obligatory for any purpose or entitled to the benefits of this Paying Agent Agreement unless there appears on such Bond a certificate of authentication substantially in the form provided for herein, manually executed by the Paying Agent. Such certificate of authentication when manually executed by the Paying Agent shall be conclusive evidence, and the only evidence when such authentication is required, that such Bond has been duly executed, authenticated, and delivered hereunder.

Section 2.5. **Temporary Bonds.** Pending the preparation of definitive Bonds, the District may execute and, upon District request, the Paying Agent shall authenticate and deliver temporary Bonds that are printed, lithographed, typewritten, or otherwise produced, in any denomination, substantially of the tenor of the definitive bonds in lieu of which they are issued, in registered form, and containing such references to any of the provisions of this Paying Agent Agreement as the officers of the District may determine. A temporary Bond may be in the form of a single Bond payable in installments, each on the date, in the amount and at the rate of interest established for the Bonds maturing on such date.

If the District issues temporary Bonds, it will cause definitive Bonds to be prepared without unreasonable delay. After the preparation of definitive Bonds, the temporary Bonds shall be exchangeable for definitive Bonds upon surrender of the temporary Bonds at the Paying Agent’s Office, without charge to the Owner. Upon surrender for cancellation of any one or more temporary Bonds, the District shall execute and, if required, the Paying Agent shall authenticate and deliver in exchange therefor an equal aggregate principal amount of definitive Bonds of authorized denominations of the same Series, tenor, and maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Paying Agent Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.6. **Registration, Transfer, and Exchange.** The Paying Agent will keep or cause to be kept, at the Paying Agent’s Office, a register (herein sometimes referred to as the “Bond Register”) in which, subject to such reasonable regulations as it may prescribe, the Paying Agent shall provide for the registration and transfer of Bonds. The Bond Register shall at all times be open to inspection during the Paying Agent’s normal business hours by the District.

Upon surrender of a Bond for transfer at the Paying Agent’s Office, the District shall execute and, if required, the Paying Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same Series, tenor, and maturity and for an equivalent aggregate principal amount or Accreted Value at maturity.

Bonds of any Series may be exchanged for an equivalent aggregate principal amount or Accreted Value at maturity of Bonds of other authorized denominations of the same Series, tenor, and maturity, upon surrender of the Bonds for exchange at the Paying Agent’s Office. Upon surrender of Bonds for exchange, the District shall execute and, if required, the Paying Agent shall authenticate and deliver the Bonds that the Bondholder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this Paying Agent Agreement shall be promptly cancelled by the Paying Agent and thereafter disposed of as provided for in Section 2.10 (Cancellation).
All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same security and benefits under this Paying Agent Agreement, as the Bonds surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall be accompanied by a written instrument of transfer, in a form satisfactory to the Paying Agent, that is duly executed by the Owner or by his attorney duly authorized in writing.

All fees and costs of any transfer or exchange of Bonds shall be paid by the Bondholder requesting such transfer or exchange.

The Paying Agent shall not be required to transfer or exchange (i) Bonds of any Series during the period established by the Paying Agent for the selection of Bonds of such Series for redemption; or (ii) any Bond that has been selected for redemption in whole or in part, except the unredeemed portion of such Bond selected for redemption in part, from and after the day that such Bond has been selected for redemption in whole or in part.

Section 2.7. Mutilated, Destroyed, Lost, or Stolen Bonds. If (i) any mutilated Bond is surrendered to the Paying Agent, or the District and the Paying Agent receive evidence to their satisfaction of the destruction, loss, or theft of any Bond; and (ii) there is delivered to the District and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then the District shall execute, and upon its request, the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Series of like tenor, maturity, and principal amount or Accreted Value at maturity, bearing a number not contemporaneously outstanding.

Upon the issuance of any new Bond under this Section, the District may require payment of a sum sufficient to pay the cost of preparing such Bond, any tax or other governmental charge that may be imposed in relation thereto, and any other expenses connected therewith.

Every new Bond issued pursuant to this Section in lieu of any destroyed, lost, or stolen Bond shall constitute an original additional contractual obligation of the District, whether or not the destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Paying Agent Agreement equally and ratably with all other Outstanding Bonds secured by this Paying Agent Agreement. Neither the District nor the Paying Agent shall be required to treat both the new Bond and the Bond it replaces as being Outstanding for the purpose of determining the principal amount of Bonds that may be issued hereunder, but both the new Bond and the Bond it replaces shall be treated as one and the same.

Section 2.8. Payment of Interest on Bonds; Interest Rights Preserved. Interest on any Bond of any Series that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Owner thereof as of the close of business on the Regular Record Date for such interest specified in the provisions of this Paying Agent Agreement.

Any interest on any Bond of any Series that is payable but is not punctually paid or duly provided for on any Interest Payment Date shall forthwith cease to be payable to the Owner on the relevant Regular Record Date. Such defaulted interest shall be paid to the Person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such
defaulted interest to be fixed by the District. In the name and at the expense of the District, the Paying Agent shall cause notice of the payment of such defaulted interest and the Special Record Date to be mailed, first-class postage prepaid, to each Owner of a Bond of such Series at his address as it appears in the Bond Register not fewer than ten (10) days prior to such Special Record Date.

Subject to the foregoing provisions of this Section, each Bond delivered under this Paying Agent Agreement upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, that were carried by such other Bond. Each such Bond shall bear interest from such date that neither loss nor gain in interest shall result from such transfer, exchange, or substitution.

Section 2.9. Persons Deemed Owners. The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of the Paying Agent Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District. The ownership of Bonds shall be proved by the Bond Register. The District may establish a record date as of which to measure consent of the Bondholders in order to determine whether the requisite consents are received.

Section 2.10. Cancellation. All Bonds surrendered for payment, redemption, transfer, or exchange, if surrendered to the Paying Agent, shall be promptly cancelled by the Paying Agent and, if surrendered to any person other than the Paying Agent, shall be delivered to the Paying Agent and, if not already cancelled, shall be promptly cancelled by the Paying Agent.

The District shall deliver to the Paying Agent for cancellation any Bonds acquired in any manner by the District, and the Paying Agent shall promptly cancel such Bonds.

No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in this Section, except as expressly provided by this Paying Agent Agreement. The Paying Agent shall destroy all cancelled Bonds and deliver a certificate of such destruction to the District.

Section 2.11. Book-Entry Provisions. Notwithstanding any provision of this Paying Agent Agreement to the contrary, if a Series of Bonds is issued in book-entry form, the following provisions shall apply:

(A) Limits on Transfer. Registered ownership of Bonds issued in book-entry form, or any portions thereof, may not thereafter be transferred except:

1. To any successor of DTC or its nominee, or to any substitute depository designated pursuant to clause (2) of this subsection (A) ("substitute depository"); provided that any successor of DTC or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

2. To any substitute depository upon (a) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (b) a determination by the District that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or
3. To any person as provided below, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository can be obtained, or (b) a determination by the District that it is in the best interests of the District to remove DTC or its successor (or any substitute depository or its successor) from its function as depository.

(B) Execution and Delivery of New Bonds. In the case of any transfer pursuant to clause (1) or clause (2) of subsection 2.11(A) (Book-Entry Provisions - Limitations on Transfer) hereof, upon receipt of all Outstanding Bonds of such Series of book-entry Bonds by the Paying Agent, together with a Certificate of the District to the Paying Agent specifying the successor or substitute depository or its nominee, a single new Bond for each maturity of such Series in the aggregate principal amount or Accreted Value at maturity of the Bonds of such maturity then Outstanding shall be executed and delivered, registered in the name of such successor or such substitute depository, or its nominee, as the case may be. In the case of any transfer pursuant to clause (3) of subsection 2.11(A) (Book-Entry Provisions - Limitations on Transfer) hereof, upon receipt of all outstanding Bonds of such Series of book-entry Bonds by the Paying Agent together with a Certificate of the District to the Paying Agent, new Bonds of such Series shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such a Certificate of the District, subject to the limitations of Section 2.6 (Registration, Transfer, and Exchange) hereof; provided the Paying Agent shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a Certificate of the District.

(C) Notation of Reduction in Bond Obligation. In the case of partial redemption, cancellation or a refunding of any Bonds evidencing all or a portion of the Bond Obligation maturing in a particular year, The Depository Trust Company shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in Bond Obligation. The Paying Agent shall not be liable for any failure or error of The Depository Trust Company to make such notations; the records of the Paying Agent shall be controlling with respect to the outstanding Bond Obligation of the Bonds.

(D) No Responsibility to Persons Other Than Owners. The District and the Paying Agent shall be entitled to treat the Person in whose name any Bond is registered as the Bondholder thereof for all purposes of the Paying Agent Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the District nor the Paying Agent will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including DTC or its successor (or substitute depository or its successor), except for the Owner of any Bonds.

(E) Payments to Depository. So long as all outstanding Bonds of a Series are registered in the name of “Cede & Co.” or its registered assign, the District and the Paying Agent shall cooperate with “Cede & Co.”, as sole registered Bondholder, and its registered assigns in effecting payment of the principal or Accreted Value of and redemption premium, if any, and interest on the Bonds of such Series by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.
ARTICLE 3
TERMS AND ISSUE OF THE SERIES 2017 BONDS

Section 3.1. Terms and Form of Series 2017 Bonds.

(A) Creation of the Series 2017 Bonds. The District hereby creates the first series of Bonds and designates them “Series A-1,” and the second series of Bonds and designates them “Series A-2.” At any time after the execution and delivery of this Paying Agent Agreement, the District may execute and the Paying Agent shall authenticate and deliver the Series 2017 Bonds in an aggregate principal of $[A-1 PAR AMOUNT], with respect to the Series A-1 Bonds, and $[A-2 PAR AMOUNT], with respect to the Series A-2 Bonds, upon the Order of the District.

(B) Form of Series A-1 and Series A-2 Bonds. The form of the Series A-1 Bonds and Series A-2 Bonds shall be substantially as set forth in Exhibits A and B, respectively, with such insertions, omissions, substitutions, and variations as may be determined by the officers executing the same, as evidenced by their execution thereof, to reflect the applicable terms of the Series A-1 Bonds and Series A-2 Bonds established by this Article.

(C) Book-Entry Form, Denominations. The Series 2017 Bonds shall be issued as Current Interest Bonds, in fully registered form, in denominations of five thousand dollars ($5,000) or any integral multiple thereof. The Series 2017 Bonds shall be initially issued registered in the name of “Cede & Co.,” as nominee of DTC. The Series A-1 Bonds shall be evidenced by one Series A-1 Bond maturing on each of the maturity dates as set forth below in this Section in a denomination corresponding to the total principal amount of the Series A-1 Bonds to mature on such date. The Series A-2 Bonds shall be evidenced by one Series A-2 Bond maturing on each of the maturity dates as set forth below in this Section in a denomination corresponding to the total principal amount of the Series A-2 Bonds to mature on such date. Registered ownership of the Series 2017 Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.11 (Book-Entry Provisions). The Series 2017 Bonds shall bear such distinguishing numbers and letters as may be specified by the District.

(D) Series A-1 Bonds: Date, Interest Accrual, Maturity Dates, Interest Rates. The Series A-1 Bonds shall be dated their date of delivery, shall bear interest from their date at the following rates per annum, and shall mature on August 1 in the following years in the following amounts:

<table>
<thead>
<tr>
<th>Maturity Date (August 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
</table>
(E) Series A-2 Bonds: Date, Interest Accrual, Maturity Dates, Interest Rates. The Series A-2 Bonds shall be dated their date of delivery, shall bear interest from their date at the following rates per annum, and shall mature on August 1 in the following years in the following amounts:

<table>
<thead>
<tr>
<th>Maturity Date (August 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
</table>

*Term Bonds

Interest shall be calculated on the basis of a 360-day year comprising twelve (12) thirty (30) day months.

(F) Principal and Interest Payments. The principal or Redemption Price of the Series 2017 Bonds shall be payable to the Owner thereof upon surrender thereof in lawful money of the United States of America at the Paying Agent’s Office or, as provided in Section 2.11(E) (Payments to Depository), by wire transfer to DTC. Interest on the Series 2017 Bonds shall be payable on August 1, 2017, and semiannually thereafter on February 1 and August 1 of each year, by check mailed or, as provided in Section 2.11(E) (Book Entry Provisions – Payments to Depository), and upon the written request of any Owner of $1,000,000 or more in aggregate principal amount of Series 2017 Bonds who has provided the Paying Agent with wire transfer instructions, by wire transfer on each Interest Payment Date to the Owner thereof as of the close of business on the
Regular Record Date. The Regular Record Date for the Series 2017 Bonds shall be the fifteenth (15th) day of the calendar month immediately preceding the relevant Interest Payment Date.

(G) **Cessation of Interest Accrual.** Interest on any Series 2017 Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Paying Agent an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided there has been irrevocably deposited with the Paying Agent an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Owner of such Series 2017 Bond shall not be entitled to any other payment, and such Series 2017 Bond shall no longer be Outstanding and entitled to the benefits of this Paying Agent Agreement, except for the payment of the principal amount or Redemption Price, as appropriate, of such Series 2017 Bonds and interest accrued thereon from moneys held by the Paying Agent for such payment.

**Section 3.2. Redemption of Series 2017 Bonds.**

(A) **General.** The Series 2017 Bonds shall be subject to redemption as provided in Article 5 (Redemption of Bonds).

(B) **Series A-1 Optional Redemption.** The Series A-1 Bonds are not subject to redemption prior to their respective stated maturities.

(C) **Series A-2 Optional Redemption.** The Series 2017 Bonds maturing on or after August 1, 20___, are subject to redemption prior to their respective stated maturities, at the option of the District, from any source of available funds, as a whole or in part on any date (by such maturities as may be specified by the District and at random within a maturity), on or after August 1, 20___, at a redemption price equal to the principal amount of the Series A-2 Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

**Section 3.3. Mandatory Redemption.** The Series A-2 Bonds maturing by their terms on August 1, 20___ (the “Term Bonds”), are subject to mandatory redemption by the District prior to their maturity in part, at random, from taxes deposited in the Tax Collection Fund, in the following amounts and on the following dates, at the principal amount thereof, without premium:

\[
\begin{array}{ll}
\text{Series A-2 Term Bonds Maturing on August 1, 2039} \\
\text{Redemption Date} & \text{Principal Amount} \\
(August 1) & \\
\end{array}
\]

\[\text{*Final maturity}\]

The foregoing amounts will be reduced proportionately by the principal amount of all such Term Bonds optionally redeemed.

**Section 3.4. Application of Proceeds of Series 2017 Bonds.** Upon the delivery of the Series 2017 Bonds to the initial purchaser thereof and the receipt from the initial purchaser of the purchase price of the Series 2017 Bonds in the amount of $__________ (comprising (i) the par
amount of the Series A-1 Bonds, $[A-1 PAR AMOUNT], plus original issue premium of $____________, less the underwriter’s discount of $____________, and (ii) the par amount of the Series A-2 Bonds, $[A-2 PAR AMOUNT], plus original issue premium of $____________, less the underwriter’s discount of $____________), the District shall cause the proceeds of the Series 2017 Bonds to be deposited as follows:

(A) **Tax Collection Fund**: into the Tax Collection Fund the amount of such proceeds representing premium payable to the District ($____________);

(B) **Building Fund**: into the Building Fund $____________; and

(C) **Costs of Issuance Fund**: into the Costs of Issuance Fund $____________. The Paying Agent shall pay amounts held in the Costs of Issuance Fund upon the written order of the District. Six (6) months after [closing date], 2017, or upon prior written Order of the District, the Paying Agent shall transfer any remaining amounts in the Costs of Issuance Fund to the Tax Collection Fund.

The Paying Agent is hereby authorized to create a temporary account for the purpose of facilitating the disbursement of the Series 2017 Bonds proceeds to the Tax Collection Fund and the Building Fund. Such account shall be closed after said disbursement.

**Section 3.5. Building Fund.**

(A) **Establishment and Application of the Building Fund.** The District has requested the Treasurer-Tax Collector to establish, maintain, and hold a separate fund designated as the “Chico Unified School District Building Fund,” which shall be kept separate and distinct from all other District and County funds, into which the Treasurer-Tax Collector shall deposit proceeds from the sale of the Series 2017 Bonds (except any premium or account interest received from the sale). The District shall use the moneys in the Building Fund to pay the cost of the acquisition, construction, and completion of improvements described in the measure approved by the electors of the District, including (i) all necessary legal, financial, engineering, and contingent costs in connection therewith; and (ii) certain legal, accounting, and financing expenses incurred in connection with the issuance of the Series 2017 Bonds that are not otherwise paid by an initial purchaser of the Bonds.

(B) **Transfer of Remaining Balance.** When all the purposes and objectives contained in the measure approved by the electors of the District shall have been accomplished, the District shall deliver a Certificate of the District to the Treasurer-Tax Collector (i) stating such fact; (ii) certifying that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims that are subject to dispute and for which a retention in the Building Fund is to be maintained in the full amount of such claims until such dispute is resolved); and (iii) requesting that the Treasurer-Tax Collector transfer the remaining balance in the Building Fund, less the amount of any such retention, to the Tax Collection Fund. Upon the receipt of the Certificate, the Treasurer-Tax Collector shall transfer any remaining balance in the Building Fund, less the amount of any such retention, as requested by the District in accordance with the Certificate.

**Section 3.6. Validity of Series 2017 Bonds.** The recital in the Series 2017 Bonds that they are issued pursuant to the Constitution and statutes of the State shall be conclusive evidence of their validity and of compliance with provisions of law in their issuance.
ARTICLE 4
ISSUANCE AND DELIVERY OF ADDITIONAL SERIES OF BONDS

Section 4.1. Issuance of Additional Series of Bonds. The District may establish one or more additional Series of Bonds hereunder, and the District may issue, and the Paying Agent may authenticate and deliver to the purchasers thereof, Bonds of any Series so established, in such principal amount as shall be determined by the District, upon compliance by the District with the provisions of Section 4.2 (Proceedings for Issuance of Additional Series of Bonds) and any additional requirements set forth in the related Supplemental Paying Agent Agreement and subject to the following specific conditions:

(A) No Default. No Event of Default shall have occurred and then be continuing.

(B) Amount Authorized. The aggregate principal amount of Bonds issued hereunder shall not exceed the amount authorized pursuant to the Bond Law and by the electors of the District and shall not exceed any other limitation imposed by law or by any Supplemental Paying Agent Agreement.

(C) Payment Dates. If and to the extent deemed practical in the reasonable judgment of the District with regard to the type of Bond to be issued, the payments of principal or Accrued Value of such additional Series of Bonds shall be due on August 1 in each year in which principal is to be paid and, if the interest on such Series of Bonds is to be paid semiannually, such interest payments shall be due on February 1 and August 1 in each year, as appropriate.

Nothing in this Section or in this Paying Agent Agreement contained shall prevent or be construed to prevent the Supplemental Paying Agent Agreement from providing for the issuance of an additional Series of Bonds from pledging or otherwise providing, in addition to the security given or intended to be given by this Paying Agent Agreement, additional security for the benefit of such additional Series of Bonds or any portion thereof.

Section 4.2. Proceedings for Issuance of Additional Series of Bonds.

(A) Supplemental Paying Agent Agreement. Whenever the District shall determine to issue a Series of Bonds pursuant to Section 4.1 (Issuance of Additional Series of Bonds), the District shall authorize the execution of a Supplemental Paying Agent Agreement specifying the principal amount and prescribing the forms of Bonds of such additional Series and providing the terms, conditions, distinctive designation, denominations, methods of numbering, date, maturity date or dates, interest rate or rates (or the manner of determining the same), redemption provisions, and place or places of payment of the Bond Obligation or Redemption Price of and interest on such Bonds, and any other provisions respecting the Bonds of such Series not inconsistent with the terms of this Paying Agent Agreement.

(B) Documentation Required. Before such additional Series of Bonds shall be issued and delivered, the District shall file the following documents with the Paying Agent (upon which documents the Paying Agent may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Bonds have been satisfied):
1. **Supplemental Paying Agent Agreement.** An executed copy of the Supplemental Paying Agent Agreement authorizing such Series.

2. **No Default Certificate.** A Certificate of the District stating that no Event of Default has occurred and is then continuing.

3. **Opinion.** An Opinion of Bond Counsel to the effect that the execution of the Supplemental Paying Agent Agreement has been duly authorized by the District in accordance with this Paying Agent Agreement; that such Series, when duly executed by the District and authenticated if required, and delivered by the Paying Agent, will be valid and binding general obligations of the District; and that upon the delivery of such Series the aggregate principal amount of Bonds then Outstanding will not exceed the amount permitted by law or by this Paying Agent Agreement.

4. **Principal Amount Certificate.** A Certificate of the District stating that the requirement of Section 4.1(b) (Issuance of Additional Series of Bonds – Amount Authorized) has been satisfied.

**Section 4.3. Application of Proceeds of Additional Bonds.** Proceeds of each Series of Bonds shall be applied as specified in the Supplemental Paying Agent Agreement pursuant to which such Series of Bonds is created.

**ARTICLE 5**

**REDEMPTION OF BONDS**

**Section 5.1. General Applicability of Article.** Bonds of any Series that are redeemable before their respective stated maturities shall be redeemable in accordance with their terms and (except as otherwise provided herein with respect to the Bonds of any particular Series by the provisions of the Supplemental Paying Agent Agreement creating such Series) in accordance with this Article.

**Section 5.2. Notice to Paying Agent.** In the case of any redemption at the election of the District of less than all the Outstanding Bonds of any Series, the District shall, at least forty-five (45) days prior to the date fixed for redemption (unless a shorter notice shall be satisfactory to the Paying Agent) notify the Paying Agent in writing of such redemption date and of the principal amount or Accreted Value of Bonds of such Series to be redeemed.

**Section 5.3. Selection by Paying Agent of Bonds to Be Redeemed.** If less than all the Outstanding Bonds of any maturity are to be redeemed, not more than sixty (60) days prior to the redemption date, the Paying Agent shall select the particular Bonds to be redeemed from the Outstanding Bonds of such maturity that have not previously been called for redemption, in minimum amounts of $5,000 (Bond Obligation at maturity), by lot in any manner that the Paying Agent in its sole discretion shall deem appropriate and fair. For purposes of such selection, each $5,000 principal amount of Bond Obligation at maturity shall be deemed to be a separate Bond.

With respect to any maturity of Bonds less than all of which maturity will be redeemed, the Paying Agent shall promptly notify the District in writing of the Bonds of that maturity selected for redemption and, in the case of a Bond selected for partial redemption, the principal amount or Accreted Value thereof to be redeemed.
For all purposes of this Paying Agent Agreement, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal or Accreted Value of such Bond that has been or is to be redeemed.

Section 5.4. Notice of Redemption.

(A) Mailed Notice. The Paying Agent shall mail notice of redemption not fewer than thirty (30) nor more than sixty (60) days prior to the redemption date by first-class mail, postage prepaid, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond Register and shall file such notice on the same day with the Municipal Securities Rulemaking Board (MSRB) through its EMMA website.

(B) Content of Notice. Each notice of redemption shall state (a) the date of such notice, (b) the Series designation of the Bonds, (c) the date of issue of the Series of Bonds, (d) the redemption date, (e) the Redemption Price, (f) the place or places of redemption (including the name and appropriate address or addresses of the Paying Agent), (g) the CUSIP number (if any) of the maturity or maturities, and (h) if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the Bond Obligation thereof to be redeemed. Each such notice shall also (a) state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the Bond Obligation thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, (b) state that from and after such redemption date interest thereon shall cease to accrue, and (c) require that such Bonds be then surrendered at the address or addresses of the Paying Agent specified in the redemption notice. Neither the District nor the Paying Agent shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the District nor the Paying Agent shall be liable for any inaccuracy in such numbers.

(C) Defects in Notice or Procedure. Failure by the Paying Agent to file notice with MSRB or failure of any Owner to receive notice of any defect in any such notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Paying Agent to mail or otherwise deliver notice to any one or more of the respective Owners of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed or delivered.

(D) Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption monies are not available for such purpose in an amount sufficient to pay in full on said date the principal, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition
precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Section 5.5. Deposit of Redemption Price. Prior to any redemption date, the District shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds that are to be redeemed on that date. Such money shall be held for the benefit of the persons entitled to such Redemption Price.

Section 5.6. Bonds Payable on Redemption Date. Notice of redemption having been duly given as aforesaid and moneys for payment of the Redemption Price of the Bonds so to be redeemed being held by the Paying Agent, on the redemption date designated in such notice (i) the Bonds so to be redeemed shall become due and payable at the Redemption Price specified in such notice; (ii) interest on such Bonds shall cease to accrue; (iii) such Bonds shall cease to be entitled to any benefit or security under this Paying Agent Agreement; and (iv) the Owners of such Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable to the Owners of the Bonds on the relevant Regular Record Date or Special Record Date, according to the terms of such Bonds and the provisions of Section 2.8 (Payment of Interest on Bonds; Interest Rights Preserved).

Section 5.7. Bonds Redeemed in Part. Upon surrender of any Bond redeemed in part only, the District shall execute and the Paying Agent shall authenticate, if required, and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same Series of authorized denominations, and of the same maturity, equal in aggregate Bond Obligation to the unredeemed portion of the Bond surrendered.

ARTICLE 6
DEFEASANCE

Section 6.1. Discharge of Paying Agent Agreement.

(A) Payment of Bonds. Bonds of any Series may be paid by the District in any of the following ways:

1. by paying or causing to be paid the Bond Obligation of and interest on such Bonds, as and when the same become due and payable;

2. by depositing with the Paying Agent, an escrow agent or other fiduciary, at or before maturity, money or securities in the necessary amount (as provided in Section 6.3 (Deposit of Money or Securities with Paying Agent) to pay or redeem such Bonds; or

3. by delivering such Bonds to the Paying Agent for cancellation by it.

(B) Consequences of Payment of All Bonds. If the District shall pay all Bonds Outstanding and also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District, evidenced by a Certificate of the District filed with the Paying Agent signifying the intention of the District to discharge all such indebtedness and this
Paying Agent Agreement, and notwithstanding that any Bonds shall not have been surrendered for payment, this paying Agent Agreement, the pledge of assets made hereunder, all covenants and agreements and other obligations of the District under this paying Agent Agreement, and the rights and interests created hereby (except as to any surviving rights of transfer or exchange of Bonds as provided in Section 2.6 (Registration, Transfer, and Exchange) and rights to payment from moneys deposited with the paying Agent as provided in Section 6.2 (Discharge of Liability on Bonds)) shall cease, terminate, become void, and be completely discharged and satisfied. Notwithstanding the satisfaction and discharge of this paying Agent Agreement, the obligations to the paying Agent under Section 10.7 (Compensation and Indemnification of paying Agent) and the covenants of the District to preserve the exclusion of interest on the Bonds from gross income for Federal income tax purposes contained in Section 8.6 (Federal Income Tax Covenants) shall survive.

(C) Actions Upon Discharge. In such event, the paying Agent shall pay over to the District all moneys or securities or other property held by it pursuant to this paying Agent Agreement that, as evidenced by a verification report (upon which the paying Agent may conclusively rely) from a certified public accountant or firm of such accountant, are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(D) Notice of defeasance. If moneys or defeasance Securities are deposited with and held by the paying Agent as hereinabove provided, the paying Agent shall within ten (10) days after such money and defeasance Securities shall have been deposited with it mail a notice prepared by the District, first class postage prepaid, to the owners at the addresses listed on the registration books kept by the paying Agent pursuant to Section 2.6 (Registration, Transfer, and Exchange), (a) setting forth the maturity or date fixed for prepayment, as the case may be, of the Bonds, (b) giving a description of the defeasance Securities, if any, so held by it, and (c) stating that this paying Agent Agreement has been released in accordance with the provisions of this Section.

Section 6.2. Discharge of Liability on Bonds. Upon the deposit with the paying Agent, or other fiduciary, at or before maturity, of money or securities in the necessary amount (as provided in Section 5.3 (Deposit of Money or Securities with paying Agent)) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article 5 provided a 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 Bond shall cease, terminate, and be completely discharged, except that thereafter (i) the owner thereof shall be entitled to payment of the Bond Obligation or Redemption Price of and interest on such Bond by the District and the District shall remain liable for such payment, but only out of such money or securities deposited with the paying Agent, escrow agent, or other fiduciary as aforesaid for their payment, subject, however, to the provisions of Section 6.4 (Moneys Unclaimed After Bonds Are Due and Payable); and (ii) the owner thereof shall retain its rights of transfer or exchange of Bonds as provided in Section 2.6 (Registration, Transfer, and Exchange).

The District may at any time surrender to the paying Agent for cancellation by it any Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.
Section 6.3. Deposit of Money or Securities with Paying Agent. Whenever in this Paying Agent Agreement it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any 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 Paying Agent Agreement and shall be:

(A) Lawful money of the United States of America in an amount equal to the Bond Obligation of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds that are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article 5 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 Bond Obligation or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(B) Defeasance Securities the principal of and interest on which when due will, in the opinion of an independent certified public accountant delivered to the Paying Agent (upon which opinion the Paying Agent may conclusively rely), provide money sufficient to pay the Bond Obligation or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such Bond Obligation or Redemption Price and interest become due, provided that, in the case of Bonds that are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article 5 (Redemption of Bonds) 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 Paying Agent Agreement or by Request of the District) to apply such money to the payment of such Bond Obligation or Redemption Price and interest with respect to such Bonds.

Section 6.4. Moneys Unclaimed after Bonds Are Due and Payable.

(A) Earnings on Moneys Unclaimed After Bonds Are Due and Payable. All moneys held by or on behalf of the Paying Agent for the payment of principal or Accreted Value of or interest or premium on Bonds, whether at redemption or maturity, shall be held for the account of the Owners thereof and the Paying Agent shall not be required to pay Owners any interest on, or be liable to the Owners or any other person for any interest earned on, moneys so held.

(B) Return of Unclaimed Funds to District. Subject to applicable escheatment laws, any moneys held by the Paying Agent for the payment of the Bond Obligation or Redemption Price of, premium, if any, or interest on, any Bonds and remaining unclaimed for two (2) years after the date when such Bonds have become due and payable (whether at maturity or upon call for redemption as provided in this Paying Agent Agreement), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after the date when such Bonds became due and payable, shall be repaid to the District; provided that the District has certified to the Paying Agent that the District has complied with the provisions of Sections 50050-50056 of the California Government Code. Thereafter, Owners shall look solely to the District for the payment of such funds and the Paying Agent shall have no further liability for such funds.
ARTICLE 7
TAX LEVY AND COLLECTION; USE OF FUNDS

Section 7.1. Levy of Taxes; Tax Collection Fund.

(A) Levy of Taxes. The California Education Code directs the Board of Supervisors of the County to levy and collect a tax on all the taxable property in the District sufficient to pay the Bond Obligation of and interest on the Bonds as it becomes due (and such part of the Bond Obligation and interest as may have become due before the proceeds of a tax levied at the next subsequent general tax levy will be available) and the District has requested the tax also include an amount to pay the annual fees and expenses of the Paying Agent. The District has requested the Board of Supervisors of the County to levy the tax annually at the time of making each general tax levy and to levy and collect the tax as other ad valorem taxes are levied. The District shall use the taxes collected only for payment of the Bond Obligation of and interest on the Bonds when due and the fees and expenses of the Paying Agent as provided in this Paying Agent Agreement.

(B) Tax Collection Fund. The District has requested the County to establish the Tax Collection Fund and maintain it separate and distinct from all other District and County funds and has directed the Treasurer-Tax Collector to deposit therein the taxes levied and collected by the County pursuant to Education Code section 15250. All moneys at any time held in the Tax Collection Fund shall be held for the benefit of the Owners of the Bonds and shall be disbursed, allocated, and applied solely for the payment of the Bond Obligation of and interest on the Bonds when and as the same fall due, except for amounts collected for the payment of the Paying Agent’s fees and expenses, which shall be paid to the Paying Agent in accordance with the agreement entered into between the District and the Paying Agent. When this Paying Agent Agreement shall have been discharged in accordance with Section 6.1 (Discharge of Paying Agent Agreement) hereof, any balance of money then remaining in the Tax Collection Fund shall be transferred (upon order of the County Auditor following request by the District) to the general fund of the District.

Section 7.2. Payment of Debt Service.

(A) Application of Funds to Pay Debt Service. The District hereby directs the County Auditor and the Treasurer-Tax Collector to transfer, at least one Business Day prior to each Interest Payment Date, from the Tax Collection Fund to the Paying Agent an amount sufficient to pay the aggregate amount of interest and Bond Obligation becoming due and payable on any outstanding Bonds on such Interest Payment Date. The Paying Agent shall apply the amounts received to the payment of the Bond Obligation of and interest on the Bonds when due. When this Paying Agent Agreement shall have been discharged in accordance with Section 6.1 (Discharge of Paying Agent Agreement) hereof, the Paying Agent shall transfer any money held by it hereunder to the Treasurer-Tax Collector for deposit into the general fund of the District.

(B) Application of Funds in Event of Insufficiency. If, on any Interest Payment Date, the amounts held by the Paying Agent are not sufficient to pay in full the Bond Obligation of and interest on all Bonds payable on such date, the Paying Agent shall apply all amounts then held or thereafter received by the Paying Agent under any of the provisions of this Paying Agent Agreement (except as otherwise provided in this Paying Agent Agreement) to the payment to the persons entitled thereto of all installments of interest then due and the unpaid Bond Obligation or
Redemption Price of any Bonds that shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue Bond Obligation at the rate borne by the respective Bonds, such payments to be made ratably, according to the amounts of Bond Obligation or interest due on such date to the persons entitled thereto, without any discrimination or preference.

Section 7.3. Rebate Fund. The District shall establish and maintain a fund designated as the “Rebate Fund,” if the District determines that such a fund would be convenient for purposes of rebate accounting. If established, the Rebate Fund shall be maintained separate from any other fund. The District shall deposit moneys into and disburse moneys from the Rebate Fund or make payments of rebate directly to the United States Treasury at the times required by the terms of the Tax Certificate.

Section 7.4. Investment of Moneys in Funds and Accounts. All moneys in any of the funds and accounts established pursuant to this Paying Agent Agreement shall be invested by the District solely in Investment Securities. All Investment Securities shall be acquired subject to the limitations set forth in Section 8.6 (Federal Income Tax Covenants).

All interest, profits, and other income received from the investment of moneys in any fund or account shall be retained therein.

The Paying Agent or any of its affiliates may act as principal or agent in the making or disposing of any investment and may impose its customary charge therefor. In no event shall the Paying Agent be liable for the selection of investments or for investment losses incurred thereon. The Paying Agent shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity.

The Paying Agent shall not invest any cash held by it hereunder in the absence of timely and specific written direction from the District. The Paying Agent may conclusively rely upon such written direction from the District as to both the suitability and legality of the directed investments. The District acknowledges that regulations of the Comptroller of the Currency grant the District the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the District specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Paying Agent that no brokerage confirmations need be sent relating to the security transactions as they occur.

The Paying Agent shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys payable to the Owners.

Section 7.5. Funds and Accounts. Any fund required by this Paying Agent Agreement to be established and maintained by the Paying Agent may be established and maintained in the accounting records of the Paying Agent either as a fund or an account and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account, but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry to the extent practicable, and with due regard for the protection of the security of the Bonds and the rights of
every Owner thereof. The Paying Agent may establish additional funds or accounts for accounting purposes.

Section 7.6. **Money Held for Particular Bonds.** The money held by the Paying Agent for the payment of the interest, Bond Obligation, or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 6.4 (Moneys Unclaimed After Bonds Are Due and Payable).

**ARTICLE 8**

**COVENANTS OF THE DISTRICT**

Section 8.1. **Power to Issue Bonds.** The District is duly authorized pursuant to the Bond Law to issue the Bonds. The Bonds and the provisions of this Paying Agent Agreement are and will be the valid and binding obligations of the District in accordance with their terms.

Section 8.2. **Punctual Payment.** The District will punctually pay or cause to be paid the Bond Obligation (whether at maturity or prior redemption) of and premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Paying Agent Agreement, according to the true intent and meaning thereof.

Section 8.3. **Extension of Payment of Bonds.** The District will not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any or claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Paying Agent Agreement, except subject to the prior payment in full of the Bond Obligation of all of the Bonds then Outstanding and of all claims for interest thereon that shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the District to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 8.4. **Preservation of Rights of Owners.** The District and the Paying Agent shall at all times, to the extent permitted by law, defend, preserve, and protect the pledge of taxes and other assets and all the rights of the Bondholders under this Paying Agent Agreement against all claims and demands of all persons whomsoever.

Section 8.5. **Waiver of Laws.** The District will not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Paying Agent Agreement or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the District to the extent permitted by law.

Section 8.6. **Federal Income Tax Covenants.** The District shall at all times do and perform all acts and things permitted by law and this Paying Agent Agreement that are necessary and desirable in order to assure that interest paid on the Bonds will be excludable from gross income for federal income tax purposes and shall take no action that would result in such interest not being
so excludable; provided that, prior to the issuance of any Series of Bonds, the District may exclude the application of the covenants contained in this Section to such Series of Bonds. Without limiting the generality of the foregoing, the District agrees to comply with the provisions of the Tax Certificate. This covenant shall survive the defeasance or payment in full of the Bonds.

**Section 8.7. Further Assurances.** The District will make, execute, and deliver any and all such instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Paying Agent Agreement, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Paying Agent Agreement.

**Section 8.8. Continuing Disclosure.** The District hereby covenants that it will comply with and carry out all the provisions of the Continuing Disclosure Certificate.

**Section 8.9. Pledge of Taxes.** The District hereby pledges all revenues from the property taxes collected from the levy by the Board of Supervisors of the County for the payment of the District's general obligation bonds (herebefore and hereafter issued) and amounts on deposit in the Tax Collection Fund (the “Pledged Revenues”) to the payment of the principal or redemption price of and interest on the District's general obligation bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the District's general obligation bonds and successors thereto. The Pledged Revenues are immediately subject to this pledge, and the pledge constitutes a lien and security interest that immediately attaches to the Pledged Revenues to secure the payment of the District’s general obligation bonds and is 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 of the District’s general obligation bonds to provide security for those bonds in addition to any statutory lien that may exist, and the bonds secured by the pledge are or were issued to finance one or more of the projects specified in the applicable voter-approved measure.

It is accordingly the intention of the District that the pledge of the Pledged Revenues constitutes a pledge of “special revenues” for purposes of 11 U.S.C. §§901 et seq., and that a petition filed by the District under 11 U.S.C. §§901 et seq., will not operate as a stay under 11 U.S.C. §362 of the application of such Pledged Revenues to payment when due of principal of and interest on the District’s general obligation bonds. The District will not take any action inconsistent with its agreement and statement of intention hereunder, and will not deny that the pledge of the Pledged Revenues constitutes a pledge of special revenues for purposes of 11 U.S.C. §§901 et seq.

**ARTICLE 9
EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS**

**Section 9.1. Events of Default.** The following events shall be Events of Default:

1. default in the due and punctual payment of the Bond Obligation or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by mandatory redemption, by proceedings for optional redemption, or otherwise;
(B) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(C) failure by the District to observe or perform any covenant, condition, agreement or provision in this Paying Agent Agreement on its part to be observed or performed, other than as referred to in subsection (A) or (B) of this Section, for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, has been given to the District by an Owner; except that, if such failure can be remedied but not within such sixty (60) day period and if the District has taken all action reasonably possible to remedy such failure within such sixty (60) day period, such failure shall not become an Event of Default for so long as the District shall diligently proceed to remedy same in accordance with and subject to any directions or limitations of time established by a majority of the Owners.

Section 9.2. Remedies of Owners. Upon the occurrence and continuance of an Event of Default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated

(A) by mandamus or other action, suit, or proceeding at law or in equity to enforce the Owners’ rights against the Board or the District or any of the officers or employees of the District, and to compel the Board or the District or any such officers or employees to perform and carry out their duties under the Bond Law and the agreements and covenants with the Owners contained herein;

(B) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Owners; or

(C) by suit in equity upon the nonpayment of the Bonds to require the Board or the District or its officers and employees to account as the trustee of an express trust.

Section 9.3. Restoration of Positions. In case any proceedings taken by any one or more Bondholders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bondholders, then in every such case the District and the Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers, and duties of the District, the County, and the Bondholders shall continue as though no such proceedings had been taken.

Section 9.4. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Owners of the Bonds is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.5. Delay or Omission Not Waiver. No delay or omission of any Owner of the Bonds to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every
right and remedy given by this Paying Agent Agreement or by law to the Owners of the Bonds may be exercised from time to time, and as often as may be deemed expedient, by the Owners.

Section 9.6. No Acceleration. The Owners of the Bonds have no right to declare the principal of the Bonds immediately due and payable.

Section 9.7. Insurer's Subrogation to Rights of Owners. If, and to the extent that, the issuer of a policy of bond insurance or other guarantor makes payment of principal of or interest on Bonds, such insurer or guarantor shall become subrogated to the rights of the recipients of such payments.

ARTICLE 10
THE PAYING AGENT

Section 10.1. Appointment of Paying Agent. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as paying agent, bond registrar, and authenticating agent for the Bonds under this Paying Agent Agreement, and hereby accepts the appointment as Paying Agent hereunder, and agrees to perform all the functions and duties of the Paying Agent hereunder, subject to the terms and conditions set forth in this Paying Agent Agreement.

Section 10.2. Certain Duties and Responsibilities.

(A) Duties Limited to Those Specified. The Paying Agent undertakes to perform such duties and only such duties as are specifically set forth in this Paying Agent Agreement and no implied covenants shall be read into this Paying Agent Agreement against the Paying Agent;

(B) Reliance on Documents. In the absence of bad faith on its part, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, statements, requests, requisitions, orders, or opinions furnished to the Paying Agent and conforming to the requirements of this Paying Agent Agreement; but in the case of any such certificates or opinions that by 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 on their face to the requirements of the Paying Agent Agreement.

(C) Immunities of Paying Agent. No provision of this Paying Agent Agreement shall be construed to relieve the Paying Agent from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that

1. this Subsection shall not be construed to limit the effect of Subsection A of this Section;

2. 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 grossly negligent in ascertaining the pertinent facts;

3. the Paying Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than
a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Paying Agent or of exercising any trust or power conferred upon the Paying Agent under this Paying Agent Agreement; and

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

(D) **Immunities Applicable to All Provisions of Paying Agent Agreement.** Whether or not herein expressly so provided, every provision of this Paying Agent Agreement relating to the conduct or affecting the liability of or affording protection to the Paying Agent shall be subject to the provisions of this Article 10.

**Section 10.3. Certain Rights of Paying Agent; Liability of Paying Agent.** Except as otherwise provided in Section 10.2 (Certain Duties and Responsibilities):

(A) **Reliance on Documents Believed Genuine.** The Paying Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, requisition, consent, order, bond, note, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(B) **Documentation of District’s Directions.** Any request or direction of the District mentioned herein shall be sufficiently evidenced by a certificate, statement, request, requisition, or order of the District;

(C) **Reliance on District Certificate.** Whenever in the fulfillment of the obligations imposed upon it by this Paying Agent Agreement the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Paying Agent (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of the District, 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;

(D) **Reliance on Advice of Counsel.** The Paying Agent may consult with counsel, including, without limitation, counsel of or to the District, and the advice or opinion of such counsel or any Opinion of Bond Counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Paying Agent hereunder in good faith and in reliance thereon;

(E) **Investigation of Factual Matters.** The Paying Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, or other paper or document but the Paying Agent, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Paying Agent shall determine to make such further inquiry or
investigation, it shall be entitled to examine the books, records and premises of the District, personally or by agent or attorney;

(F) **Performance of Duties by Agents.** The Paying Agent may perform the duties required of it hereunder by or through attorneys, agents, or receivers and shall be entitled to advice of counsel concerning all matters of its duty hereunder, but the Paying Agent shall be answerable for the negligence or misconduct of any such attorney-in-fact, agent, or receiver selected by it; provided that the Paying Agent shall not be answerable for the negligence or misconduct of any attorney-at-law or certified public accountant selected by it with due care;

(G) **Electronic Instructions and Directions.** The Paying Agent agrees to accept and act upon instructions or directions pursuant to this Paying Agent Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the District shall provide to the Paying Agent an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the District elects to give the Paying Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Paying Agent in its discretion elects to act upon such instructions, the Paying Agent’s understanding of such instructions shall be deemed controlling. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Paying Agent, including, without limitation, the risk of the Paying Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(H) **Force Majeure.** The Paying Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the Paying Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

**Section 10.4. Paying Agent Not Responsible for Recitals or Issuance of Bonds or Application of Proceeds.**

(A) **Paying Agent Makes No Representations.** The recitals of facts herein and in the Bonds contained shall be taken as statements of the District, and the Paying Agent assumes no responsibility for the correctness of the same (other than the certificate of authentication of the Paying Agent on each Bond). The Paying Agent makes no representations as to the validity or sufficiency of this Paying Agent Agreement or of the Bonds, as to the sufficiency of the taxes or the priority of the lien of this Paying Agent Agreement thereon, or as to the financial or technical feasibility of any project financed by the Bonds and shall not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly herein or in the Bonds assigned to or imposed upon it.
(B) **Paying Agent Not Responsible for Application of Certain Moneys.** The Paying Agent shall not be responsible for:

1. the application or handling by the District of any moneys transferred to or pursuant to any Requisition or Request of the District in accordance with the terms and conditions hereof;  
2. the application and handling by the District or the Treasurer-Tax Collector of any fund or account designated to be held by the District or the Treasurer-Tax Collector hereunder;  
3. any error or omission by the District in making any computation or giving any instruction pursuant to Section 8.6 (Federal Income Tax Covenants) hereof and may rely conclusively on any computations or instructions furnished to it by the District in connection with the requirements of Section 8.6 (Federal Income Tax Covenants) and the Tax Certificate; and  
4. the construction, operation, or maintenance of any facilities by the District.

**Section 10.5. Paying Agent May Hold Bonds.** The Paying Agent and its directors, officers, employees or agents may in good faith buy, sell, own, hold, and deal in any of the Bonds, and may join in any action which any Owner of a Bond may be entitled to take, with like effect as if the Paying Agent was not the Paying Agent under this Paying Agent Agreement. The Paying Agent may in good faith hold any other form of indebtedness of the District, own, accept, or negotiate any drafts, bills of exchange, acceptances, or obligations of the District, and make disbursements for the District, and enter into any commercial or business arrangement therewith, without limitation.

**Section 10.6. Compensation and Indemnification of Paying Agent.** The District agrees:

(A) **Compensation.** To pay to the Paying Agent from time to time reasonable compensation for all services rendered by it hereunder in accordance with the terms of a fee agreement to be entered into with the Paying Agent;

(B) **Reimbursement.** To reimburse the Paying Agent upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Paying Agent in accordance with any provision of this Paying Agent Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement, or advance as may be attributable to the Paying Agent’s gross negligence or bad faith; and  

(C) **Indemnification.** To indemnify the Paying Agent and its officers, directors, agents, and employees for, and to hold it and them harmless against, any loss, liability, claim, judgment, cost or expense incurred without gross negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the obligations created hereby, including the costs and expenses (including attorneys’ fees and expenses) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The rights of the Paying Agent and the obligations of the District under this Section 10.7 (Compensation and Indemnification of Paying Agent) shall survive the discharge of the Bonds and this Paying Agent Agreement and the earlier removal or resignation of the Paying Agent.
Section 10.7. Paying Agent Required; Eligibility. There shall at all times be a Paying Agent hereunder, which shall be either a trust company or bank having the powers of a trust company having a corporate trust office in the State, having a combined capital and surplus of at least ten million dollars ($10,000,000), 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, then for the purpose of this Section 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. If at any time the Paying Agent shall cease to be eligible in accordance with the provisions of this Section, the Paying Agent shall resign immediately in the manner and with the effect specified in this Article.

Section 10.8. Removal and Resignation; Appointment of Successor.

(A) Effectiveness of Resignation or Removal. No removal or resignation of the Paying Agent and appointment of a successor Paying Agent pursuant to this Article shall become effective until the acceptance of appointment by the successor Paying Agent under Section 10.10 (Acceptance of Appointment by Successor).

(B) Paying Agent’s Right to Resign. The Paying Agent may resign at any time by giving written notice of such resignation to the District and by giving the Bondholders notice of such resignation by mail at the addresses shown on the Bond Register. If an instrument of acceptance by a successor Paying Agent shall not have been delivered to the Paying Agent within thirty (30) days after the giving of such notice of resignation, the resigning Paying Agent may appoint or petition any court of competent jurisdiction for the appointment of a successor Paying Agent, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Paying Agent.

(C) District’s Right to Remove Paying Agent. The District may remove the Paying Agent at any time, unless an Event of Default shall have occurred and then be continuing, by giving written notice of such removal to the Paying Agent.

(D) Removal of Paying Agent at the Request of Owners. The District shall remove the Paying Agent if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate Bond Obligation of the Bonds then Outstanding (or their attorneys duly authorized in writing), by giving written notice of such removal to the Paying Agent.

(E) Mandatory Removal of Paying Agent. The District shall remove the Paying Agent if at any time:

1. the Paying Agent shall cease to be eligible in accordance with Section 10.8 (Paying Agent Required; Eligibility) and shall fail to resign after written request therefor by the District, or

2. the Paying Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Paying Agent or of its property shall be appointed or any public officer shall take control or charge of the Paying Agent or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation;
in each case by giving written notice of such removal to the Paying Agent.

(F) **Appointment of Successor.** If the Paying Agent shall resign, be removed, or become incapable of acting, or if a vacancy shall occur in the office of the Paying Agent for any cause, the District shall promptly appoint a successor Paying Agent by an instrument in writing. If no successor Paying Agent shall have been so appointed by the District and accepted appointment in the manner hereinafter provided within thirty (30) days after such resignation, removal, or incapability or the occurrence of such vacancy, the then-current Paying Agent or the Bondholders, by an instrument or instruments signed by the Owners of a majority in aggregate amount of Bond Obligation of the Bonds, may appoint a successor Paying Agent, or any Bondholder (on behalf of himself and all other Bondholders), or the then-current Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying Agent, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Paying Agent.

(G) **Notice of Removal or Resignation.** The District shall give notice of each resignation and each removal of the Paying Agent and each appointment of a successor Paying Agent by mailing written notice of such event by first-class mail, postage prepaid, to the Owners as their names and addresses appear in the Bond Register. Each notice shall include the name of the successor Paying Agent and the address of its principal office. If the District fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Paying Agent, the successor Paying Agent shall cause such notice to be mailed at the expense of the District.

**Section 10.9. Acceptance of Appointment by Successor.** Any successor Paying Agent appointed under this Paying Agent Agreement shall execute and deliver to the District and to its predecessor Paying Agent an instrument accepting such appointment, and thereupon such successor Paying Agent, without any further act, deed, or conveyance, shall become vested with all the moneys, rights, powers, and duties of the predecessor Paying Agent; but, at the Request of the District or the request of the successor Paying Agent, the predecessor Paying Agent shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to the successor Paying Agent all the right, title, and interest of such predecessor Paying Agent in and to any property held by it under this Paying Agent Agreement and shall duly assign, transfer, and deliver to the successor Paying Agent all property and money held by the predecessor Paying Agent hereunder. Upon request of any successor Paying Agent, the District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Paying Agent all such moneys, properties, rights, powers, and duties.

**Section 10.10. Merger or Consolidation.** Any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion, or consolidation to which it shall be a party or any company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under Section 10.8 (Paying Agent Required; Eligibility), shall be the successor to such Paying Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. In case any Bonds shall have been authenticated, but not delivered, by the Paying Agent then in office, any successor by merger, conversion, or consolidation to such authenticating Paying Agent may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Paying Agent had itself authenticated such Bonds.
Section 10.11. **Preservation and Inspection of Documents.** All documents received by the Paying Agent under the provisions of this Paying Agent Agreement shall be retained in its possession and shall be subject to the inspection of the District and any Owner, and their agents and representatives duly authorized in writing, at reasonable times during the Paying Agent’s normal business hours and under reasonable conditions.

Section 10.12. **Accounting Records.** The Paying Agent will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Bonds. Such books of record and account shall be available for inspection by the District at reasonable times during the Paying Agent’s normal business hours and under reasonable circumstances.

## ARTICLE 11

**MODIFICATION OR AMENDMENT OF THIS PAYING AGENT AGREEMENT**

Section 11.1. **Supplemental Paying Agent Agreements without Consent of Bondholders.** This Paying Agent Agreement and the rights and obligations of the District, of the Paying Agent, and of the Owners of the Bonds may be modified or amended from time to time and at any time by a Supplemental Paying Agent Agreement, which the District may adopt without the consent of any Bondholders but only with the consent of the Paying Agent and only to the extent permitted by law and only for any one (1) or more of the following purposes:

(A) **Additional Security:** to add to the covenants and agreements of the District contained in this Paying Agent Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the District;

(B) **Curative Provisions:** to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Paying Agent Agreement, or in regard to matters or questions arising under this Paying Agent Agreement, or to make any other revisions or additions as the District may deem necessary or desirable, and that shall not materially and adversely affect the interests of the Owners of the Bonds;

(C) **Additional Series of Bonds:** to create any Series of Bonds (other than the Series 2017 Bonds);

(D) **Book-Entry System:** to amend, modify, or eliminate the book-entry registration system for the Bonds or any Series of the Bonds;

(E) **Notice of Redemption:** to modify or add to the procedures providing for the notice in the event of redemption of the Bonds in order to comply with regulations promulgated by the United States Securities and Exchange Commission;

(F) **Credit Enhancement:** to make modifications or adjustments necessary, appropriate, or desirable to accommodate credit enhancements including letters of credit, insurance policies, and surety bonds;
(G) Preservation of Tax Exemption: to make such provisions as are necessary or appropriate to maintain the exclusion of interest on a Series of Bonds from gross income for purposes of federal income taxation; and

(H) No Material Effect: for any other purpose that does not materially and adversely affect the interests of the Owners of the Bonds.

With respect to amendments under this Section 11.1 executed without the consent of Owners of the Bonds, the Paying Agent shall be fully protected, and shall incur no liability, in executing such Supplemental Paying Agent Agreement solely in reliance on the Opinion of Bond Counsel received by it under Section 11.3 hereof.

**Section 11.2. Supplemental Paying Agent Agreements with Consent of Bondholders or Credit Providers.**

(A) Majority Consent. This Paying Agent Agreement and the rights and obligations of the District, the Owners of the Bonds, and the Paying Agent may be modified or amended from time to time and at any time by a Supplemental Paying Agent Agreement, which the District may enter into with the written consent of the Paying Agent and when the consent of the Owners of a majority in aggregate Bond Obligation of the Bonds (or, if such Supplemental Paying Agent Agreement is only applicable to a Series of Bonds, such Series of Bonds) then Outstanding shall have been filed with the District; provided that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section.

(B) Credit Provider's Consent. This Paying Agent Agreement and the rights and obligations of the District, the Owners, and the Paying Agent may also be modified or amended at any time by a Supplemental Paying Agent Agreement entered into by the District, with the written consent of the Paying Agent, which shall become binding when the written consents of each provider of a letter of credit or a policy of bond insurance for the Bonds shall have been filed with the District, provided that at such time the payment of all the principal of and interest on all Outstanding Bonds shall be insured by a policy or policies of municipal bond insurance or payable under a letter of credit the provider of which shall be a financial institution or association having unsecured debt obligations rated, or insuring or securing other debt obligations rated on the basis of such insurance or letters of credit, in one of the two highest Rating Categories of each rating agency then rating the Bonds.

(C) Limitations on Amendments. No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the amount of Bond Obligation thereof, or extend the time of payment or reduce the amount of any mandatory redemption provided for any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the taxes and other amounts pledged under this Paying Agent Agreement prior to or on a parity with the lien created by this Paying Agent Agreement, or deprive the Owners of the Bonds of the lien created by this Paying
Agent Agreement on such taxes and other amounts (in each case, except as expressly provided in this Paying Agent Agreement), without the consent of the Owners of all of the Bonds then Outstanding.

(D) **Manner of Consent.** It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Paying Agent Agreement, but it shall be sufficient if such consent shall approve the substance thereof.

(E) **Certification of Consent.** When the consent of Bondholders or Credit Providers is required under this Section for the execution of a Supplemental Paying Agent Agreement, the District shall provide to the Paying Agent a Certificate of the District certifying that the necessary consents have been filed with the District. The Paying Agent may conclusively rely on such Certificate and shall have no liability for relying upon it.

(F) **Notice of Amendments.** Promptly after the execution of any Supplemental Paying Agent Agreement pursuant to this Section, the Paying Agent shall mail a copy of such Supplemental Paying Agent Agreement to the Owners of the Bonds at the addresses shown on the Bond Register. Any failure to mail such copy shall not, however, in any way impair or affect the validity of any such Supplemental Paying Agent Agreement.

Section 11.3. **Execution of Supplemental Paying Agent Agreements.** In executing any Supplemental Paying Agent Agreement permitted by this Article or the modification thereby of the obligations created by this Paying Agent Agreement, the Paying Agent shall be entitled to receive, and, subject to Section 10.2 (Certain Duties and Responsibilities), shall be fully protected in relying upon, an Opinion of Bond Counsel stating that the execution of such Supplemental Paying Agent Agreement is authorized or permitted by this Paying Agent Agreement. The Paying Agent may, but shall not be obligated to, enter into or consent to any such Supplemental Paying Agent Agreement that affects the Paying Agent’s own rights, duties, or immunities under this Paying Agent Agreement or otherwise.

Section 11.4. **Effect of Supplemental Paying Agent Agreement.** From and after the time any Supplemental Paying Agent Agreement becomes effective pursuant to this Article, this Paying Agent Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Paying Agent Agreement of the District, the Paying Agent, and all Owners of Bonds Outstanding shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Paying Agent Agreement shall be deemed to be part of the terms and conditions of this Paying Agent Agreement for any and all purposes.

Section 11.5. **Endorsement of Bonds; Preparation of New Bonds.** Bonds delivered after any Supplemental Paying Agent Agreement becomes effective pursuant to this Article may, and if the District so determines shall, bear a notation by endorsement or otherwise in form approved by the District as to any modification or amendment provided for in such Supplemental Paying Agent Agreement, and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such execution and presentation of his Bond for such purpose at the Paying Agent’s Office or at such additional offices as the Paying Agent may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Paying Agent Agreement shall so provide, new
Bonds so modified as to conform, in the opinion of the District, to any modification or amendment contained in such Supplemental Paying Agent Agreement, shall be prepared and executed by the District and, if required, authenticated by the Paying Agent and, upon demand of the Owners of any Bonds then Outstanding and upon surrender for cancellation of such Bonds, shall be exchanged at the Paying Agent’s Office, without cost to any Bondholder, for Bonds then Outstanding in equal aggregate principal amounts or Accreted Value at maturity of the same Series and maturity.

Section 11.6. **Amendment of Particular Bonds.** The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

[Signature Page Follows]
IN WITNESS WHEREOF, the parties hereto have executed this Paying Agent Agreement by their officers thereunto duly authorized as of the day and year first written above.

CHICO UNIFIED SCHOOL DISTRICT

By: ____________________________
   President of the Board of Education

ATTEST:

Secretary of the Board of Education

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Paying Agent

By: ____________________________
   Authorized Officer
EXHIBIT A
FORM OF SERIES A-1 BONDS

REGISTERED NO. R-__

CHICO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES A-1

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REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _______________ DOLLARS

Chico Unified School District, a school district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “District”), for value received, hereby acknowledges itself indebted to and promises to pay to the registered owner named above or registered assigns, on the maturity date specified above, the principal sum specified above together with interest thereon from the date hereof until the principal hereof shall have been paid, at the interest rate per annum specified above, payable on August 1, 2017, and semiannually thereafter on February 1 and August 1 in each year. Interest hereon is payable in lawful money of the United States of America by check mailed or, upon the written request of any Owner of $1,000,000.00 or more in aggregate principal amount of Bonds who has provided the Paying Agent (identified below) with wire transfer instructions, by wire transfer on each interest payment date to the registered owner as of the close of business on the 15th day of the calendar month immediately preceding such interest payment date. The principal hereof and premium, if any, hereon are payable at the office of The Bank of New York Mellon Trust Company, N.A., as paying agent (together with any successor as paying agent under the hereinafter mentioned Paying Agent Agreement, the “Paying Agent”), (or such other office as designated) in lawful money of the United States of America. Notwithstanding the foregoing, so long as this bond is registered in the name of Cede & Co., both principal of and interest on this bond shall be payable by wire transfer to the registered owner.

This bond is issued under the authority of and pursuant to the Constitution and statutes of the State of California, proceedings of the District, the County of Butte duly adopted and taken, a vote and assent of more than 55% of all the qualified electors of the District voting at a special election duly called and held for that purpose on November 8, 2016 (collectively, the “Bond Law”), which authorized the issuance of up to $152,000,000 principal amount of bonds, and pursuant to a Paying
Agent Agreement dated March 1, 2017, between the District and the Paying Agent providing for the issuance of the bonds so authorized (said Paying Agent Agreement, as amended and supplemented from time to time, the “Paying Agent Agreement”).

This bond is one of the issue of bonds of the District so authorized and designated “Chico Unified School District General Obligation Bonds, Election of 2016” (the “Bonds”), all of like tenor (except for such variations, if any, as may be required to designate varying series, denominations, numbers, maturities, interest rates, interest payment provisions, redemption provisions, and forms). This Bond is also one of a duly authorized series of the Bonds additionally designated “Series A-1” (the “Series A-1 Bonds”) issued in the aggregate principal amount of $[A-1 PAR AMOUNT]. The Series A-1 Bonds are issued pursuant to the provisions of the Government Code sections 53506 et seq.

The Bonds are secured by the levy of ad valorem property taxes on all taxable property in the territory of the District, which taxes are unlimited as to rate and amount (except with respect to certain personal property that is taxable at limited rates). The Bonds, including interest and redemption premium thereon, do not constitute a debt or liability of the State of California, the County of Butte, or any other political subdivision of the State of California other than the District.

Reference is hereby made to the Paying Agent Agreement and to the Bond Law for a description of the terms on which the Bonds are issued and to be issued and the rights of the registered owners of the Bonds. All the terms of the Paying Agent Agreement and the Bond Law are hereby incorporated herein and constitute a contract between the District and the registered owner from time to time of this Bond. The registered owner of this Bond, by its acceptance hereof, consents and agrees to all the provisions of the Paying Agent Agreement. Additional Bonds may be issued on a parity with the Bonds of this authorized series.

[Please note: Final redemption provisions will be inserted after the bond sale]

This Bond is transferable or exchangeable for other Series A-1 Bonds of other authorized denominations by the registered owner hereof, in person or by its attorney duly authorized in writing, at the office of the Paying Agent in Los Angeles, California, 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 fully registered Bond or Bonds without coupons, of authorized denomination or denominations, of the same series, tenor, and maturity for the same aggregate principal amount will be issued to the transferee in exchange herefor.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC) ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.
The District and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the District, the County of Butte, and the Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the District, and of the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon terms provided in the Paying Agent Agreement, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of Bonds.

It is hereby certified and recited that any and all acts, conditions, and things required to exist, to happen, and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bond, and in the issuing of this Bond, do exist, have happened, and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California; that the total amount of indebtedness of the District, including the amount of this bond, does not exceed any limit prescribed by the Constitution and the statutes of the State of California; and that this bond is not in excess of the amount of Bonds permitted to be issued under the Paying Agent Agreement.

IN WITNESS WHEREOF, the Board of Education of the Chico Unified School District has caused this Series A-1 Bond to be signed by its President and countersigned by its Secretary, all as of the date stated above.

By: ________________________________
    President of the Board of Education
    of the Chico Unified School District

Countersigned:

By: ________________________________
    Secretary of the Board of Education
    of the Chico Unified School District
CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Paying Agent Agreement, which has been authenticated on the date set forth below.

Dated: [Closing Date]

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Paying Agent and Authenticating Agent

By: ______________________________
    Authorized Officer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto ______________________________ the within Bond and do(es) hereby irrevocably constitute and appoint ______________________________ attorney, to transfer the same on the bond register of the Trustee, with full power of substitution in the premises.

Dated: ______________________________

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

Signature(s) Guaranteed by:

Note: Signature must be guaranteed by an eligible guarantor institution (banks, securities brokers, savings associations, credit unions, or other institutions with membership in an approved signature guarantee medallion program) pursuant to Securities and Exchange Commission Rule 17A(d)15.

Social Security Number, Tax Identification Number, or other identifying number of Assignee:
LEGAL OPINION

The following is a true copy of the opinion rendered by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

Secretary of the Board of Education
of the Chico Unified School District

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation
Attorneys at Law
400 Capitol Mall, 27th Floor
Sacramento, California 95814

Board of Education
Chico Unified School District

Re: $[A-1 PAR AMOUNT]
Chico Unified School District
General Obligation Bonds
Election of 2016, Series A-1
Final Opinion of Bond Counsel

Members of the Board of Education:

We have acted as bond counsel in connection with the issuance by the Chico Unified School District (the “District”) of $[A-1 PAR AMOUNT] principal amount of Chico Unified School District, General Obligation Bonds, Election of 2016, Series A-1 (the “Bonds”). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

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

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property in the territory of the District is subject to ad valorem taxation without limitation regarding rate or amount (except certain personal property that is taxable at
limited rates) to pay the Bonds. The County of Butte is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from State of California personal income taxation.

The rights of the owners of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation
EXHIBIT B
FORM OF SERIES A-2 BONDS

CHICO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES A-2

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<td>%</td>
<td>[Closing Date]</td>
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: __________ DOLLARS

Chico Unified School District, a school district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “District”), for value received, hereby acknowledges itself indebted to and promises to pay to the registered owner named above or registered assigns, on the maturity date specified above, the principal sum specified above together with interest thereon from the date hereof until the principal hereof shall have been paid, at the interest rate per annum specified above, payable on August 1, 2017, and semiannually thereafter on February 1 and August 1 in each year. Interest hereon is payable in lawful money of the United States of America by check mailed or, upon the written request of any Owner of $1,000,000.00 or more in aggregate principal amount of Bonds who has provided the Paying Agent (identified below) with wire transfer instructions, by wire transfer on each interest payment date to the registered owner as of the close of business on the 15th day of the calendar month immediately preceding such interest payment date. The principal hereof and premium, if any, hereon are payable at the office of The Bank of New York Mellon Trust Company, N.A., as paying agent (together with any successor as paying agent under the hereinafter mentioned Paying Agent Agreement, the “Paying Agent”), (or such other office as designated) in lawful money of the United States of America. Notwithstanding the foregoing, so long as this bond is registered in the name of Cede & Co., both principal of and interest on this bond shall be payable by wire transfer to the registered owner.

This bond is issued under the authority of and pursuant to the Constitution and statutes of the State of California, proceedings of the District, the County of Butte duly adopted and taken, a vote and assent of more than 55% of all the qualified electors of the District voting at a special election duly called and held for that purpose on November 8, 2016 (collectively, the “Bond Law”), which authorized the issuance of up to $152,000,000 principal amount of bonds, and pursuant to a Paying
Agent Agreement dated March 1, 2017, between the District and the Paying Agent providing for the issuance of the bonds so authorized (said Paying Agent Agreement, as amended and supplemented from time to time, the “Paying Agent Agreement”).

This bond is one of the issue of bonds of the District so authorized and designated “Chico Unified School District General Obligation Bonds, Election of 2016” (the “Bonds”), all of like tenor (except for such variations, if any, as may be required to designate varying series, denominations, numbers, maturities, interest rates, interest payment provisions, redemption provisions, and forms). This Bond is also one of a duly authorized series of the Bonds additionally designated “Series A-2” (the “Series A-2 Bonds”) issued in the aggregate principal amount of $[A-2 PAR AMOUNT]. The Series A-2 Bonds are issued pursuant to the provisions of the Government Code sections 53506 et seq.

The Bonds are secured by the levy of ad valorem property taxes on all taxable property in the territory of the District, which taxes are unlimited as to rate and amount (except with respect to certain personal property that is taxable at limited rates). The Bonds, including interest and redemption premium thereon, do not constitute a debt or liability of the State of California, the County of Butte, or any other political subdivision of the State of California other than the District.

Reference is hereby made to the Paying Agent Agreement and to the Bond Law for a description of the terms on which the Bonds are issued and to be issued and the rights of the registered owners of the Bonds. All the terms of the Paying Agent Agreement and the Bond Law are hereby incorporated herein and constitute a contract between the District and the registered owner from time to time of this Bond. The registered owner of this Bond, by its acceptance hereof, consents and agrees to all the provisions of the Paying Agent Agreement. Additional Bonds may be issued on a parity with the Bonds of this authorized series.

[Please note: Final redemption provisions will be inserted after the bond sale]

This Bond is transferable or exchangeable for other Series A-2 Bonds of other authorized denominations by the registered owner hereof, in person or by its attorney duly authorized in writing, at the office of the Paying Agent in Los Angeles, California, 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 fully registered Bond or Bonds without coupons, of authorized denomination or denominations, of the same series, tenor, and maturity for the same aggregate principal amount will be issued to the transferee in exchange herefor.

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

1519941.2 7523-008

B-2

Paying Agent Agreement
The District and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the District, the County of Butte, and the Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the District, and of the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon terms provided in the Paying Agent Agreement, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of Bonds.

It is hereby certified and recited that any and all acts, conditions, and things required to exist, to happen, and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bond, and in the issuing of this Bond, do exist, have happened, and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California; that the total amount of indebtedness of the District, including the amount of this bond, does not exceed any limit prescribed by the Constitution and the statutes of the State of California; and that this bond is not in excess of the amount of Bonds permitted to be issued under the Paying Agent Agreement.

IN WITNESS WHEREOF, the Board of Education of the Chico Unified School District has caused this Series A-2 Bond to be signed by its President and countersigned by its Secretary, all as of the date stated above.

By: 

President of the Board of Education
of the Chico Unified School District

Countersigned:

By: 

Secretary of the Board of Education
of the Chico Unified School District
CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Paying Agent Agreement, which has been authenticated on the date set forth below.

Dated: [Closing Date]  
THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.,  
as Paying Agent and Authenticating Agent

By: __________________________
   Authorized Officer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____________________________ the within Bond and do(es) hereby irrevocably constitute and appoint _____________________________ attorney, to transfer the same on the bond register of the Trustee, with full power of substitution in the premises.

Dated: ____________________________

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

Signature(s) Guaranteed by: ____________________________

Note: Signature must be guaranteed by an eligible guarantor institution (banks, securities brokers, savings associations, credit unions, or other institutions with membership in an approved signature guarantee medallion program) pursuant to Securities and Exchange Commission Rule 17A(d)15.

Social Security Number, Tax Identification Number, or other identifying number of Assignee: ____________________________
LEGAL OPINION

The following is a true copy of the opinion rendered by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

Secretary of the Board of Education of the Chico Unified School District

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation
Attorneys at Law
400 Capitol Mall, 27th Floor
Sacramento, California 95814

Board of Education
Chico Unified School District

Re: $[A-2 PAR AMOUNT]
Chico Unified School District
General Obligation Bonds
Election of 2016, Series A-2
Final Opinion of Bond Counsel

Members of the Board of Education:

We have acted as bond counsel in connection with the issuance by the Chico Unified School District (the “District”) of $[A-2 PAR AMOUNT] principal amount of Chico Unified School District, General Obligation Bonds, Election of 2016, Series A-2 (the “Bonds”). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

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

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property in the territory of the District is subject to ad valorem taxation without limitation regarding rate or amount (except certain personal property that is taxable at
limited rates) to pay the Bonds. The County of Butte is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from State of California personal income taxation.

The rights of the owners of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation
PRELIMINARY OFFICIAL STATEMENT DATED MARCH __, 2017

NEW ISSUE -- FULL BOOK-ENTRY

RATING:
Moody’s: “__”
See “RATING”

In the opinion of Kronick, Moskovitz, Tiedemann & Girard, A Professional Corporation, Sacramento, California (“Bond Counsel”), based upon an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See “TAX MATTERS.”

CHICO UNIFIED SCHOOL DISTRICT
(Butte County, California)

$20,000,000*
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES A-1

Dated: Date of Delivery

$25,000,000*
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES A-2

Due: August 1, as set forth on inside cover

The Chico Unified School District (the “District”) is issuing its General Obligation Bonds, Election of 2016, Series A-1 (the “Series A-1 Bonds”) and Series A-2 (the “Series A-2 Bonds”), and together with the Series A-1 Bonds, the “Bonds”) (i) to finance specific construction, repair and improvement projects approved by the voters of the District, and (ii) to pay costs of issuance of the Bonds.

The Bonds are general obligations of the District. The Board of Supervisors of the County of Butte has the power and is obligated to 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 that is taxable at limited rates), for the payment of the principal of and interest on the Bonds when due. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

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

Interest on the Bonds accrues from their date of delivery and is payable on August 1, 2017, and semiannually thereafter on February 1 and August 1 of each year. Payments of principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as Paying Agent, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds.

The Series A-1 Bonds are not subject to optional or mandatory sinking fund redemption prior to maturity. The Series A-2 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See “THE BONDS – Redemption.”

MATURITY SCHEDULE
(on inside front cover)

This cover page contains information for quick reference only. It is not a summary of all the provisions of the Bonds. Investors must read the entire Official Statement to obtain information essential in making an informed investment decision.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval as to their legality by Kronick, Moskovitz, Tiedemann & Girard, A Professional Corporation, Sacramento, California, Bond Counsel and Disclosure Counsel to the District. Certain matters will also be passed upon for the Underwriter by Kutak Rock LLP, Denver, Colorado, as counsel to the Underwriter. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company, on or about [April 25], 2017.

[Morgan Stanley Logo]

This Official Statement is dated April __, 2017

* Preliminary, subject to change
CHICO UNIFIED SCHOOL DISTRICT
(Butte County, California)

$20,000,000^{*}$
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES A-1

$25,000,000^{*}$
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES A-2

Maturity Schedules*

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$\text{---} \text{%} \text{ Series A-2 Term Bond due August 1, 20\text{---}} - \text{Yield: \text{---} \text{%} - CUSIP®†}$

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2016 CUSIP Global Services. All rights reserved. CUSIP® numbers are provided for convenience of reference only. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter, the District, Bond Counsel, nor Disclosure Counsel is responsible for the selection or correctness of the CUSIP® numbers set forth above.

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

* Preliminary, subject to change
1518817.2 7523-008
GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. 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. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

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

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

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

Estimates and Forecasts. When used in this Official Statement and in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward-looking statements.” Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Statement of Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or the completeness of such information.”

Document Summaries. All summaries of documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents and do not purport to be complete statements of any or all of such provisions. Copies of documents referred to herein and information concerning the Bonds are available from the District, 1163 East Seventh Street, Chico, CA 95928-5999. The District may impose a charge for copying, mailing and handling.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

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

Website. The District maintains an Internet website, but the information on the website is not incorporated in this Official Statement.
CHICO UNIFIED SCHOOL DISTRICT
Butte County, California

BOARD OF EDUCATION

Gary Loustale, President
Dr. Kathleen E. Kaiser, Vice President
Linda Hovey, Clerk
Elizabeth Griffin, Member
Eileen Robinson, Member

DISTRICT ADMINISTRATION

Kelly Staley, Superintendent
Kevin Bultema, Assistant Superintendent, Business Services
Joanne Parsley, Assistant Superintendent, Educational Services
Jim Hanlon, Assistant Superintendent, Human Resources

PROFESSIONAL SERVICES

FINANCIAL ADVISOR
Isom Advisors, A Division of Urban Futures, Incorporated
Walnut Creek, California

BOND COUNSEL AND DISCLOSURE COUNSEL
Kronick, Moskovitz, Tiedemann & Girard, A Professional Corporation
Sacramento, California

UNDERWRITER’S COUNSEL
Kutak Rock LLP
Denver, Colorado

PAYING AGENT
The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas
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OFFICIAL STATEMENT

CHICO UNIFIED SCHOOL DISTRICT
(Butte County, California)

$20,000,000*
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES A-1

$25,000,000*
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES A-2

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and attached appendices, is to set forth certain information concerning the issuance, sale, and delivery of the Chico Unified School District General Obligation Bonds, Election of 2016, Series A-1 (the “Series A-1 Bonds”) and Series A-2 (the “Series A-2 Bonds”), and together with the Series A-1 Bonds, the “Bonds”), to be issued by the Chico Unified School District (the “District”) in the aggregate principal amounts specified above.

The Bonds are being issued pursuant to the Paying Agent Agreement dated April 1, 2017 (the “Paying Agent Agreement”), between the District and The Bank of New York Mellon Trust Company, N.A., as paying agent (the “Paying Agent”). All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the Paying Agent Agreement.

The Bonds are general obligations of the District. The Board of Supervisors of the County of Butte (the “County”) has the power and is obligated to 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 that is taxable at limited rates), for the payment of the principal of and interest on the Bonds when due. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

General information about the District is included in Appendix A. While the Bonds are general obligations of the District, the general fund of the District is not expected to be used to pay any of the debt service on the Bonds.

THE BONDS

Authority for Issuance

The Bonds are general obligation bonds to be issued under provisions of the Constitution of the State of California, the laws of the State, including Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the State of California Government Code, commencing with Section 53506, and provisions of Title 1, Division 1, Part 10, Chapters 1 and 1.5 of the State of California Education Code, commencing with Sections 15100 and 15264, respectively, and pursuant to the Paying Agent Agreement. The Bonds represent part of an authorization of $152,000,000 principal amount of bonds approved by 55% or more of the votes cast by District voters on November 8, 2016 (the “2016 Authorization”), to provide funding for improvements to school facilities. The Bonds are the first series of bonds to be issued under the 2016 Authorization. After the issuance of the Bonds, the District will have $___________ in authorized but unissued bonds of the 2016 Authorization.

Purpose of the Bonds

Proceeds of the Bonds are expected to be applied to finance the costs of a wide variety of modernization and other improvement projects at multiple school sites within the District.

* Preliminary, subject to change

1518817.2 7523-008
Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued and received by Morgan Stanley & Co. LLC (the "Underwriter"), subject to approval as to their legality by Kronick, Moskovitz, Tiedemann & Girard, A Professional Corporation, Sacramento, California, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about [April 25], 2017.

Description of the Bonds

The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of DTC. Beneficial Owners of the Bonds will not receive physical certificates representing their interests in the Bonds but will receive a credit balance on the books of the nominees for such Beneficial Owners.

The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof. The Bonds mature on August 1 in the years and amounts, and will bear interest at the rates, set forth on the inside cover page hereof. The Bonds are dated their date of delivery and will bear interest from such date. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds is payable on [August 1, 2017], and semiannually thereafter on February 1 and August 1 of each year (each an "Interest Payment Date"). The principal of and interest on the Bonds is payable in lawful money of the United States of America.

The principal of and interest on the Bonds will be paid by the Paying Agent to DTC, which will in turn remit such payments to its DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds as described herein. As long as Cede & Co. is the registered owner of the Bonds, the principal and interest on the Bonds is payable by wire transfer with same-day funds transferred by the Paying Agent to Cede & Co., as nominee for DTC.

As long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the registered owners shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. See APPENDIX F — "BOOK-ENTRY- ONLY SYSTEM" for more information about DTC. If the book-entry-only system described below is no longer used with respect to the Bonds, the Bonds will be registered as described under the caption "Registration, Transfer and Exchange of Bonds."

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

If the Bonds are no longer registered in book-entry form, payment of interest on any Bond on any Interest Payment Date will be made to the person appearing on the registration books of the Paying Agent as the owner thereof as of the Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed to such owner on the Interest Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The owner in an aggregate principal amount 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. “Record Date” means the fifteenth day of the month immediately preceding the Interest Payment Date, whether or not such day is a business day. The principal payable on the Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent.
Redemption*

**Optional Redemption – Series A-1 Bonds.** The Series A-1 Bonds are not subject to redemption prior to their respective stated maturities.

**Optional Redemption – Series A-2 Bonds.** The Series A-2 Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective stated maturities, at the option of the District, from any source of available funds, as a whole or in part on any date (by such maturities as may be specified by the District and at random within a maturity), on or after August 1, 20__, at a redemption price equal to the principal amount of Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

**Mandatory Sinking Fund Redemption.** The Series A-2 Bonds maturing on August 1, 20__ (the “Term Bonds”), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, in accordance with the schedule set forth below. The Term Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount thereof, together with interest thereon accrued to the redemption date, without premium.

\[
\text{\$} \quad \text{Term Bonds Maturing on August 1, } \quad \\
\text{Redemption Date} \quad \text{(August 1)} \quad \text{Principal Amount}
\]

**Selection of Bonds for Redemption.** For purposes of selecting Series A-2 Bonds for optional redemption, each $5,000 of principal will be deemed to be a separate Series A-2 Bond. If less than all the Outstanding Series A-2 Bonds of a maturity are to be redeemed, the Paying Agent will select the particular Series A-2 Bonds to be redeemed from the Outstanding Series A-2 Bonds that have not previously been called for redemption, in minimum amounts of $5,000, at random in any manner that the Paying Agent in its sole discretion deems fair.

**Notice of Redemption.** When Series A-2 Bonds are being redeemed as described above, the Paying Agent shall mail notice of redemption not fewer than 30 nor more than 60 days prior to the redemption date by first-class mail, postage prepaid, to the respective Owners of any Series A-2 Bonds designated for redemption at their addresses appearing on the Bond Register. The Paying Agent shall also file such notice of redemption on the same day with the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) website.

Each notice of redemption shall state (a) the date of the notice; (b) the date of issue of the Series A-2 Bonds; (c) the redemption date; (d) the Redemption Price; (e) the place or places of redemption (including the name and appropriate address or addresses of the Paying Agent); (f) the CUSIP® number (if any) of the maturity or maturities; and (g) if less than all of any such maturity, the distinctive certificate numbers of the Series A-2 Bonds of that maturity to be redeemed and, in the case of Series A-2 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each notice shall also (a) state that on the redemption date there will become due and payable on each of the Series A-2 Bonds to be redeemed the Redemption Price thereof or of the specified portion of the principal amount thereof in the case of a Series A-2 Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for

* Preliminary, subject to change.
redemption; (b) state that from and after the redemption date interest thereon shall cease to accrue; and (c) require that the redeemed Series A-2 Bonds be then surrendered at the address or addresses of the Paying Agent specified in the redemption notice.

Failure by the Paying Agent to file notice with MSRB or failure of any Owner to receive notice or any defect in any notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Paying Agent to mail notice to any one or more of the respective Owners of any Series A-2 Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom the notice was mailed.

**Effect of Notice of Redemption.** Notice of redemption having been duly given as aforesaid and moneys for payment of the Redemption Price of the Series A-2 Bonds to be redeemed being held by the Paying Agent, on the redemption date designated in the notice (i) the Bonds so to be redeemed will become due and payable at the Redemption Price specified in the notice; (ii) interest on the redeemed Series A-2 Bonds will cease to accrue; (iii) the redeemed Series A-2 Bonds will cease to be entitled to any benefit or security under the Paying Agent Agreement; and (iv) the Owners of the redeemed Series A-2 Bonds will have no rights in respect thereof except to receive payment of the Redemption Price. Upon surrender of any Series A-2 Bond for redemption in accordance with the redemption notice, the Paying Agent will pay the Redemption Price of the Series A-2 Bond.

**Right to Rescind.** The District may make any optional redemption conditional upon the availability of moneys for payment of the Redemption Price on the redemption date designated in the notice and may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Series A-2 Bonds called for redemption. Any optional redemption and notice thereof shall be rescinded, if, for any reason, on the date fixed for redemption, moneys are not available for such purpose in an amount sufficient to pay in full on that date the principal of, interest, and any premium due on the Series A-2 Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Series A-2 Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

**Registration, Transfer and Exchange of Bonds**

If the book-entry system is discontinued, the provisions in the Paying Agent Agreement summarized below will govern the registration, exchange and transfer of the Bonds.

The Paying Agent will keep or cause to be kept, at the Paying Agent’s Office, the Bond Register to provide for the registration and transfer of the Bonds. The Bond Register will be open to inspection by the District during normal business hours.

Upon surrender of a Bond for transfer at the Paying Agent’s Office, the District will execute and, if required, the Paying Agent will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same interest rate and maturity and for an equivalent aggregate principal amount.

Bonds may be exchanged for an equivalent aggregate principal amount of Bonds of other authorized denominations of the same interest rate and maturity, upon surrender of the Bonds for exchange at the Paying Agent’s Office. Upon surrender of Bonds for exchange, the District will execute and, if required, the Paying Agent will authenticate and deliver the Bonds that the Bondholder making the exchange is entitled to receive.

Every Bond presented or surrendered for transfer or exchange must be accompanied by a written instrument of transfer, in a form satisfactory to the Paying Agent, that is duly executed by the Owner or by his
attorney duly authorized in writing. All fees and costs of any transfer or exchange of Bonds must be paid by the Bondholder requesting such transfer or exchange.

No transfer or exchanges of Bonds are required to be made (a) during the period established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond that has been selected for redemption in whole or in part, except the unredeemed portion of a Bond selected for redemption in part, from and after the day that the Bond has been selected for redemption in whole or in part.

**Defeasance of Bonds**

The District may pay and discharge any of the Bonds by depositing in trust with the Paying Agent at or before maturity, money or non-callable direct obligations of the United States of America or other non-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 that will, together with the interest to accrue thereon, be fully sufficient in the opinion of a certified public accountant to pay and discharge the indebtedness on such Bonds (including all principal and interest and premium) at or before their respective maturity dates.

If the District pays or causes to be paid all of the principal of, interest and premium, if any, on all of the Outstanding Bonds, then the Owners will cease to be entitled to the obligation to levy taxes for payment of the Bonds, and that obligation and all agreements and covenants of the District to such Owners under the Paying Agent Agreement and under the Bonds will terminate and be satisfied and discharged, except only that the District will remain liable for payment of all principal of and interest and premium, if any, on the Bonds from moneys deposited with the Paying Agent.

**ESTIMATED SOURCES AND USES OF FUNDS**

The proceeds of the Bonds are expected to be applied as follows:

**Sources:**

- Principal amount of Bonds
- Net original issue premium

**Total Sources:**

**Uses:**

- Deposit to Building Fund
- Deposit to Tax Collection Fund
- Underwriter’s Discount
- Costs of Issuance (1)

**Total Uses:**

---

(1) Includes legal fees, the fees of the financial advisor, Paying Agent fees, rating agency fees, costs of printing, and miscellaneous other costs of issuance.
DEBT SERVICE SCHEDULES

Bond Debt Service

Annual debt service on the Bonds, assuming no optional redemptions, is as shown in the following table.

CHICO UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES A-1 AND SERIES A-2  
Annual Debt Service Schedule

<table>
<thead>
<tr>
<th>Year Ending August 1</th>
<th>SERIES A-1 BONDS</th>
<th>SERIES A-2 BONDS</th>
<th>Combined Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
<td>Total</td>
</tr>
</tbody>
</table>


Combined General Obligation Bonds Debt Service

The District has previously issued and currently has outstanding the following general obligation bonds: (1) the Election of 1998 General Obligation Bonds, Series B, (2) the 2012 General Obligation Refunding Bonds, (3) the Election of 2012 General Obligation Bonds, Series A, and (4) the 2016 General Obligation Refunding Bonds. See APPENDIX A – “DISTRICT GENERAL AND FINANCIAL INFORMATION – District Financial Information – Long-Term Debt” for additional information concerning the general obligation bonds described in this paragraph.

The following table shows the combined debt service schedule (assuming no optional redemptions) of the general obligation bonds of the District that will be outstanding following the issuance of the Bonds. All of the bonds identified in the table are secured by taxes levied on all of the taxable property within the District.

**CHICO UNIFIED SCHOOL DISTRICT**

**GENERAL OBLIGATION BONDS**

**Combined Annual Debt Service Schedule**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
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<tr>
<td>2017</td>
<td>$1,054,087.50</td>
<td>$1,536,635.00</td>
<td>$750,000.00</td>
<td>$1,156,348.33</td>
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<tr>
<td>2018</td>
<td>1,228,500.00</td>
<td>1,061,865.00</td>
<td>750,000.00</td>
<td>1,077,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>--</td>
<td>1,059,635.00</td>
<td>750,000.00</td>
<td>2,259,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>--</td>
<td>1,056,835.00</td>
<td>750,000.00</td>
<td>2,427,000.00</td>
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<tr>
<td>2021</td>
<td>--</td>
<td>1,058,465.00</td>
<td>750,000.00</td>
<td>2,612,400.00</td>
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<td></td>
</tr>
<tr>
<td>2022</td>
<td>--</td>
<td>1,059,382.50</td>
<td>750,000.00</td>
<td>2,802,400.00</td>
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<tr>
<td>2023</td>
<td>--</td>
<td>1,095,857.50</td>
<td>750,000.00</td>
<td>3,002,000.00</td>
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<tr>
<td>2024</td>
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<td>1,064,080.00</td>
<td>750,000.00</td>
<td>3,220,400.00</td>
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<td>2025</td>
<td>--</td>
<td>1,057,717.50</td>
<td>750,000.00</td>
<td>3,446,400.00</td>
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<tr>
<td>2026</td>
<td>--</td>
<td>1,060,785.00</td>
<td>750,000.00</td>
<td>3,689,200.00</td>
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<td>2027</td>
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<td>1,062,997.50</td>
<td>750,000.00</td>
<td>1,267,600.00</td>
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<td>2028</td>
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<td>1,059,355.00</td>
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<td>1,102,600.00</td>
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<td>2029</td>
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<td>945,000.00</td>
<td>1,242,600.00</td>
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<td>2030</td>
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<td>1,035,250.00</td>
<td>1,280,600.00</td>
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<tr>
<td>2031</td>
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<td>1,085,500.00</td>
<td>1,360,400.00</td>
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<td>2032</td>
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<td>1,122,500.00</td>
<td>1,435,200.00</td>
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<tr>
<td>2033</td>
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<td>1,336,750.00</td>
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<td>2034</td>
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<td>2035</td>
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<td>1,509,750.00</td>
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<td>2036</td>
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<td>1,570,000.00</td>
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<td>2037</td>
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<td>1,630,000.00</td>
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<td>2038</td>
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<td>1,754,500.00</td>
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<td>2039</td>
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<td>1,730,000.00</td>
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<td>2040</td>
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<td>1,788,500.00</td>
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<td>2041</td>
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<td>1,850,750.00</td>
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<tr>
<td>2042</td>
<td>--</td>
<td>--</td>
<td>1,916,250.00</td>
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<td>2043</td>
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<td>1,984,500.00</td>
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<td>Total</td>
<td>$2,282,587.50</td>
<td>$13,197,340.00</td>
<td>$31,703,500.00</td>
<td>$33,381,748.33</td>
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</table>
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Ad Valorem Property Taxes

The Board of Supervisors of the County has the power and is obligated to 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 that is taxable at limited rates), for the payment of the principal of and interest on the Bonds. Such taxes are required to be levied annually, in addition to all other taxes, during the period that any Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due.

When collected, the tax revenues will be deposited into a debt service fund that is maintained by the County. The County will transfer moneys from the taxes collected to the Paying Agent in the amounts necessary to pay debt service on the Bonds.

Although the County is obligated to levy ad valorem taxes for the payment of the Bonds and will maintain the debt service fund used for repayment of the Bonds, the Bonds are not a debt of the County.

Lien on and Pledge of Taxes

Pursuant to California Government Code section 53515, the Bonds are secured by a statutory lien on all revenues received from the levy and collection of ad valorem taxes for the payment of debt service. The lien attaches immediately and automatically, is valid and binding from the time the bonds are executed and delivered, and is 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 physical delivery, recordation, filing or further act.

In addition, in the Paying Agent Agreement, the District has pledged all revenues from the collection of ad valorem property taxes levied to pay debt service on the Bonds and the amounts on deposit in the debt service fund maintained by the County to secure the Bonds. See “LEGAL MATTERS – Secured Status in Bankruptcy” for a discussion of the significance of the statutory lien and the pledge of tax revenues.

Property Tax Collection Procedures

Taxes are levied by the County for each fiscal year on taxable real and personal property that is situated in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed public utilities property and real property having a tax lien that is sufficient, in the opinion of the county assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county treasurer-tax collector.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of
delinquency for record in the county clerk and county recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Alternative Method of Tax Apportionment – “Teeter Plan”

The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code, “to accomplish a simplification of the tax levying and tax apportioning process and an increased flexibility in the use of available cash resources.”

The County is responsible for determining the amount of the ad valorem tax levy on each parcel in the District that is entered onto the secured real property tax roll. Upon completion of the secured real property tax roll, the County auditor determines the total amount of taxes and assessments actually extended on the roll for each fund for which a tax levy has been included, and apportions 100% of the tax and assessment levies to that fund’s credit. Such monies may thereafter be drawn against by the taxing agency in the same manner as if the amount credited had been collected.

The ad valorem property tax to be levied to pay principal of and interest on the Bonds will be subject to the Teeter Plan, beginning in the first year of such levy in fiscal year 2017-18. The District will receive 100% of the ad valorem property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect in a county unless the board of supervisors of that county orders its discontinuance or unless, prior to the commencement of any fiscal year of the county (which commences on July 1), the board of supervisors receives a petition for its discontinuance joined in by resolutions adopted by two thirds of the participating revenue districts in the county, in which event the board of supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. If the Teeter Plan in the County were terminated, receipt of general purpose ad valorem property tax revenue by the District from property in the County would depend upon the collections of the general purpose ad valorem property taxes and delinquency rates experienced with respect to the parcels within the District situated in the County.

Assessed Valuations

The assessed valuation of property in the District is established by the county assessor, except for public utility property, which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners.

State law affords an appeal procedure to taxpayers who disagree with the assessed value of their taxable property. Taxpayers may informally request a reduction in assessment directly from the county assessor, who may grant or refuse the request, and may appeal an assessment directly to the County Assessment Appeals Board, which rules on appealed assessments whether or not settled by the county assessor. The county assessor is also authorized to reduce the assessed value of any taxable property upon a determination that the market value has declined below the then-current assessment, whether or not appealed by the taxpayer.

The District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers or reductions in assessed valuations initiated by the county assessor. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed
valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly so that the fixed debt service on the Bonds may be paid. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the county treasurer against all taxing agencies who received tax revenues, including the District.

A portion of property tax revenue of the District is derived from utility property subject to assessment by the State Board of Equalization ("SBE"). State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions assessed collectively as part of a "going concern" rather than as individual parcels of real or personal property. Unitary and certain other state-assessed property is allocated to the County by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

Property within the District had a total assessed valuation for fiscal year 2016-17 of $11,189,562,144. Shown in the following table are the assessed valuations for the District since fiscal year 2004-05.

**CHICO UNIFIED SCHOOL DISTRICT**
**Assessed Valuation**
**Fiscal Year 2004-05 through Fiscal Year 2016-17**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Local Secured</th>
<th>Utility</th>
<th>Unsecured</th>
<th>Total</th>
<th>Annual % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>$6,580,271,689</td>
<td>$2,643,733</td>
<td>$367,840,342</td>
<td>$6,950,755,764</td>
<td>--</td>
</tr>
<tr>
<td>2005-06</td>
<td>7,352,959,750</td>
<td>3,259,640</td>
<td>392,698,399</td>
<td>7,748,917,789</td>
<td>11.48%</td>
</tr>
<tr>
<td>2006-07</td>
<td>8,193,458,273</td>
<td>2,865,358</td>
<td>425,883,103</td>
<td>8,622,206,734</td>
<td>11.27%</td>
</tr>
<tr>
<td>2007-08</td>
<td>8,976,158,406</td>
<td>1,794,854</td>
<td>466,434,101</td>
<td>9,444,387,361</td>
<td>9.54%</td>
</tr>
<tr>
<td>2008-09</td>
<td>9,485,155,077</td>
<td>1,770,054</td>
<td>501,311,455</td>
<td>9,988,236,586</td>
<td>5.76%</td>
</tr>
<tr>
<td>2009-10</td>
<td>9,504,256,788</td>
<td>1,770,054</td>
<td>514,429,982</td>
<td>10,020,456,824</td>
<td>0.32%</td>
</tr>
<tr>
<td>2010-11</td>
<td>9,287,432,996</td>
<td>1,776,612</td>
<td>512,813,635</td>
<td>9,802,023,243</td>
<td>-2.18%</td>
</tr>
<tr>
<td>2011-12</td>
<td>9,167,467,035</td>
<td>1,509,362</td>
<td>526,955,841</td>
<td>9,695,932,238</td>
<td>-1.08%</td>
</tr>
<tr>
<td>2012-13</td>
<td>9,040,271,583</td>
<td>1,509,362</td>
<td>513,827,847</td>
<td>9,555,608,792</td>
<td>-1.45%</td>
</tr>
<tr>
<td>2013-14</td>
<td>9,261,290,403</td>
<td>1,509,362</td>
<td>509,950,943</td>
<td>9,772,750,708</td>
<td>2.27%</td>
</tr>
<tr>
<td>2014-15</td>
<td>9,638,567,903</td>
<td>1,474,481</td>
<td>539,074,591</td>
<td>10,179,116,975</td>
<td>4.16%</td>
</tr>
<tr>
<td>2015-16</td>
<td>10,177,526,801</td>
<td>1,474,481</td>
<td>540,805,253</td>
<td>10,719,806,535</td>
<td>5.31%</td>
</tr>
<tr>
<td>2016-17</td>
<td>10,606,554,990</td>
<td>1,474,651</td>
<td>581,532,503</td>
<td>11,189,562,144</td>
<td>4.38%</td>
</tr>
</tbody>
</table>

*Source: California Municipal Statistics, Inc., and County of Butte*
Assessed Valuation by Land Use

The land use of property in the District as of fiscal year 2016-17 is shown below, as measured by local secured assessed valuation and number of parcels.

<table>
<thead>
<tr>
<th>CHICO UNIFIED SCHOOL DISTRICT</th>
<th>Assessed Valuation and Parcels by Land Use</th>
<th>Fiscal Year 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Residential:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural</td>
<td>$411,407,232</td>
<td>3.88%</td>
</tr>
<tr>
<td>Commercial</td>
<td>1,661,518,122</td>
<td>15.67</td>
</tr>
<tr>
<td>Vacant Commercial</td>
<td>111,646,746</td>
<td>1.05</td>
</tr>
<tr>
<td>Industrial</td>
<td>324,861,842</td>
<td>3.06</td>
</tr>
<tr>
<td>Vacant Industrial</td>
<td>51,333,608</td>
<td>0.48</td>
</tr>
<tr>
<td>Government/Social/Institution</td>
<td>11,136,453</td>
<td>0.10</td>
</tr>
<tr>
<td>Subtotal Non-Residential</td>
<td>$2,571,904,023</td>
<td>24.25%</td>
</tr>
<tr>
<td>Residential:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Family Residence</td>
<td>$6,164,733,066</td>
<td>58.12%</td>
</tr>
<tr>
<td>Condominium/Townhouse</td>
<td>157,905,365</td>
<td>1.49</td>
</tr>
<tr>
<td>Mobile Home</td>
<td>102,521,795</td>
<td>0.97</td>
</tr>
<tr>
<td>2+ Residential Units</td>
<td>244,491,744</td>
<td>2.31</td>
</tr>
<tr>
<td>5+ Residential Units/Apartments</td>
<td>1,066,729,637</td>
<td>10.06</td>
</tr>
<tr>
<td>Miscellaneous Residential</td>
<td>8,997,033</td>
<td>0.08</td>
</tr>
<tr>
<td>Vacant Residential</td>
<td>289,272,327</td>
<td>2.73</td>
</tr>
<tr>
<td>Subtotal Residential</td>
<td>$8,034,659,967</td>
<td>75.75%</td>
</tr>
<tr>
<td>Total</td>
<td>$10,606,554,990</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

(1) Local secured assessed valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

Assessed Valuation by Jurisdiction

The following table shows the 2016-17 assessed valuation of property in the District by jurisdiction.

<table>
<thead>
<tr>
<th>CHICO UNIFIED SCHOOL DISTRICT</th>
<th>Assessed Valuation and Parcels by Jurisdiction</th>
<th>Fiscal Year 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jurisdiction:</td>
<td>Assessed Valuation in School District</td>
<td>% of School District</td>
</tr>
<tr>
<td>City of Chico</td>
<td>$8,206,662,721</td>
<td>73.34%</td>
</tr>
<tr>
<td>Unincorporated Butte County</td>
<td>2,982,899,423</td>
<td>26.66</td>
</tr>
<tr>
<td>Total District</td>
<td>$11,189,562,144</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Butte County $11,189,562,144 100.00% $20,326,202,593 55.05%

Source: California Municipal Statistics, Inc.
Assessed Valuation of Single Family Homes

Set forth in the following table is the per-parcel assessed valuation of single family homes in the District for fiscal year 2016-17.

### CHICO UNIFIED SCHOOL DISTRICT
Per-Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2016-17

<table>
<thead>
<tr>
<th>Value Range</th>
<th>No. of Parcels</th>
<th>2016-17 Assessed Valuation</th>
<th>Average Assessed Valuation</th>
<th>Median Assessed Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $24,999</td>
<td>65</td>
<td>$6,164,733,066</td>
<td>$256,351</td>
<td>$237,350</td>
</tr>
<tr>
<td>$25,000 - $49,999</td>
<td>478</td>
<td>2.58%</td>
<td>2.258%</td>
<td>19,393,505</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>934</td>
<td>3.88%</td>
<td>6.142%</td>
<td>58,013,124</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>980</td>
<td>4.075%</td>
<td>10.217%</td>
<td>86,329,413</td>
</tr>
<tr>
<td>$100,000 - $124,999</td>
<td>1,192</td>
<td>4.957%</td>
<td>15.174%</td>
<td>134,842,598</td>
</tr>
<tr>
<td>$125,000 - $149,999</td>
<td>1,554</td>
<td>6.462%</td>
<td>21.636%</td>
<td>213,984,838</td>
</tr>
<tr>
<td>$150,000 - $174,999</td>
<td>1,748</td>
<td>7.269%</td>
<td>28.905%</td>
<td>283,689,562</td>
</tr>
<tr>
<td>$175,000 - $199,999</td>
<td>1,861</td>
<td>7.39%</td>
<td>36.643%</td>
<td>348,446,850</td>
</tr>
<tr>
<td>$200,000 - $224,999</td>
<td>2,017</td>
<td>8.37%</td>
<td>45.031%</td>
<td>428,691,635</td>
</tr>
<tr>
<td>$225,000 - $249,999</td>
<td>2,401</td>
<td>9.84%</td>
<td>55.015%</td>
<td>569,211,446</td>
</tr>
<tr>
<td>$250,000 - $274,999</td>
<td>1,958</td>
<td>8.142%</td>
<td>63.157%</td>
<td>511,889,478</td>
</tr>
<tr>
<td>$275,000 - $299,999</td>
<td>1,702</td>
<td>7.078%</td>
<td>70.235%</td>
<td>487,174,074</td>
</tr>
<tr>
<td>$300,000 - $324,999</td>
<td>1,372</td>
<td>5.705%</td>
<td>75.940%</td>
<td>427,192,523</td>
</tr>
<tr>
<td>$325,000 - $349,999</td>
<td>1,115</td>
<td>4.637%</td>
<td>80.576%</td>
<td>374,313,144</td>
</tr>
<tr>
<td>$350,000 - $374,999</td>
<td>954</td>
<td>3.967%</td>
<td>84.543%</td>
<td>344,467,050</td>
</tr>
<tr>
<td>$375,000 - $399,999</td>
<td>713</td>
<td>2.965%</td>
<td>87.508%</td>
<td>275,154,074</td>
</tr>
<tr>
<td>$400,000 - $424,999</td>
<td>544</td>
<td>2.262%</td>
<td>89.770%</td>
<td>223,754,556</td>
</tr>
<tr>
<td>$425,000 - $449,999</td>
<td>441</td>
<td>1.834%</td>
<td>91.604%</td>
<td>192,429,429</td>
</tr>
<tr>
<td>$450,000 - $474,999</td>
<td>382</td>
<td>1.588%</td>
<td>93.193%</td>
<td>176,004,044</td>
</tr>
<tr>
<td>$475,000 - $499,999</td>
<td>292</td>
<td>1.214%</td>
<td>94.407%</td>
<td>141,924,854</td>
</tr>
<tr>
<td>$500,000 and greater</td>
<td>1,345</td>
<td>5.593%</td>
<td>100.000%</td>
<td>866,661,305</td>
</tr>
</tbody>
</table>

| Total             | 24,048 | 100.000%                   | $6,164,733,066             | 100.000%                  |

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Source: California Municipal Statistics, Inc.

### Typical Tax Rates

The rate of the annual ad valorem tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. A reduction in the assessed valuation of taxable property in the District caused by economic factors beyond the District’s control, such as economic recession, slower growth, or deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, flood or other natural disaster, could cause a reduction in the assessed value of the District and necessitate an unanticipated increase in tax rates.
The table below shows the tax rates on the secured roll during the past five fiscal years for Tax Rate Areas No. 2-001 and No. 62-018, which are entirely within the District.

**CHICO UNIFIED SCHOOL DISTRICT**  
Typical Tax Rates  
Expressed as Dollars per $100 of Assessed Valuation  
Fiscal Years 2012-13 through 2016-17  
**TRA 2-001 Within the City of Chico**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>1.000000</td>
<td>1.000000</td>
<td>1.000000</td>
<td>1.000000</td>
<td>1.000000</td>
</tr>
<tr>
<td>Chico Unified School District</td>
<td>.021132</td>
<td>.063680</td>
<td>.040107</td>
<td>.045126</td>
<td>.029095</td>
</tr>
<tr>
<td>Butte-Glenn County Community College District</td>
<td>.020880</td>
<td>.020880</td>
<td>.020880</td>
<td>.020880</td>
<td>.020880</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1.042012</td>
<td>1.084560</td>
<td>1.060987</td>
<td>1.066006</td>
<td>1.049975</td>
</tr>
</tbody>
</table>

*Source: California Municipal Statistics, Inc.*

**TRA 62-018 Within Unincorporated Butte County**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>1.000000</td>
<td>1.000000</td>
<td>1.000000</td>
<td>1.000000</td>
<td>1.000000</td>
</tr>
<tr>
<td>Chico Unified School District</td>
<td>.021132</td>
<td>.063680</td>
<td>.040107</td>
<td>.045126</td>
<td>.029095</td>
</tr>
<tr>
<td>Butte-Glenn County Community College District</td>
<td>.020880</td>
<td>.020880</td>
<td>.020880</td>
<td>.020880</td>
<td>.020880</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1.042012</td>
<td>1.084560</td>
<td>1.060987</td>
<td>1.066006</td>
<td>1.049975</td>
</tr>
</tbody>
</table>

*Source: California Municipal Statistics, Inc.*
Largest Property Owners

The following table shows the twenty largest owners of taxable property in the District as determined by secured assessed valuation in fiscal year 2016-17.

**CHICO UNIFIED SCHOOL DISTRICT**

Largest Local Secured Taxpayers

Fiscal Year 2016-17

<table>
<thead>
<tr>
<th>Property Owner</th>
<th>Primary Land Use</th>
<th>2016-17 Assessed Valuation</th>
<th>% of Total**(1)**</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Farmland Reserve Inc.</td>
<td>Agricultural</td>
<td>$ 66,288,412</td>
<td>0.62%</td>
</tr>
<tr>
<td>2. Merle A. Webb &amp; Sons</td>
<td>Apartments</td>
<td>56,252,955</td>
<td>0.53</td>
</tr>
<tr>
<td>3. Pacific Realty Associates LP</td>
<td>Agricultural</td>
<td>49,360,244</td>
<td>0.47</td>
</tr>
<tr>
<td>4. Chico Mall Investors LLC</td>
<td>Shopping Center</td>
<td>41,504,413</td>
<td>0.39</td>
</tr>
<tr>
<td>5. Chico Crossroads LP</td>
<td>Shopping Center</td>
<td>38,469,624</td>
<td>0.36</td>
</tr>
<tr>
<td>6. North Valley Mall II LLC</td>
<td>Shopping Center</td>
<td>28,199,737</td>
<td>0.27</td>
</tr>
<tr>
<td>7. Littlefoot Property Co. LLC</td>
<td>Industrial</td>
<td>26,304,660</td>
<td>0.25</td>
</tr>
<tr>
<td>8. Carwood Skypark LLC</td>
<td>Shopping Center</td>
<td>25,117,352</td>
<td>0.24</td>
</tr>
<tr>
<td>9. Wal-Mart Real Estate Business Trust</td>
<td>Shopping Center</td>
<td>22,981,192</td>
<td>0.22</td>
</tr>
<tr>
<td>10. Sterling Oaks Development Partnership LP</td>
<td>Apartments</td>
<td>22,197,662</td>
<td>0.21</td>
</tr>
<tr>
<td>11. Safeway Inc.</td>
<td>Shopping Center</td>
<td>20,831,235</td>
<td>0.20</td>
</tr>
<tr>
<td>12. Reed Francis</td>
<td>Apartments</td>
<td>20,166,422</td>
<td>0.19</td>
</tr>
<tr>
<td>13. Ed and Mary Wittmeier Family Trust</td>
<td>Shopping Center</td>
<td>19,451,878</td>
<td>0.18</td>
</tr>
<tr>
<td>14. Evergreen Orchard LLC</td>
<td>Shopping Center</td>
<td>19,228,491</td>
<td>0.18</td>
</tr>
<tr>
<td>15. Costco Wholesale Corporation</td>
<td>Shopping Center</td>
<td>18,969,390</td>
<td>0.18</td>
</tr>
<tr>
<td>16. Eaton Properties Inc.</td>
<td>Apartments</td>
<td>18,840,000</td>
<td>0.18</td>
</tr>
<tr>
<td>17. Smucker Quality Beverages Inc.</td>
<td>Industrial</td>
<td>18,568,818</td>
<td>0.18</td>
</tr>
<tr>
<td>18. Wayne A. Cook Family Trust</td>
<td>Apartments</td>
<td>18,036,338</td>
<td>0.17</td>
</tr>
<tr>
<td>19. Marilyn S. and Lewis A. Everett, Jr.</td>
<td>Apartments</td>
<td>17,439,964</td>
<td>0.16</td>
</tr>
<tr>
<td>20. Tri Counties Bank</td>
<td>Industrial</td>
<td>17,072,047</td>
<td>0.16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$565,280,834</strong></td>
<td><strong>5.33%</strong></td>
</tr>
</tbody>
</table>

**(1)** 2016-17 local secured assessed valuation: $10,606,554,990

Source: California Municipal Statistics, Inc.
Direct and Overlapping Debt

Set forth below is a statement of direct and overlapping bonded debt (the "Debt Report") prepared by California Municipal Statistics, Inc. and dated February 1, 2017. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

CHICO UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of February 1, 2017

2016-17 Assessed Valuation:  $11,189,562,144

<table>
<thead>
<tr>
<th>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</th>
<th>% Applicable</th>
<th>Debt 2/1/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butte-Glenn Community College District</td>
<td>48.339%</td>
<td>$30,027,049</td>
</tr>
<tr>
<td>Chico Unified School District</td>
<td>100.000</td>
<td>$53,070,000</td>
</tr>
<tr>
<td><strong>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</strong></td>
<td></td>
<td><strong>$83,097,049</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</th>
<th>% Applicable</th>
<th>Debt 2/1/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butte County Certificates of Participation</td>
<td>55.050%</td>
<td>$7,783,144</td>
</tr>
<tr>
<td>Butte County Pension Obligation Bonds</td>
<td>55.050</td>
<td>26,688,210</td>
</tr>
<tr>
<td>Butte-Glenn Community College District General Fund Obligations</td>
<td>48.339</td>
<td>732,331</td>
</tr>
<tr>
<td>Chico Unified School District Certificates of Participation</td>
<td>100.000</td>
<td>35,000</td>
</tr>
<tr>
<td><strong>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</strong></td>
<td></td>
<td><strong>$35,238,685</strong></td>
</tr>
<tr>
<td>Less: Butte County supported obligations</td>
<td></td>
<td>(2,956,182)</td>
</tr>
<tr>
<td><strong>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</strong></td>
<td></td>
<td><strong>$32,282,503</strong></td>
</tr>
</tbody>
</table>

OVERLAPPING TAX INCREMENT DEBT (Successor Agency) | $89,475,000 |

GROSS COMBINED TOTAL DEBT: | $207,810,734 |
NET COMBINED TOTAL DEBT: | $204,854,552 |

(1) Excludes the Bonds described in this Official Statement
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations

Ratios to 2016-17 Assessed Valuation:
- Direct Debt ($53,070,000) ........................................... 0.47%
- Total Overlapping Tax and Assessment Debt ................................ 0.74
- Combined Direct Debt ($53,105,000) ................................ 0.47
- Gross Combined Total Debt ........................................... 1.86
- Net Combined Total Debt ........................................... 1.83

Ratios to Redevelopment Incremental Valuation ($3,564,457,546)
- Total Overlapping Tax Increment Debt ................................ 2.51%

Source: California Municipal Statistics, Inc.
LEGAL MATTERS

Secured Status in Bankruptcy

California school districts are not authorized to file a petition in bankruptcy, and they are not subject to involuntary bankruptcy, but the State Superintendent of Public Instruction (the “State Superintendent”), operating through an administrator appointed by the State Superintendent, is authorized by State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”) for the adjustment of an insolvent school district’s debts.

Adjustment of the debts of a municipality under Chapter 9 is typically accomplished either by extending debt maturities, reducing the amount of principal or interest, or refinancing the debt by obtaining a new loan. Different types of debt receive different treatment in municipal bankruptcy cases.

In particular, obligations secured by a “statutory lien” will be paid to the extent of the pledged revenue collected, although the operation of the automatic stay under section 362 of the Bankruptcy Code, which stops all collection actions against the debtor and its property upon the filing of the petition, may delay payments (unless the stay is lifted).

Obligations secured by a pledge of “special revenues” will continue to be secured and serviced during the pendency of the Chapter 9 case through continuing application and payment of ongoing special revenues, to the extent they are available. The application of pledged special revenues to indebtedness secured by such revenues is not subject to the automatic stay.

Statutory Lien. The Bonds are secured by a statutory lien on the ad valorem taxes levied to pay their debt service. The lien is described in California Government Code section 53515, which provides as follows:

(a) General obligation bonds issued and sold by or on behalf of a local agency shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. The lien shall automatically arise without the need for any action or authorization by the local agency or its governing body. The lien shall be valid and binding from the time the 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 immediately attach to the revenues and be effective, binding, and enforceable against the local agency, 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.

(b) This section is not intended to supplement or limit a local agency’s power to issue general obligation bonds conferred by any other law.

(c) For purposes of this section, both of the following shall apply:

(1) “Local agency” means any city, county, city and county, school district, community college district, authority, or special district.

(2) “General obligation bonds” means bonds, warrants, notes, or other evidence of indebtedness of a local agency payable, both principal and interest, from the proceeds of ad valorem taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

Because subsection (a) provides that the lien becomes effective upon delivery of bonds and is perfected immediately, the lien is not avoidable in bankruptcy under Section 545 of the United States Bankruptcy Code.
The ad valorem tax revenues that secure the Bonds are not commingled with other revenues of the District. California Education Code section 15251(a) provides as follows:

(a) When collected, all taxes levied shall be paid into the county treasury of the county whose superintendent of schools has jurisdiction over the school district on behalf of which the tax was levied, to the credit of the interest and sinking fund of the school district, or community college district as designated by the California Community Colleges Budget and Accounting Manual, and shall be used for the payment of the principal and interest of the bonds and for no other purpose.

While, in general, legislation is prospective in effect, and the enacting legislation does not include a statement that it is declaratory of existing law, the legislative history indicates that the intent of the legislation was to make explicit a lien implicit in then-existing law (e.g., the restriction on use of collected taxes to the payment of debt service that is contained in Education Code section 15251 quoted above). Accordingly, the statutory lien likely applies to general obligation bonds issued prior to the January 1, 2016, effective date of Government Code section 53515.

**Special Revenues.** The term ‘special revenues’ includes “taxes specifically levied to finance one or more projects or systems, excluding receipts from general property, sales, or income taxes (other than tax-increment financing) levied to finance the general purposes of the debtor.” Education Code section 15100 requires a district’s governing board to specify the purposes for which bonds are proposed to be issued; and Section 15146 provides that the proceeds of general obligation bonds shall not be applied to any purposes other than those for which the bonds were issued.

Based on the foregoing, ad valorem property taxes collected to pay debt service or California school district bonds may be special revenues, but there is no binding judicial precedent holding that they are. On the assumption that they are special revenues, the District has pledged all revenues from the collection of ad valorem property taxes levied to pay debt service on the Bonds and the amounts on deposit in the debt service fund held by the County to secure the Bonds.

**Qualification of Bond Counsel’s Opinion.** The proposed form of opinion of Bond Counsel, attached hereto as Appendix D, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights.

**Legal Opinion**

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Kronick, Moskovitz, Tiedemann & Girard, A Professional Corporation, Sacramento, California, Bond Counsel for the District. The opinion of Bond Counsel with respect to the Bonds will be delivered in substantially the form attached hereto as Appendix D. Certain legal matters will also be passed upon for the District by Kronick, Moskovitz, Tiedemann & Girard, A Professional Corporation, as Disclosure Counsel.

**TAX MATTERS**

In the opinion of Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, Bond Counsel, based upon the analysis of existing statutes, regulations, ruling and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account when determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. A complete copy of the proposed form of Opinion of Bond Counsel is set forth in Appendix D.
To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Owner thereof, is treated as interest on the Bonds that is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds and accrues on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased for an amount greater than their principals amount payable at maturity (or, in some cases, at their earlier call date) will be treated as having "amortizable bond premium." A purchaser of a Bond (either at original issuance or later) must amortize any premium over the Bond’s term using constant yield principles based on the purchaser’s yield to maturity (or, in some cases, over the period to call date based on the purchaser’s yield to call date). As premium is amortized, the purchaser’s basis in the Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of the Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Under Treasury Regulations, the amount of tax-exempt interest received will be reduced by the amount of amortizable bond premium properly allocable to the purchaser. Purchasers of any Bonds at a premium should consult their own tax advisors with respect to the determination and treatment of amortizable bond premium for federal and state income tax purposes and with respect to state and local tax consequences of owning such Bonds.

The Internal Revenue Code of 1986, as amended, (the “Code”) imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and has covenanted to comply with certain restrictions designed to assure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in federal gross income, possibly from the date of issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after that date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

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

In addition, no assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Bonds to be subject, directly or indirectly, to federal and/or state income taxation, or otherwise prevent Beneficial Owners of the Bonds from realizing the full current benefit of the tax status of such interest. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal and/or state tax legislation. Further, no assurance can be given that the introduction or enactment of any such future
legislation, or any action of the Internal Revenue Service ("IRS"), including but not limited to regulation, ruling, or selection of the Bonds for audit examination, or the course or result of any IRS examination of the Bonds, or obligations that present similar tax issues, will not affect the market price or liquidity of the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditor’s rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) not later than nine months following the end of the District’s fiscal year (which currently ends June 30), commencing with the report for the 2016-17 fiscal year, and to provide notices of the occurrence of certain enumerated events. The Annual Report and event notices will be filed by the District with the MSRB through its EMMA website. The specific nature of the information to be contained in the Annual Report and in the event notices is described in Appendix E — “Form of Continuing Disclosure Certificate.” These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the “Rule”).

Within the past five years, the District failed to file the annual reports for fiscal years 2010-11 and 2011-12 in a timely manner, as required by continuing disclosure undertakings entered into prior to the issuance of the Bonds. The District also failed to file certain event notices for insurer rating changes. All such reports and any required material event notices have been filed, and the District for such years is currently in material compliance with its existing undertakings. In April 2013, the District hired Isom Advisors, a Division of Urban Futures, Incorporated, to act as dissemination agent to assist the District in meeting its reporting obligations under all of its continuing disclosure undertakings.

LITIGATION

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

RATING

Moody’s Investors Service ("Moody’s") has assigned its rating of “” to the Bonds. Such rating reflects only the views of Moody’s and an explanation of the significance of such rating may be obtained from Moody’s at 7 World Trade Center, 250 Greenwich Street, New York, NY 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance the credit rating given to the Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by Moody’s, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

PROFESSIONALS INVOLVED IN THE OFFERING

Kronick, Moskowitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, is serving as Bond Counsel and Disclosure Counsel to the District for the issuance of the Bonds. Isom Advisors, A Division of Urban Futures, Incorporated, Walnut Creek, California, is serving as the District’s
Financial Advisor in connection with the sale of the Bonds. Kutak Rock LLP, Denver, Colorado, is serving as Underwriter’s Counsel. Bond Counsel, Disclosure Counsel, Underwriter’s Counsel, and the Financial Advisor will receive compensation contingent upon the sale and delivery of the Bonds. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, will serve as Paying Agent with respect to the Bonds.

UNDERWRITING

The Bonds are being purchased by Morgan Stanley & Co. LLC (the “Underwriter”). The Underwriter has agreed to purchase the Bonds at a price of $_______, which equals the par amount of the Bonds ($_______), plus net original issue premium ($_______), and less underwriter’s discount ($_______). The purchase contract relating to the Bonds provides that the Underwriter will purchase all of the Bonds (if any are purchased) and provides that the Underwriter’s obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

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

Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.
AUTHORIZATION

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

CHICO UNIFIED SCHOOL DISTRICT

By: ________________________________
Superintendent
APPENDIX A

THE DISTRICT
GENERAL AND FINANCIAL INFORMATION

The information in this section concerning the operations of the District and its finances is provided as supplementary information. Debt service on the Bonds is payable from the proceeds of an ad valorem tax that is required to be levied by the County on all taxable property in the District in an amount sufficient for the timely payment of such debt service. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” in the front portion of this Official Statement. While the Bonds are general obligations of the District, the general fund of the District is not expected to be used to pay any of the debt service on the Bonds.

Introduction

The Chico Unified School District is located in California’s Sacramento Valley, approximately 90 miles north of the City of Sacramento. The territory of the District encompasses approximately 322 square miles, including all of the City of Chico and some adjacent unincorporated areas of Butte County. The District is a unified school district serving students in grades K-12. The District currently operates 13 elementary schools for grades K-6, one open structure school for grades K-8, three junior high schools for grades 6-8, two comprehensive high schools, one continuation high school, one community day school, one independent study school for grades K-12, one dependent charter school, and one special services school. For fiscal year 2015-16, enrollment was 11,807 students; projected enrollment for fiscal year 2016-17 is 11,642 students.

In addition, within the District’s boundaries there are currently eight charter schools that are not operated by the District. The approximate combined average daily attendance of these independent charter schools in fiscal year 2015-16 was 1,400 students. The fiscally independent charter schools operating within the territory of the District receive revenues from the State for each student enrolled. The financial activities of fiscally independent charter schools are not included in the District’s financial statements.

The Board of Education and the Superintendent

The District is governed by a five-member Board of Education (the “Board”), each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The following table provides information on Board members and their current terms. The Board has decision-making authority, the power to designate management, the responsibility to significantly influence operations and is accountable for all fiscal matters relating to the District. The current members of the Board and positions held are set forth below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Office</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gary Loustale</td>
<td>President</td>
<td>December 2018</td>
</tr>
<tr>
<td>Kathleen E. Kaiser</td>
<td>Vice President</td>
<td>December 2018</td>
</tr>
<tr>
<td>Linda Hvey</td>
<td>Clerk</td>
<td>December 2020</td>
</tr>
<tr>
<td>Elizabeth Griffin</td>
<td>Member</td>
<td>December 2020</td>
</tr>
<tr>
<td>Eileen Robinson</td>
<td>Member</td>
<td>December 2018</td>
</tr>
</tbody>
</table>
Superintendent

The Superintendent of the District is appointed by and reports to the Board of Education. The Superintendent is responsible for management of the District’s day-to-day operations and supervises the work of other District administrators. Kelly Staley has served as the Superintendent of the District since February 2008. Ms. Staley has also served the District as Interim Superintendent and Assistant Superintendent, Educational Services. Previously, Ms. Staley served as a principal and assistant principal in the Lodi Unified School District and as a teacher and coach in the Capistrano Unified School District. Ms. Staley received a Bachelor of Arts degree in English from California State University, Chico, and a Master of Arts degree in educational administration from Pepperdine University.

Recent Enrollment Trends

The following table shows enrollment history for the District for the last nine fiscal years, with projected figures through fiscal year 2016-17.

CHICO UNIFIED SCHOOL DISTRICT
Annual Enrollment Grades K through 12
Fiscal Years 2007-08 through 2016-17

<table>
<thead>
<tr>
<th>School Year</th>
<th>Enrollment</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>12,918</td>
<td>--</td>
</tr>
<tr>
<td>2008-09</td>
<td>12,824</td>
<td>-0.73%</td>
</tr>
<tr>
<td>2009-10</td>
<td>12,239</td>
<td>-4.56%</td>
</tr>
<tr>
<td>2010-11</td>
<td>11,881</td>
<td>-2.93%</td>
</tr>
<tr>
<td>2011-12</td>
<td>11,880</td>
<td>-0.01%</td>
</tr>
<tr>
<td>2012-13</td>
<td>12,022</td>
<td>1.20%</td>
</tr>
<tr>
<td>2013-14</td>
<td>11,864</td>
<td>-1.31%</td>
</tr>
<tr>
<td>2014-15</td>
<td>11,747</td>
<td>-0.99%</td>
</tr>
<tr>
<td>2015-16</td>
<td>11,807</td>
<td>0.51%</td>
</tr>
<tr>
<td>2016-17(^{(1)})</td>
<td>11,642</td>
<td>-1.40%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Projected.
Source: California Department of Education for 2007-08 through 2015-16; the District thereafter.

Employee Relations

In fiscal year 2015-16, the District employed 665.0 full-time equivalent certificated employees, 574.125 full-time equivalent classified employees, and 77.8 full-time equivalent management employees. The District has two recognized bargaining agents for its employees. The Chico Unified Teachers Association (“CUTA”) is the exclusive bargaining unit for the non-management, certificated personnel (credentialed teaching staff) of the District. The District’s other bargaining unit, the California School Employees’ Association (“CSEA”) Chapter 110, represents the remainder of the District’s non-management, classified (non-teaching) employees, such as custodial, clerical and instructional aide personnel. Negotiations with CUTA are settled for fiscal year 2016-17. The District’s contract with CSEA extends to November 15, 2018.

Retirement System

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available
sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not be construed as a representation by either the District or the Underwriter.

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

**STRS.** All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teacher's Retirement Law. Both active plan members and the District are required to contribute at a statutorily established rate.

**PERS.** All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The District is part of the School Employer Pool, a “cost-sharing” pool for school employers within PERS. Active plan members are required to contribute 7.0% (or, for members added after 2012, at least half the “normal cost” of benefits, which is currently 6.0%) and the District is required to contribute an actuarially determined rate. One actuarial valuation is performed for those employers participating in the pool, and the same contribution rate applies to each participant.

**District Contributions.** The District's retirement contributions for the fiscal year ended June 30, 2016, are as follows:

<table>
<thead>
<tr>
<th>CHICO UNIFIED SCHOOL DISTRICT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retirement Contributions for Fiscal Year 2015-16</strong></td>
</tr>
<tr>
<td>Actual Number of Employees Covered</td>
</tr>
<tr>
<td>STRS</td>
</tr>
<tr>
<td>PERS</td>
</tr>
</tbody>
</table>

*Source: Chico Unified School District*

For the 2016-17 fiscal year the District has budgeted $6,648,764 for STRS (reflecting a contribution rate of 12.58% of annual payroll) and $2,757,804 for PERS (reflecting a contribution rate of 13.888% of annual payroll).

**State Pension Trusts.** Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS from their most recently released reports.
FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Plan)
(Dollar Amounts in Millions)¹

<table>
<thead>
<tr>
<th>Plan</th>
<th>Accrued Liability</th>
<th>Value of Trust Assets</th>
<th>Unfunded Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Employees Retirement Fund (PERS)</td>
<td>$73,325⁽²⁾</td>
<td>$56,814⁽³⁾</td>
<td>$16,511</td>
</tr>
<tr>
<td>Schools Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Teachers’ Retirement Fund (STRS)</td>
<td>241,753⁽¹⁾</td>
<td>165,553⁽⁵⁾</td>
<td>76,200</td>
</tr>
<tr>
<td>Defined Benefit Program</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Amounts may not add due to rounding.
² June 30, 2015, Valuation Date.
³ Reflects market value of assets as of June 30, 2015.
⁴ June 30, 2015, Valuation Date
⁵ Reflects actuarial value of assets as of June 30, 2015.

Source: PERS State & Schools Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

Unlike PERS, STRS contribution rates for participant employers, employees and the State are set by statute and do not vary from year-to-year based on actuarial valuations. Moreover, the employee and employer contribution rates prior to fiscal year 2014-15 had been long fixed at 8% and 8.25% of salaries. In recent years, the combined employer, employee and State contributions to STRS have been significantly less than actuarially required amounts. As a result, and due in part to investment losses, the unfunded liability of STRS has increased significantly. Legislation adopted in June 2014 requires increased contributions phased in over the next several years. Employee contributions increased to 8.15% of salary in 2014-15 and increase to 10.25% in 2016-17 and thereafter. District contributions increased to 8.88% of payroll in 2014-15 and will increase each year to 19.1% in 2020-21 and thereafter. The State’s total contribution also increased to 3.454% of payroll in 2014-15 and to 6.328% in 2016-17 and thereafter, plus the continued payment of 2.5% of payroll annual for a supplemental inflation protection program for a total of 8.828%. In addition, the legislation provides the State Teachers Retirement Board with authority to modify the percentages paid by employers and employees for Fiscal Year 2021-22 and each fiscal year thereafter to eliminate the CalSTRS unfunded liability by June 30, 2046. The State Teachers Retirement Board would also have authority to reduce employer and State contributions if they are no longer necessary.

In April 2013, the PERS Board of Administration adopted a new employer rate-smoothing methodology for local governments and school employer rates. The new methodology uses a five-year direct rate-smoothing period and amortizes gains and losses over a fixed, 30-year period with a five-year ramp-up period at the beginning and a five-year ramp-down at the end of the amortization period. The related PERS staff report states that the new methodology is expected to result in higher volatility in employer contribution rates in normal years but much less volatility in years where extreme events occur. It further states that the methodology will result in an increased likelihood of higher peak employer contribution levels in the future but not significantly increase average contribution levels. The changes affected employer contribution rates for the schools plans starting in fiscal year 2014-15. In February 2014, the PERS Board adopted new assumptions as part of a regular review of demographic trends. Key assumption changes included longer post-retirement life expectancy and earlier retirement ages. These assumptions are expected to increase costs for public agency employers, which costs will be amortized over 20 years and phased in over five years beginning in Fiscal Year 2016-17. In December 2016, the PERS Board voted to lower its expected investment rate of return from 7.5% to 7.35% in Fiscal Year 2017-18, 7.25% in 2018-19, and 7.0% in 2019-20. The new discount rates will take effect beginning July 1, 2018, for school districts. The reductions in the assumed rate of return are expected to further increase employer contribution rates.

PERS’ actuaries have estimated that recently adopted pension reform legislation may produce savings of between $8.6 and $10.8 million over the next 30 years for the schools plans; STRS’ actuaries estimate
savings of about $22.7 million over that period. The District can provide no assurances that the District’s required contributions to PERS will not increase in the future.

PERS’ actuaries have estimated that recently adopted pension reform legislation may produce savings of between $8.6 and $10.8 million over the next 30 years for the schools plans; STRS’ actuaries estimate savings of about $22.7 million over that same period. The District cannot predict whether any of those projected savings will be realized by the District.

**GASB Statement Nos. 67 and 68.** On June 25, 2012, GASB approved Statements Nos. 67 and 68 (the “Statements”) with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes affect the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government’s balance sheet (previously, such unfunded liabilities were typically included as notes to the government’s financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

For more information about the Statements, see “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2016—Note A” attached hereto.

**Other Post-Employment Benefit Obligations**

District employees participating in the medical benefits at the time of retirement from certificated, classified, and management units may retire with District paid health care benefits after the later of age 55 and 5 years of service (10 years for certificated employees hired on or after October 1, 2009, and 10 years for classified/management employees hired on or after July 1, 2015. District paid benefits end at age 65 for all retirees with two exceptions: (a) a group of CUTFA employees who were hired prior to April 1, 1986 and who opted out of Medicare Part A; and (b) a retired district superintendent receiving lifetime benefits. Additional eligibility requirements relating to the combined age at retirement plus length of service are described in Note L in Appendix B. Currently, 199 retirees meet those eligibility requirements. Expenditures for postemployment benefits are recognized on a pay-as-you-go basis as premiums are paid. During the 2014-15 fiscal year, expenditures of $2,786,042 were recognized for retirees’ health care benefits.

As of July 1, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits, and the unfunded actuarial accrued liability (UAAL), was $23,064,290. For additional information related to the District’s post-employment healthcare benefits plan, see Note L in the audited financial statements attached as Appendix B.
Insurance Risk Pooling

The District is a member with other school districts under Joint Powers Agreements (“JPAs”) with the Butte Schools Self-Funded Program (“BSSP”), [verify per comment from Treasurer-Tax Collector], North Valley Schools Insurance Group (“NVSIG”) and Schools Excess Liability Fund (“SELF”) for the operation of common risk management and insurance programs. Each member of each JPA has an ongoing financial responsibility in the event of the JPA’s total liabilities exceed its total assets. Historically, settled claims resulting from these risks have not exceeded commercial insurance coverage.

DISTRICT FINANCIAL INFORMATION

District Financial Statements

The District’s Audited Financial Statements with supplemental information for the fiscal year ended June 30, 2016, and the related statements of activities and cash flows for the year then ended, of Tittle & Company (the “Auditor”) are included in this Official Statement as Appendix B. The financial statements should be read in their entirety. The information set forth herein does not purport to be a summary of the District’s financial statements.

In connection with the inclusion of the financial statements and the report of the Auditor thereon in Appendix B to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Accounting Practices

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

The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund, which accounts for all financial resources not required to be accounted for in another fund. The District’s fiscal year begins on July 1 and ends on June 30. All governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes measurable and available for the current period; and expenditures are recognized in the period in which the liability is incurred, although debt service expenditures are recorded only when payment is due. For more information on the District’s accounting method, see APPENDIX B—“AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2016,” Notes to the Basic Financial Statements, Note 1—“Significant Accounting Policies.”

District Budget

The District is required by provisions of the California Education Code to maintain each year a balanced budget in which the sum of expenditures plus the ending fund balance for each year cannot exceed the revenues plus the carry-over fund balance from the previous year. The California State Department of Education imposes a uniform budgeting format for each school district in the State. The budget is subject to review and approval by the County Superintendent of Schools. The County Superintendent examines the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identifies technical corrections necessary to bring the budget into compliance, determines if the budget allows the district to meet its current obligations and determines if the budget is consistent with a financial plan that
will enable the district to meet its multi-year financial commitments. The County Superintendent will approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. Over the past ten years, the District has not had an adopted budget disapproved by the County Superintendent.

Pursuant to State law, the District adopted on June 22, 2016, a fiscal line-item budget setting forth revenues and expenditures so that appropriations during fiscal year 2016-17 will not exceed the sum of revenues plus beginning fund balance.

**Interim Reports on Financial and Budgetary Status**

Every school district is required to file two interim certifications with the County Superintendent (the first on December 15 for the period ended October 31 and the second by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certifications and issues either a positive, negative, or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A school district that receives a qualified or negative certification may not issue tax and revenue anticipation notes or certificates of participation without approval by the County Superintendent in that fiscal year or in the next succeeding year.

During the past five years, the District’s interim certifications were all positive, except for a qualified certification for the First Interim Report for fiscal year 2012-13.
Comparative Financial Statements

The following table shows the District’s Statement of General Fund Revenues, Expenditures and Changes in Fund Balance for fiscal years 2012-13 through 2015-16.

**CHICO UNIFIED SCHOOL DISTRICT**

Summary of General Fund Revenues, Expenditures and Changes in Fund Balances for Fiscal Years 2012-13 through 2015-16 (Audited)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue Limit/LCFF Sources(2):</td>
<td>$61,242,079</td>
<td>$74,869,188</td>
<td>$81,747,239</td>
<td>$91,211,104</td>
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<tr>
<td>Federal Revenue:</td>
<td>9,690,442</td>
<td>7,684,710</td>
<td>7,051,088</td>
<td>8,535,711</td>
</tr>
<tr>
<td>Other State Revenue</td>
<td>18,109,908</td>
<td>10,493,739</td>
<td>11,955,604</td>
<td>20,154,816</td>
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<tr>
<td>Other Local Revenue</td>
<td>6,885,101</td>
<td>6,750,980</td>
<td>7,946,012</td>
<td>7,668,205</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>95,927,530</td>
<td>99,798,617</td>
<td>108,699,943</td>
<td>127,569,836</td>
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<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificated salaries</td>
<td>48,137,945</td>
<td>49,078,173</td>
<td>49,584,517</td>
<td>51,725,095</td>
</tr>
<tr>
<td>Classified salaries</td>
<td>16,282,069</td>
<td>17,495,716</td>
<td>17,060,375</td>
<td>17,669,813</td>
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<tr>
<td>Employee benefits</td>
<td>24,718,614</td>
<td>26,052,037</td>
<td>28,734,704</td>
<td>31,941,693</td>
</tr>
<tr>
<td>Books and supplies</td>
<td>3,700,188</td>
<td>3,733,080</td>
<td>4,813,275</td>
<td>5,403,951</td>
</tr>
<tr>
<td>Services and other operating expenditures</td>
<td>7,077,913</td>
<td>7,207,588</td>
<td>8,689,662</td>
<td>10,223,923</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>274,715</td>
<td>427,247</td>
<td>798,302</td>
<td>2,121,655</td>
</tr>
<tr>
<td>Other outgo</td>
<td>107,874</td>
<td>162,787</td>
<td>539,491</td>
<td>647,213</td>
</tr>
<tr>
<td><strong>Direct Support/Indirect Costs</strong></td>
<td>--</td>
<td>--</td>
<td>(411,911)</td>
<td>(418,103)</td>
</tr>
<tr>
<td><strong>Debt Service:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>483,360</td>
<td>476,157</td>
<td>534,424</td>
<td>552,325</td>
</tr>
<tr>
<td>Interest</td>
<td>143,125</td>
<td>124,719</td>
<td>71,000</td>
<td>48,310</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>100,925,803</td>
<td>104,757,504</td>
<td>110,413,839</td>
<td>119,915,875</td>
</tr>
<tr>
<td><strong>Excess (Deficiency) of Revenues</strong></td>
<td>(4,998,273)</td>
<td>(4,958,887)</td>
<td>(1,713,896)</td>
<td>7,653,961</td>
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<tr>
<td>Over (under) Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers In</td>
<td>2,307,076</td>
<td>2,313,301</td>
<td>2,527,831</td>
<td>2,938,589</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(216,942)</td>
<td>(144,975)</td>
<td>(148,277)</td>
<td>(292,781)</td>
</tr>
<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td>2,091,134</td>
<td>2,168,326</td>
<td>2,379,554</td>
<td>2,645,808</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balance</strong></td>
<td>(2,907,239)</td>
<td>(2,790,561)</td>
<td>665,658</td>
<td>10,299,769</td>
</tr>
<tr>
<td>Fund Balances – July 1 (prior year)</td>
<td>20,716,095</td>
<td>17,496,938</td>
<td>12,211,559</td>
<td>12,877,217</td>
</tr>
<tr>
<td>Prior Period Adjustment</td>
<td>(311,918)</td>
<td>(629,703)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Fund Balances as Restated</td>
<td>20,404,177</td>
<td>16,867,235</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>Fund Balances June 30 (current year)</strong></td>
<td>$17,496,938</td>
<td>$14,076,674</td>
<td>$12,877,217</td>
<td>$23,176,986</td>
</tr>
</tbody>
</table>

(1) The amounts reported in this table are for the General Fund only. The information in the Audited Financial Statements from prior years include the financial activity of the Deferred Maintenance Fund in accordance with the fund type definitions promulgated by GASB Statement No. 54.

(2) Beginning in fiscal year 2013-14, the “revenue limit” funding system was replaced by the Local Control Funding Formula (“LCFF”). See “—Sources of Funding for Operations.”

Source: District’s Audited Financial Statements for fiscal years 2012-13 through 2015-16.
The following table sets forth the District’s adopted general fund budget and projected annual totals from the District’s second interim report for fiscal year 2016-17.

**CHICO UNIFIED SCHOOL DISTRICT**

**Summary of General Fund Revenues, Expenditures and Changes in Fund Balances**

_for Fiscal Year 2016-17 (Adopted Budget and Projected Annual Totals from Second Interim Report)_

<table>
<thead>
<tr>
<th></th>
<th>Adopted Budget</th>
<th>Projected Annual Totals</th>
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<tr>
<td><strong>REVENUES:</strong></td>
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</tr>
<tr>
<td>LCF Sources</td>
<td>$95,336,913</td>
<td>$96,439,472</td>
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<tr>
<td>Federal Revenue</td>
<td>7,731,862</td>
<td>9,615,445</td>
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<tr>
<td>Other State Revenues</td>
<td>12,315,221</td>
<td>19,151,733</td>
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<tr>
<td>Other Local Revenues</td>
<td>6,070,762</td>
<td>8,027,367</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>121,454,758</td>
<td>133,234,017</td>
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<tr>
<td><strong>EXPENDITURES:</strong></td>
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</tr>
<tr>
<td>Certificated salaries</td>
<td>53,625,185</td>
<td>54,861,972</td>
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<tr>
<td>Classified salaries</td>
<td>19,617,693</td>
<td>19,139,379</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>31,173,835</td>
<td>36,836,565</td>
</tr>
<tr>
<td>Books and supplies</td>
<td>8,021,462</td>
<td>9,290,389</td>
</tr>
<tr>
<td>Services and other operating expenditures</td>
<td>11,406,571</td>
<td>14,559,632</td>
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<tr>
<td>Capital outlay</td>
<td>4,512,297</td>
<td>4,624,374</td>
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<tr>
<td>Other outgo (excluding Transfers of Indirect Costs)</td>
<td>1,645,657</td>
<td>1,466,516</td>
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<tr>
<td>Other Outgo (Transfers of Indirect Costs)</td>
<td>(438,150)</td>
<td>(440,632)</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td>129,564,550</td>
<td>140,338,195</td>
</tr>
<tr>
<td><strong>Excess (Deficiency) of Revenues</strong></td>
<td>(8,109,792)</td>
<td>(7,104,178)</td>
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<tr>
<td>Over (under) Expenditures</td>
<td></td>
<td></td>
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<tr>
<td><strong>Other Financing Sources/Uses:</strong></td>
<td></td>
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</tr>
<tr>
<td>Interfund Transfers In</td>
<td>2,552,500</td>
<td>2,552,500</td>
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<tr>
<td>Interfund Transfers Out</td>
<td>630,101</td>
<td>705,846</td>
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<tr>
<td><strong>Total Other Financing Sources/Uses</strong></td>
<td>1,922,399</td>
<td>1,846,654</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balances</strong></td>
<td>(6,187,393)</td>
<td>(5,257,524)</td>
</tr>
<tr>
<td><strong>Beginning Fund Balance (July 1 prior year)</strong></td>
<td>20,870,617</td>
<td>23,176,983</td>
</tr>
<tr>
<td><strong>Fund Balance – Ending (June 30 current year)</strong></td>
<td>$14,683,224</td>
<td>17,919,459</td>
</tr>
</tbody>
</table>

*Source: District’s Adopted Budget and First Interim Report for Fiscal Year 2016-17.*

**Cap on School District Reserves**

State regulations require school districts to budget a reserve for economic uncertainties. The recommended minimum amounts vary from 1% to 5% of total expenditures and other financing uses, depending on the district’s ADA. SB 858, adopted in June 2014, modifies current law as it relates to ending fund balances for school districts. First, beginning in 2015–16, a school district that proposes to adopt or revise a budget that includes an ending fund balance that is two to three times higher than the state’s minimum recommended reserve for economic uncertainties must substantiate the need for the higher balance. Second, in a year immediately following a deposit into the Public School System Stabilization Account established in the State General Fund (see “STATE FUNDING OF EDUCATION -- Propositions 98 and 111 -- Minimum Funding Guarantee,” below), a school district’s adopted or revised budget may not contain an ending fund balance higher than two to three times higher than the state’s minimum recommended reserve for economic uncertainties. A county superintendent could waive the prohibition, pursuant to specified conditions, for up to two consecutive years within a three-year period.
If the cap is triggered, unless exempted, a school district would be required to increase expenditures in order to bring its ending fund balance down to the maximum level. The Public School System Stabilization Account appears to be intended to provide a substitute for local reserves in the event of a future economic downturn. However, there is no linkage between the sizes of the State and local reserves. The District is unable to predict what the effect on its budget will be following implementation of these new rules.

Sources of Funding for Operations

Funding for the District’s operations is provided by a mix of (1) local property taxes, (2) State apportionments of general purpose and restricted purpose funds; (3) federal government grants; (4) development impact fees; (5) lottery funds; and (6) miscellaneous other revenues.

Property Taxes. Under current law, local agencies are not permitted to levy directly any property tax (except ad valorem taxes to pay debt service on voter-approved bonds and voter-approved non-ad valorem taxes for limited purposes). Instead, general purpose ad valorem property taxes are automatically levied by each county at the maximum 1% property tax rate permitted by Proposition 13, and property tax revenue is distributed by the county among all the local government taxing agencies (including school districts) within the county according to a statutory formula.

State Funding. General Purpose Revenue. Beginning in fiscal year 2013-14, the bulk of apportionments of State funding to school districts for general purposes has been allocated pursuant to a new system referred to as the “local control funding formula” ("LCFF"). Apportionment to school districts are made on the basis of uniform, target base rates per unit of ADA for each of four grade spans, subject to several adjustments, as described below. The annual State general purpose apportionment received by a school district amounts to the difference between such district’s total general purpose allocation and its share of the general purpose local property tax distributed to it by the county.

The LCFF replaces a funding system that allocated State general purpose funds based on school-district-specific (i.e., non-uniform) “revenue limits” per unit of ADA and allocated special purpose funds for specified programs, referred to as “categorical programs.” Under the LCFF, most, but not all, categorical program funding is eliminated.

For Fiscal Year 2016-17, the target base rates per unit of ADA for each grade span are as follows: (i) $7,820 for grades K-3; (ii) $7,189 for grades 4-6; (iii) $7,403 for grades 7-8; and (iv) $8,801 for grades 9-12. Those target base rate numbers for grades K-3 and 9-12 reflect upward adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in the early grades and to support college and career readiness programs in high schools. (Under full implementation of the LCFF, as a condition of receiving the K-3 base-rate adjustment, districts must maintain a K-3 school-site average class size of 24 or fewer students, unless collectively bargained otherwise.) These target base rates are to be updated each year for cost-of-living adjustments (COLAs).

The LCFF provides additional funds to school districts based on the three-year rolling average of enrollment of students of limited English proficiency, students from low income families that are eligible for free or reduced priced meals, and foster youth. Students who are in more than one category are counted only once. Under the formula, each qualifying student generates an additional 20% of the student’s adjusted grade-span base rate. School districts whose qualifying student populations exceed 55% of their total enrollment will receive additional “concentration” funding equal to 50% of the applicable adjusted base rate multiplied by the percentage of such district’s qualifying student enrollment above the 55% threshold.

Funds for two categorical programs — the Targeted Instructional Improvement Block Grant and the Home-to-School Transportation program — are treated as add-ons to the LCFF. Districts that received
funding from these programs in 2012–13 will continue to receive that same amount of funding in addition to what the LCFF provides each year.

Had general purpose allocations under the revenue limit system been fully funded and categorical program funding been restored, the previous funding system would have generated greater levels of funding than the LCFF for approximately 230 school districts (about 20% of districts). To address this issue, the new funding system provides the Economic Recovery Target (ERT) add-on to a subset of these districts. The ERT add-on amount equals the difference between the amount a district would have received under the old system and the amount a district would receive based on the LCFF in 2020–21. Approximately 130 districts are eligible to receive the ERT add-on. The 100 remaining districts are not eligible for the add-on because of their exceptionally high per-pupil funding rates. Specifically, a provision disallows a district from receiving an ERT add-on if its funding exceeds the 90th percentile of per-pupil funding rates under the old system (estimated to be approximately $14,500 per pupil in 2020-21). The District does not qualify for the ERT add-on.

The LCFF will be implemented over a span of eight fiscal years. Most school districts will receive less than the calculated LCFF target amount. Until the LCFF is fully implemented, school districts will receive annual funding increases based on the difference between their respective prior-year funding level, adjusted for changes in student population, and the target LCFF allocation following full implementation. In each year, every school district will see the same proportion of its gap closed.

The following table shows a breakdown of the District’s fiscal years 2013-14 through 2016-17 ADA by grade span, total enrollment, and the percentage of students classified as English learners, low-income, or foster youth ("EL/LI").

CHICO UNIFIED SCHOOL DISTRICT
ADA by Grade Span, Total Enrollment, and EL/LI Enrollment
Fiscal Years 2013-14 through 2016-17

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total District</th>
<th>Total District</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-3</td>
<td>3,411.21</td>
<td>3,734.21</td>
</tr>
<tr>
<td>4-6</td>
<td>2,438.27</td>
<td>1,779.42</td>
</tr>
<tr>
<td>7-8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9-12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total District</td>
<td>11,383.11</td>
<td>11,184.61</td>
</tr>
<tr>
<td>ADA by Grade Span (1)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) ADA is determined as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year.

(2) For fiscal year 2013-14, this percentage is calculated on the basis of enrollment for that year. The percentage calculated for fiscal year 2014-15 is based on the average of 2013-14 and 2014-15 enrollment. Thereafter, the percentage will be calculated on the basis of the average of the current fiscal year and the prior two fiscal years.

(3) Budgeted.

Source: Chico Unified School District

Restricted Purpose Revenue. Other State revenues allocated to school districts are restricted by the Legislature to particular uses (categorical programs). The LCFF eliminates approximately three-quarters of categorical programs. Under the new system, 14 categorical programs remain, including special education, after-school safety and education programs, nutrition, and State preschool.
**Federal Sources.** The federal government provides funding for several District programs, including special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Drug Free Schools. Revenues received from the federal government are restricted in their use, and are not available to pay debt service on the Bonds.

**Other Local Sources.** In addition to general purpose property taxes, the District receives additional local revenues from items such as developer fees and interest earnings. The *ad valorem* property taxes levied for the District's general obligation bonds are available only to pay debt service on such bonds.

**Long-Term Debt**


On July 20, 2012, the District issued its 2012 General Obligation Refunding Bonds (the “Series 2012 Bonds”) in the aggregate principal amount of $18,655,000 to refund the Series 1998A Bonds and a prior refunding bond issue.

In 2012, the voters of the District authorized the issuance of $78,000,000 principal amount of bonds for school facilities projects (the “2012 Election”). On May 30, 2013, the District issued its Election of 2012 General Obligation Bonds, Series A, in the aggregate principal amount of $15,000,000. There remains $63,000,000 authorized but unissued bonds pursuant to the 2012 Election.

On October 19, 2016, the District issued its 2016 General Obligation Refunding Bonds (the “Series 2016 Bonds”) in the aggregate principal amount of $24,835,000 to refund a portion of the Series 1998B Bonds.

**2004 Certificates of Participation.** On October 28, 2004, the District issued $2,705,000 of certificates of participation. As of June 30, 2016, the principal balance outstanding was $350,000. The final payment is due in fiscal year 2017-18. Debt service on the certificates of participation is paid from the District’s general fund.

**California Energy Commission Loan.** During the fiscal year ended June 30, 2016, the District borrowed $2,588,712 from the California Energy Resources Conservation and Development Commission. The loan bears interest at 0% interest and is payable in installments of $123,272 beginning in December 2016. Debt service on the loan is paid from the District’s general fund.

**Capital Leases.** The District leases equipment under agreements that provide for title to pass upon expiration of the lease period. Future minimum lease payments with respect thereto are listed below. Lease payments are made from the District’s general fund.
ANNUAL LEASE PAYMENTS
Capital Leases

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>Lease Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$47,667</td>
</tr>
<tr>
<td>2018</td>
<td>47,667</td>
</tr>
<tr>
<td>2019</td>
<td>47,667</td>
</tr>
<tr>
<td>2020</td>
<td>47,667</td>
</tr>
<tr>
<td>2021</td>
<td>47,667</td>
</tr>
<tr>
<td>2022-2026</td>
<td>214,498</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$452,833</strong></td>
</tr>
</tbody>
</table>

Source: Chico Unified School District

Changes in Long-Term Debt. A schedule of changes in long-term debt of the District for the year ended June 30, 2016, is shown below:

<table>
<thead>
<tr>
<th></th>
<th>Balance at July 1, 2015</th>
<th>Balance at June 30, 2016</th>
<th>Total Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated Absences</td>
<td>$445,386</td>
<td>$473,290</td>
<td>6.27%</td>
</tr>
<tr>
<td>General Obligation Bonds</td>
<td>59,600,000</td>
<td>57,285,000</td>
<td>-3.88%</td>
</tr>
<tr>
<td>Bond Issue Premiums</td>
<td>2,235,372</td>
<td>2,143,967</td>
<td>-4.09%</td>
</tr>
<tr>
<td>Capital Leases</td>
<td>390,647</td>
<td>361,473</td>
<td>-7.47%</td>
</tr>
<tr>
<td>Note Payable</td>
<td>--</td>
<td>2,588,712</td>
<td>--</td>
</tr>
<tr>
<td>Certificates of Participation</td>
<td>650,000</td>
<td>350,000</td>
<td>-46.15%</td>
</tr>
<tr>
<td>Early Retirement Incentives</td>
<td>223,151</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>82,921,398</td>
<td>94,682,276</td>
<td>14.18%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,464,655,954</strong></td>
<td><strong>$1,578,884,718</strong></td>
<td><strong>7.80%</strong></td>
</tr>
</tbody>
</table>


Property Taxes

See “SECURITY AND SOURCES OF PAYMENT OF THE BONDS” in the body of the Official Statement for a general description of how property is assessed and how *ad valorem* property taxes are levied and collected.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. (See “SECURITY AND SOURCES OF PAYMENT OF THE BONDS.”) Articles XIII A, XIII B, XIII C, and XIII D of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District’s voters in compliance with Article XIII A and all applicable laws.

Article XIII A of the California Constitution

Basic Property Tax Levy. Article XIII A of the State Constitution limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded
indebtedness approved by two-thirds of the voters on or after July 1, 1978, for the acquisition or improvement of real property, and (iii) bonded indebtedness approved by 55% of the voters of a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities.

Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or in change in ownership have occurred after the 1975 assessment.” This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A permits reduction of the full cash value base in the event of a decline in property value caused by damage, destruction, or other factors. The full cash value base is not increased upon reconstruction of property damaged or destroyed in a disaster, if the fair market value of the property as reconstructed is comparable to its fair market value before the disaster. If the full cash value has been reduced owing to a decline in market value, the full cash value is restored to the full cash value base as quickly as the market price increases (without regard to the 2% limit on increases that otherwise applies).

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIII A.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

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

Article XIII B of the California Constitution

Under Article XIII B of the California Constitution, state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain monies that are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys that are excluded from the definition of “appropriations subject to limitation,” such as appropriations for voter-approved debt service, appropriations required to comply with certain mandates of the courts or the federal government, and appropriations for qualified capital outlay projects (as defined by the State Legislature).

The appropriations limit for each agency in each year is based on the agency’s limit for the prior year, adjusted annually for changes in the cost of living and changes in population, and adjusted where applicable for transfer to or from another governmental entity of financial responsibility for providing services. With respect to school districts, “change in cost of living” is defined as the change in percentage change in California per capita income from the preceding year and “change in population” means the percentage change in average daily attendance for the preceding year.

The appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate “proceeds of taxes” received by an agency over such two-year period above the combined appropriations limit for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the
subsequent two years. Under current statutory law, a school district that receives any proceeds of taxes in excess of the allowable limit need only notify the State Director of Finance and the District’s appropriations limit is increased and the State’s limit is correspondingly decreased by the amount of the excess.

Article XIIIC and Article XIID of the California Constitution

Articles XIIIC and XIID of the California Constitution, adopted by Proposition 218 in November 1996, impose certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. The District does not impose any such taxes, assessments, fees or charges; and, with the exception of ad valorem property taxes levied and collected by the County under Article XIII A of the California Constitution and allocated to the District, no such taxes, assessments, fees or charges are imposed on behalf of the District. Accordingly, while the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Article XIIIC also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. The initiative power is, however, limited by the United States Constitution’s prohibition against state or local laws “impairing the obligation of contracts.” The District’s general obligation bonds represent a contract between the District and the bondholder secured by the collection of ad valorem property taxes. While not free from doubt, it is likely that, once issued, the taxes needed to pay debt service on general obligation bonds would not be subject to reduction or repeal. Legislation adopted in 1997 provides that Article XIIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure that would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

The interpretation and application of Proposition 218 and the U.S. Constitution’s contracts clause will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and the propositions discussed above were each adopted as measures that qualified for the ballot under the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

STATE FUNDING OF EDUCATION

As noted above, California school districts receive a significant portion of their general purpose funding from State appropriations. Variations in the level of State funding of school districts may affect this source of the District’s general purpose funding, which is a secondary source of security for payment of the Bonds.

Propositions 98 and 111 -- Minimum Funding Guarantee

Proposition 98, a constitutional and statutory amendment adopted by California voters in 1988 and amended by Proposition 111 in 1990, guarantees a minimum level of funding for public education from kindergarten through community college (K-14).
Proposition 98 guarantees a level of funding based on the greater of two amounts determined under three different methods of calculation. The first amount is based on a percentage of General Fund revenues. This amount is defined under “Test 1” as the amount produced by applying the same percentage of General Fund revenues appropriated to K-14 education in 1986-87, or about 40%. (This percentage has been adjusted to approximately 39% to account for subsequent redirection of local property taxes, since such property tax shifts affect the share of districts’ revenue limits that are to be provided by State General Fund revenues.) The second amount is determined under one of two methods, “Test 2” or “Test 3,” the choice of which is determined based on the relative growth of per capita income and General Fund revenues.

In years of high or normal growth of General Fund revenues, Test 2 applies. Test 2 is designed to maintain prior-year service levels. The amount determined under Test 2 is the amount required to ensure that K-14 schools receive from State funds and local tax revenues the same amount received in the prior year, adjusted for changes in enrollment and for increases in per capita personal income. Test 3 is operative in years in which General Fund revenue growth per capita is more than 0.5% below growth in per capita personal income. The amount determined under Test 3 is the prior-year total level of funding from state and local sources, adjusted for enrollment growth and for growth in General Fund revenues per capita, plus 0.5% of the prior year level. If Test 3 is used in any year, the difference between the amount determined under Test 3 and Test 2 will become a credit (called the “maintenance factor”) to be paid to K-14 schools in future years when State General Fund growth exceeds personal income growth.

The State’s estimate of the total guaranteed amount varies through the stages of the annual budgeting process, from the Governor’s initial budget proposal to actual expenditures to post-year-end revisions, as various factors change. The guaranteed amount will increase as enrollment and per capita personal income grow. If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as “settle-up.” If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount may be suspended for one year at a time by enactment of an urgency statute. In subsequent years in which State General Fund revenues are growing faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount.

In the last several decades, the State’s response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. In 1992-93, 1993-94, 2004-05, and 2005-06 the State required county, cities, and special districts to shift property tax revenues to school districts, thereby relieving the State General Fund of some of the burden of the Proposition 98 guarantee. Proposition 1A, adopted by the voters in November 2004, prohibits the State from shifting property taxes from other local governments to school or community college districts without a two-thirds vote of both houses of the State Legislature. Proposition 22, approved by the voters in November 2010, eliminated the State’s authority to shift property taxes temporarily during a severe financial hardship of the State that had been permitted by Proposition 1A. Legislation enacted in June 2011 (and upheld by the California Supreme Court in December 2011) dissolved every redevelopment agency in the State effective February 1, 2012, which has made more property tax revenues available to school districts.

The State has also sought to avoid or delay paying settle-up amounts when State revenues have lagged. The State has also sought to avoid increases in the base guaranteed amount through several devices: by treating any excess appropriations as advances (or loans) against subsequent years’ Proposition 98 minimum funding levels rather than current year increases; by temporarily or permanently deferring year-end apportionments of Proposition 98 funds from one fiscal year to the next to reduce the ending fiscal year’s base; by suspending Proposition 98, as the State did in 2010-11; and by proposing to amend the Constitution’s definition of the guaranteed amount and settle-up requirement under certain circumstances.
The California Teachers’ Association, the State Superintendent and others sued the State or the Governor in 1995, 2005, 2009, and 2011 to force them to fund the full settle-up amounts. In May 2016, the Legislative Analyst’s Office estimated settle-up obligations to total about $1.2 billion. While legislation adopted to implement the settlements of these suits requires the State to pay down the obligation in annual installments, the repayments have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

Proposition 2, approved at the November 4, 2014, statewide election, among other things, revises the operation of Proposition 98 in some years. The measure creates a new State budget stabilization fund known as the “Public School System Stabilization Account.” In years where capital gains tax revenues exceed 8% of total General Fund revenues, if a number of conditions are satisfied (including that the Test 1 is operative, all maintenance factor obligations have been satisfied, and the Proposition 98 funding level is higher than the previous year), that part of the “excess” capital gains tax revenues accruing to the Proposition 98 guarantee, instead of being appropriated, would be deposited in the Public School System Stabilization Account, provided that the amount spent on schools and community colleges grows along with the number of students and the cost of living. The State would spend money out of the reserve in order to maintain spending on schools and community colleges in budgetary years in which such spending would otherwise decline from the prior year’s level (adjusted for student population and cost of living). Proposition 2 thus changes when the State would otherwise be required to spend money on schools and community colleges but not the total amount of State spending for schools and community colleges over the long run.

State Budget Process

The State Constitution requires the Governor to propose a budget to the State Legislature no later than January 10 of each year and requires the Legislature to adopt a final budget no later than June 15. The latter deadline was frequently missed when passage of the budget required a 2/3 majority of each house of the Legislature. The State’s voters approved an amendment to the State Constitution in November 2010 that lowered the vote requirement to a simple majority of each house of the State Legislature. The lower vote requirement also applies to the budget trailer bills that specifically appropriate funds. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. A two-thirds vote of each house of the State Legislature is still required to override any veto by the Governor. School district budgets must be adopted by the district’s governing board by July 1 and then revised within 45 days after the Governor signs the budget to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget.

Possible Delays in Apportionments. If the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district’s State funding may be treated differently. In 2002, a California Court of Appeal held in White v. Davis (also referred to as Jarvis v. Connell) that the State Controller cannot disburse State funds after the beginning of the fiscal year until the adoption of the budget bill or an emergency appropriation, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State constitution, such as appropriations for salaries of elected State officers, or (iii) required by federal law, such as payments to State workers (but at no more than minimum wage). The court specifically held that pre-budget disbursements of Proposition 98 funding for school districts are invalid. In 2003, the California Supreme Court upheld the decision of the Court of Appeal. During the 2003-04 State budget impasse, the State Controller nonetheless treated revenue limit (i.e., general purpose) apportionments to school districts as continuous legislative appropriations under statute. The State Controller did not disburse certain categorical and other funds to school districts until the 2003-04 Budget Act was enacted.

Additional Delays in Apportionments. During the Great Recession, the Legislature authorized intra-year and inter-year deferrals of certain payments otherwise payable at earlier dates in the fiscal year to K-12
schools. The use of this cash-flow management device by the State Legislature required some school districts to increase the size or frequency of their tax and revenue anticipation note borrowings.

**Fiscal Year 2016-17 Budget**

On June 27, 2016, the Governor approved the 2016-17 Budget Act. Starting with an estimated prior year balance of $4.87 billion, the 2015-16 State Budget includes projected general fund revenues and transfers of $125.184 billion and $122.468 billion in general fund expenditures. Based on these estimates and spending plans, the State would end Fiscal Year 2016-17 with $9,430 billion in reserves, comprising an ending fund balance of $2.716 billion ($966 million in the Reserve for Liquidation of Encumbrances and $1.75 billion in the Special Fund for Economic Uncertainties) and $6.714 billion in the State’s Budget Stabilization Account (sometimes referred to as the “Rainy Day Fund”).

The 2016-17 State Budget includes total funding of $88.3 billion ($51.6 billion General Fund and $36.7 billion other funds, including local property taxes) for all K-12 education programs. The Proposition 98 K-12 funding guarantee is estimated to be $63.496 billion for 2016-17, an increase of $2.5 billion above the 2015-16 amount. Under the Budget, K-12 Proposition 98 spending increases from $10,217 per student in 2015-16 to $10,657 in 2016-17.

The 2016-17 State Budget includes, among others, these significant provisions relating to K-12 funding, as described by the Department of Finance:

**Local Control Funding Formula:** Proposition 98 General Fund funding for school districts and charter schools will increase by more than $2.9 billion in 2016-17, an increase of 5.4%. The Governor estimates that the increase will bring the LCFF’s implementation to about 96% complete.

**Mandate Claims.** The Budget allocates approximately $1.3 billion in one-time moneys to reduce outstanding mandate claims by K-12 local education agencies. The funds may be used for any education purpose, but the State encourages local agencies to use them for deferred maintenance, professional development, instructional materials, technology and the implementation of new educational standards.

**Underfunding of Proposition 98 Settle up Obligations:** The Budget includes $218 million to restore prior-year underfunding of the Proposition 98 guarantee.

**Proposition 39 Energy Projects:** The Budget includes $399 million to support school district and charter school energy efficiency projects in 2016-17.

**College Readiness Block Grant.** The Budget includes a one-time increase of $200 million for grants to school districts and charter schools that serve high school students to provide additional services to support access and transitions to higher education and transition to higher education for English-learners and low-income and foster youth.

**No Proposition 98 Reserve Fund Deposit.** The Budget does not include any deposit into the Public School System Stabilization Account.

**Proposed Fiscal Year 2017-18 Budget**

On January 10, 2017, the Governor released his proposed State budget for Fiscal Year 2017-18 (the “Proposed Budget”). The Proposed Budget projects $125.2 billion in General Fund revenues, and the Governor’s spending plan proposes $122.5 billion in General Fund expenditures. From a projected starting balance of $1.0 billion, based on the Administration’s estimates, projections, and proposals, the Governor’s plan would result in a projected ending balance in the Special Fund for Economic Uncertainties (the State’s traditional budget reserve) of $1.6 billion. In addition, the Governor proposes to transfer $1.2 billion to the
Budget Stabilization Account (the “Rainy Day Fund” established by Proposition 2), producing a projected ending balance in that fund of $7.9 billion.

The Proposed Budget includes total funding of $90.7 billion ($52.2 billion of General Fund and $38.5 billion of other funds, including local property taxes) for all K-12 education programs. The Proposition 98 K-12 funding guarantee is estimated to be $73.5 billion for 2017-18, an increase of $2.1 billion above the revised 2016-17 amount. Under the Proposed Budget, K-12 Proposition 98 spending increases from $10,579 per student in 2016-17 to $10,910 in 2017-18.

The Proposed Budget includes, among others, these significant provisions relating to K-12 education funding, as described by the Department of Finance:

Local Control Funding Formula: The Proposed Budget adds $744 million in Proposition 98 General Fund funding for school districts and charter schools to continue their transition to full implementation of the LCFF. The Governor estimates that the increase will raise the LCFF’s implementation level to 96% complete.

Underfunding of Proposition 98 Settle up Obligations: The Proposed Budget includes $400 million to restore prior year underfunding of the Proposition 98 guarantee.

One-Time Discretionary Funding: The Proposed Budget provides an increase of $287 million in one-time Proposition 98 General Fund funding for school districts, charter schools and county offices of education to use at local discretion, although the increase will offset any applicable mandate reimbursement claims for these entities.

Local Property Tax Adjustments: As a result of higher offsetting property tax revenues, Proposition 98 General Fund funding for school districts and county offices of education will decrease by $149.2 million in 2016-17 and by $922.7 million in 2017-18.

School District Average Daily Attendance: As a result of decreases in projected ADA, funding for school districts would be decreased by $168.9 million in 2016-17 and by $63.1 million in 2017-18.

One Time Expenditure Shifts: The Governor proposes a combination of adjustments designed to lower the Proposition 98 guarantee amounts in Fiscal Years 2015-16 through 2017-18 in order to partially address a decline of almost $5.4 billion in General Fund tax revenues available to fund the guarantee. Those adjustments include a proposal to shift $310 million of one time discretionary funding expenditures attributable to Fiscal Year 2015-16 to 2016-17 and a proposal to shift $859.1 million in LCFF expenditures from June 2017 to July 2017.

Proposition 39 Energy Projects: The Proposed Budget includes $422.9 million to support school district and charter school energy efficiency projects in 2017-18.

Career Technical Education Funding: The Proposed Budget provides $200 million for the Career Technical Education Incentive Grant Program, the final installment of funding for this three year program initiated in the 2015 Budget Act. Commencing with 2018-19, schools will support the full cost of these programs within their LCFF allocations.

Cost-of-Living Increases for non-LCFF. An increase of $58.1 million to support a 1.48% cost of living adjustment for categorical programs that remain outside the LCFF, including Special Education, Child Nutrition, Foster Youth, American Indian Education Centers, and the American Indian Early Childhood Education Program.
No Proposition 98 Reserve Fund Deposit. The Proposed Budget does not include any deposit into the Public School System Stabilization Account.

Additional Information on State Finances

The full text of proposed and adopted State budgets may be found at the internet website of the California Department of Finance, www.dof.ca.gov, under the heading “California Budget.” The Legislative Analyst’s Office budget overviews and other analyses may be found at www.lao.ca.gov under the heading “Products.” In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of these budgets on school districts in the State, may be found at the website of the State Treasurer, www.treasurer.ca.gov or through the Municipal Securities Rulemaking Board’s EMMA website at emma.msrb.org.

Periodic reports on revenues and/or expenditures during the fiscal year are issued by the Governor’s Office, the State Controller’s Office and the LAO. The Department of Finance issues a monthly Bulletin, which reports the most recent revenue receipts as reported by state departments, comparing them to Budget projections. The Governor’s Office also formally updates its budget projections three times during each fiscal year, in January, May and at budget enactment. These bulletins and other reports are available on the Internet.

The information referred to above is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Future State Budgets

The District cannot predict what actions will be taken in the future by the Legislature and the Governor to deal with changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and state economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State’s ability to fund schools as budgeted.
APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2016
APPENDIX C

GENERAL INFORMATION ABOUT THE COUNTY OF BUTTE AND THE CITY OF CHICO

The following information concerning the County of Butte (the “County”) and the City of Chico (the “City”) is included only for the purpose of supplying general information regarding the area of the Chico Unified School District (the “District”). The Bonds are not a debt of the County, the City, the State of California (the “State”) or any of its political subdivisions, and neither the County, the City, the State nor any of its political subdivisions is liable therefor.

Population

The following table lists population figures for the County, cities within the County, and the State for calendar years 2010 and 2012 through 2016.

COUNTY OF BUTTE
Population Estimates
Calendar Years 2010 and 2012 through 2016

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State of California</td>
<td>37,253,956</td>
<td>37,881,357</td>
<td>38,239,207</td>
<td>38,567,459</td>
<td>38,907,642</td>
<td>39,255,883</td>
</tr>
<tr>
<td>Total Butte County(2)</td>
<td>220,000</td>
<td>221,064</td>
<td>222,250</td>
<td>223,120</td>
<td>224,121</td>
<td>224,601</td>
</tr>
<tr>
<td>Biggs</td>
<td>1,707</td>
<td>1,704</td>
<td>1,718</td>
<td>1,713</td>
<td>1,771</td>
<td>1,899</td>
</tr>
<tr>
<td>Chico</td>
<td>86,187</td>
<td>88,179</td>
<td>89,752</td>
<td>90,711</td>
<td>91,795</td>
<td>92,464</td>
</tr>
<tr>
<td>Gridley</td>
<td>6,584</td>
<td>6,512</td>
<td>6,607</td>
<td>6,606</td>
<td>6,595</td>
<td>6,575</td>
</tr>
<tr>
<td>Oroville</td>
<td>15,546</td>
<td>15,520</td>
<td>15,963</td>
<td>15,958</td>
<td>16,088</td>
<td>17,996</td>
</tr>
<tr>
<td>Paradise</td>
<td>26,218</td>
<td>25,879</td>
<td>25,588</td>
<td>25,569</td>
<td>25,501</td>
<td>25,405</td>
</tr>
<tr>
<td>Balance of County</td>
<td>83,758</td>
<td>83,270</td>
<td>82,622</td>
<td>82,563</td>
<td>82,371</td>
<td>80,262</td>
</tr>
</tbody>
</table>

(1) Decennial Census.
(2) Figures may not add due to independent rounding.

Industry and Employment

The table below provides information about employment rates and employment by industry type for the County for calendar years 2011 through 2015. Unemployment rates are not available for the District.

<table>
<thead>
<tr>
<th>County of Butte</th>
<th>Civilian Labor Force, Employment and Unemployment</th>
<th>Calendar Years 2011 through 2015</th>
<th>Annual Averages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Civilian Labor Force (1)</td>
<td></td>
<td>100,600</td>
<td>101,100</td>
</tr>
<tr>
<td>Employment</td>
<td></td>
<td>86,900</td>
<td>88,900</td>
</tr>
<tr>
<td>Unemployment</td>
<td></td>
<td>13,800</td>
<td>12,300</td>
</tr>
<tr>
<td>Unemployment Rate(2)</td>
<td></td>
<td>13.7%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Wage and Salary Employment: (3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm</td>
<td></td>
<td>2,700</td>
<td>2,800</td>
</tr>
<tr>
<td>Mining, Logging &amp; Construction</td>
<td></td>
<td>2,300</td>
<td>2,400</td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td>3,700</td>
<td>3,900</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td></td>
<td>1,800</td>
<td>1,800</td>
</tr>
<tr>
<td>Retail Trade</td>
<td></td>
<td>9,200</td>
<td>9,500</td>
</tr>
<tr>
<td>Transportation, Warehousing &amp; Utilities</td>
<td></td>
<td>1,600</td>
<td>1,600</td>
</tr>
<tr>
<td>Information</td>
<td></td>
<td>1,100</td>
<td>1,100</td>
</tr>
<tr>
<td>Financial Activities</td>
<td></td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td></td>
<td>5,100</td>
<td>5,500</td>
</tr>
<tr>
<td>Educational and Health Services</td>
<td></td>
<td>15,500</td>
<td>15,700</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td></td>
<td>7,200</td>
<td>7,400</td>
</tr>
<tr>
<td>Other Services</td>
<td></td>
<td>3,700</td>
<td>3,700</td>
</tr>
<tr>
<td>Federal Government</td>
<td></td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>State Government</td>
<td></td>
<td>3,700</td>
<td>3,800</td>
</tr>
<tr>
<td>Local Government</td>
<td></td>
<td>11,500</td>
<td>11,500</td>
</tr>
<tr>
<td>Total all Industries (4)</td>
<td></td>
<td>72,500</td>
<td>74,200</td>
</tr>
</tbody>
</table>

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) The unemployment rate is calculated using unrounded data.
(3) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(4) Data may not add due to rounding.

Largest Employers

The following tables list the largest manufacturing and non-manufacturing employers within the County in alphabetical order:

### COUNTY OF BUTTE
#### Largest Employers

<table>
<thead>
<tr>
<th>Employer Name</th>
<th>Location</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butte Community Insurance Agency</td>
<td>Chico</td>
<td>Insurance</td>
</tr>
<tr>
<td>Butte County Comm Employment</td>
<td>Oroville</td>
<td>Employment Agencies &amp; Opportunities</td>
</tr>
<tr>
<td>Butte County Mental health Svc</td>
<td>Chico</td>
<td>Mental Health Services</td>
</tr>
<tr>
<td>Butte County Social Welfare</td>
<td>Oroville</td>
<td>Government Offices-County</td>
</tr>
<tr>
<td>California State University</td>
<td>Chico</td>
<td>Schools – Universities &amp; Colleges Academic</td>
</tr>
<tr>
<td>Chico High School</td>
<td>Chico</td>
<td>Schools</td>
</tr>
<tr>
<td>County Sheriff</td>
<td>Oroville</td>
<td>Sheriff</td>
</tr>
<tr>
<td>Enloe Homecare &amp; Hospice</td>
<td>Chico</td>
<td>Physical Therapists</td>
</tr>
<tr>
<td>Enloe Medical Center</td>
<td>Chico</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Enloe Medical Center</td>
<td>Chico</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Enloe Medical Ctr Prompt Care</td>
<td>Chico</td>
<td>Clinics</td>
</tr>
<tr>
<td>Feather Falls Casino KOA</td>
<td>Oroville</td>
<td>Campgrounds</td>
</tr>
<tr>
<td>Feather River Hospital</td>
<td>Paradise</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Gold Country Casino &amp; Hotel</td>
<td>Oroville</td>
<td>Casinos</td>
</tr>
<tr>
<td>Knife River Construction</td>
<td>Chico</td>
<td>Asphalt &amp; Asphalt Products</td>
</tr>
<tr>
<td>Lifetouch National Schl Studio</td>
<td>Chico</td>
<td>Photographers-Portrait</td>
</tr>
<tr>
<td>Northern California Homes</td>
<td>Paradise</td>
<td>Real Estate</td>
</tr>
<tr>
<td>Pacific Coast Producers</td>
<td>Oroville</td>
<td>Canning (mfrs)</td>
</tr>
<tr>
<td>Pella Windows &amp; Doors</td>
<td>Chico</td>
<td>Windows</td>
</tr>
<tr>
<td>Sierra Nevada Brewing Co.</td>
<td>Chico</td>
<td>Brewers (mfrs)</td>
</tr>
<tr>
<td>United Healthcare</td>
<td>Chico</td>
<td>Medical Insurance Plans</td>
</tr>
<tr>
<td>Walmart</td>
<td>Chico</td>
<td>Department Stores</td>
</tr>
<tr>
<td>Wahah Farms Inc.</td>
<td>Richvale</td>
<td>Rice Mills (mfrs)</td>
</tr>
<tr>
<td>Wil-Ker-Son Ranch &amp; Packing Co.</td>
<td>Gridley</td>
<td>Fruits &amp; Vegetables-Growers &amp; Shippers</td>
</tr>
<tr>
<td>Wittmeier Chevrolet</td>
<td>Chico</td>
<td>Automobile Dealers – new cars</td>
</tr>
</tbody>
</table>

Personal Income

The following table summarizes total personal income for the County for the period from 2010 to 2015.

COUNTY OF BUTTE
PERSONAL INCOME\(^{(1)}\)
2010 - 2015
(in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Butte County</th>
<th>Annual Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$7,279,595</td>
<td>--</td>
</tr>
<tr>
<td>2011</td>
<td>7,575,042</td>
<td>4.06%</td>
</tr>
<tr>
<td>2012</td>
<td>7,791,282</td>
<td>2.85%</td>
</tr>
<tr>
<td>2013</td>
<td>8,138,162</td>
<td>4.45%</td>
</tr>
<tr>
<td>2014</td>
<td>8,418,228</td>
<td>3.44%</td>
</tr>
<tr>
<td>2015(^{(2)})</td>
<td>9,009,925</td>
<td>7.03%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Estimates for 2010-2015 reflect County population estimates available as of March 2016.
\(^{(2)}\) Latest data available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

The following table summarizes per capita personal income for the County, the State of California and the United States for the period from 2010 through 2015.

COUNTY OF BUTTE
PER CAPITA PERSONAL INCOME\(^{(1)}\)
2010 - 2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Butte County</th>
<th>California</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$33,093</td>
<td>$43,315</td>
<td>$40,277</td>
</tr>
<tr>
<td>2011</td>
<td>34,429</td>
<td>45,820</td>
<td>42,453</td>
</tr>
<tr>
<td>2012</td>
<td>35,222</td>
<td>48,312</td>
<td>44,267</td>
</tr>
<tr>
<td>2013</td>
<td>36,633</td>
<td>48,471</td>
<td>44,462</td>
</tr>
<tr>
<td>2014</td>
<td>37,576</td>
<td>50,988</td>
<td>46,414</td>
</tr>
<tr>
<td>2015(^{(2)})</td>
<td>39,971</td>
<td>53,741</td>
<td>48,112</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2010-2015 reflect county population estimates available as of March 2016.
\(^{(2)}\) Latest data available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis
Commercial Activity

A summary of historic taxable sales within the City and County during the past six years in which data are available is shown in the following table.

**CITY OF CHICO AND COUNTY OF BUTTE**

**Taxable Retail Sales**

**Number of Permits and Valuation of Taxable Transactions**

(dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th>City of Chico</th>
<th>County of Butte</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of</td>
<td>Taxable</td>
</tr>
<tr>
<td></td>
<td>Permits</td>
<td>Transactions</td>
</tr>
<tr>
<td>2009</td>
<td>2,567</td>
<td>$1,367,715</td>
</tr>
<tr>
<td>2010</td>
<td>2,613</td>
<td>1,429,638</td>
</tr>
<tr>
<td>2011</td>
<td>2,594</td>
<td>1,502,415</td>
</tr>
<tr>
<td>2012</td>
<td>2,651</td>
<td>1,592,290</td>
</tr>
<tr>
<td>2013</td>
<td>2,761</td>
<td>1,665,868</td>
</tr>
<tr>
<td>2014 (1)</td>
<td>2,780</td>
<td>1,747,637</td>
</tr>
</tbody>
</table>

(1) Latest annual data available.

*Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax)*.

Construction Activity

A summary of historic residential building permit valuation for the City and County during the past five years in which data are available is shown in the following table.

**CITY OF CHICO AND COUNTY OF BUTTE**

**Residential Building Permit Valuation**

<table>
<thead>
<tr>
<th>Year</th>
<th>Units</th>
<th>Valuation</th>
<th>Year</th>
<th>Units</th>
<th>Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>91</td>
<td>$20,548,085</td>
<td>2011</td>
<td>205</td>
<td>$42,691,853</td>
</tr>
<tr>
<td>2012</td>
<td>133</td>
<td>33,021,127</td>
<td>2012</td>
<td>231</td>
<td>61,207,212</td>
</tr>
<tr>
<td>2013</td>
<td>254</td>
<td>64,719,873</td>
<td>2013</td>
<td>339</td>
<td>90,740,768</td>
</tr>
<tr>
<td>2014</td>
<td>226</td>
<td>58,752,359</td>
<td>2014</td>
<td>380</td>
<td>92,522,396</td>
</tr>
<tr>
<td>2015</td>
<td>289</td>
<td>76,941,272</td>
<td>2015</td>
<td>389</td>
<td>124,758,217</td>
</tr>
</tbody>
</table>

*Source: U.S. Bureau of the Census*
APPENDIX D

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Board of Education
Chico Unified School District
Chico, California

Re: $__________
Chico Unified School District

Final Opinion of Bond Counsel

Members of the Board of Education:

We have acted as bond counsel in connection with the issuance by the Chico Unified School District (the “District”) of $__________ principal amount of Chico Unified School District, General Obligation Bonds, Election of 2016, Series A-1 and A-2 (together, the “Bonds”). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

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

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property in the territory of the District is subject to ad valorem taxation without limitation regarding rate or amount (except certain personal property that is taxable at limited rates) to pay the Bonds. Butte County is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from State of California personal income taxation.
The rights of the owners of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD,
A Professional Corporation
APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE
APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

The information in this appendix has been provided by the Depository Trust Company ("DTC"), New York, New York, for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants, or Indirect Participants will distribute to the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants, or DTC Indirect Participants will act in the manner described in this Official Statement.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of the Bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.
To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMN Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Debt service payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of debt service on or redemption of the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent; disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bonds certificates will be printed and delivered to DTC.

The information in this appendix concerning DTC and DTC’s book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.
CHICO UNIFIED SCHOOL DISTRICT  
(Butte County, California)  
[A-1 PAR AMOUNT]  
GENERAL OBLIGATION BONDS  
ELECTION OF 2016, SERIES A-1  

[A-2 PAR AMOUNT]  
GENERAL OBLIGATION BONDS  
ELECTION OF 2016, SERIES A-2  

CONTINUING DISCLOSURE CERTIFICATE  

Dated: [closing date]  

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is delivered by the Chico Unified School District (the “District”) in connection with the issuance of the above-referenced bonds (collectively, the “Bonds”) pursuant to a Paying Agent Agreement dated March 1, 2017 (the “Paying Agent Agreement”), between the District and The Bank of New York Mellon Trust Company, N.A. (the “Paying Agent”). The District covenants and agrees as follows:  

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

Section 2. Definitions. In addition to the definitions set forth 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:  

Annual Report means any Annual Report provided by the District pursuant to, and as described in, Sections 3 (Provision of Annual Reports) and 4 (Content of Annual Reports) of this Disclosure Certificate.  

Beneficial Owner means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.  

Dissemination Agent means Isom Advisors, A Division of Urban Futures, Incorporated, or any successor Dissemination Agent designated in writing by the District (which may be the District) and that has filed with the District a written acceptance of such designation.  

EMMA or Electronic Municipal Market Access means the centralized on-line repository for documents filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.  

Bondholder or Holder means the registered owner of the Bonds.  

Listed Events means any of the events listed in Sections 5(a) and 5(b) of this Disclosure Certificate.
MSRB means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information, which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

**Official Statement** means the final Official Statement dated ____________, 2017 relating to the Bonds.

**Opinion of Bond Counsel** means a written opinion of a law firm or attorney experienced in matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes.

**Participating Underwriter** means Morgan Stanley & Co. LLC, or any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

**Repositories** means MSRB or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future. (As of the date of this Certificate, there is no California state information repository.)

**Rule** means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**State** means the State of California.

**Section 3. Provision of Annual Reports.**

a. **Delivery of Annual Report to Repositories.** The District shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of the District’s fiscal year (which currently ends on June 30), commencing with the report for the 2016-17 fiscal year, provide to the Repositories an Annual Report that is consistent with the requirements of Section 4 (Content of Annual Reports) of this Disclosure Certificate. The Annual Report may be submitted as a single document or as a package of separate documents and may include by cross-reference other information as provided in Section 4 (Content of Annual Reports) of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

b. **Change of Fiscal Year.** If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d) (Notice of Listed Events).

c. **Delivery of Annual Report to Dissemination Agent.** Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report, in a format suitable for reporting to the Repositories, to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the District shall send a notice to the Repositories in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.
d. Report of Non-Compliance. If the District is unable to provide an Annual Report to the Repositories by the date required in subsection (a) of this Section, the Dissemination Agent shall send a notice in a timely manner to the Repositories in substantially the form attached as Exhibit A.

e. Annual Compliance Certification. The Dissemination Agent shall if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

**Section 4. Content and Form of Annual Reports.**

a. The District’s Annual Report shall contain or include by reference the following:

(1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the time the Annual Report is required to be filed 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 filed in the same manner as the Annual Report when they become available;

(2) Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District’s audited financial statements):

(i) State funding received by the District for the last completed fiscal year;

(ii) average daily attendance of the District for the last completed fiscal year;

(iii) outstanding District indebtedness;

(iv) adopted budget for the current fiscal year, or a summary thereof;

(v) assessed value of taxable property in the District as shown on the recent equalized assessment role; and

(vi) property tax levies, collections and delinquencies for the District, for the prior fiscal year, to the extent the County of Butte no longer implements the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds, as provided for in Section 4701 et seq. of the California Revenue and Taxation Code, for ad valorem tax levies within the District.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal
Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

The Annual Report shall be filed in an electronic format, and accompanied by identifying information, prescribed by the Municipal Securities Rulemaking Board.

Section 5. Reporting of Significant Events.

Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

(1) principal and interest payment delinquencies.
(2) tender offers.
(3) defeasances.
(4) rating changes.
(5) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
(6) unscheduled draws on the debt service reserves reflecting financial difficulties.
(7) unscheduled draws on credit enhancement reflecting financial difficulties.
(8) substitution of the credit or liquidity providers or their failure to perform.
(9) bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the 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 District, 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 District.

Pursuant to the provisions of this Section 5(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:

(1) non-payment related defaults.
(2) modifications to rights of Bondholders.

(3) optional, contingent or unscheduled Bond calls.

(4) unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

(5) release, substitution or sale of property securing repayment of the Bonds.

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

(7) Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

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

If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repositories in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repositories in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District’s determination of materiality pursuant to Section 5(c).

Section 6. Filings with MSRB. All documents provided to MSRB under this Disclosure Certificate shall be filed in a readable PDF or other electronic format as prescribed by MSRB and shall be accompanied by identifying information as prescribed by MSRB.

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the delivery to the District of an Opinion of Bond Counsel to the effect that continuing disclosure is no longer required. 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(d) (Notice of Listed Events).

Section 8. Dissemination Agent.

a. Appointment of Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without
appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. 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 and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District.

b. **Compensation of Dissemination Agent.** The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

c. **Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense, and liability that it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s negligence or willful misconduct. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders, or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the District or an Opinion of Bond Counsel. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Certificate.

**Section 9. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the District that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a. **Change in Circumstances.** If the amendment or waiver relates to the provisions of Sections 3(a) (Delivery of Annual Report to Repositories), 4 (Content of Annual Reports), or 5(a) (Significant Events), 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. **Compliance as of Issue Date.** The undertaking, as amended or taking into account such waiver, would 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 the District obtains an Opinion of Bond Counsel to that effect; and

c. **Consent of Holders; Non-impairment Opinion.** The amendment or waiver either (i) is approved by the Bondholders in the same manner as provided in the Paying Agent Agreement for amendments to the Paying Agent Agreement with the consent of Bondholders, or (ii) does not
materially impair the interests of the Bondholders and the District obtains an Opinion of Bond Counsel to that effect.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the District shall describe such amendment or waiver in the next following 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(d) (Notice of Listed Events), 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 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate any Bondholder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Paying Agent Agreement, and the sole remedy under this Disclosure Certificate if the District fails to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters, Bondholders, and Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.

[signature page follows]
IN WITNESS WHEREOF, the District has caused this Continuing Disclosure Certificate to be executed by its authorized officer as of the day and year first above written.

CHICO UNIFIED SCHOOL DISTRICT

By: ______________________________
    Assistant Superintendent Business Services
EXHIBIT A
FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: Chico Unified School District
Date of Delivery: [closing date]

NOTICE IS HEREBY GIVEN that the Chico Unified School District (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by a Continuing Disclosure Certificate executed [closing date], with respect to the above-captioned bond issue. The District anticipates that the Annual Report will be filed by ________.

CHICO UNIFIED SCHOOL DISTRICT

By: [SAMPLE ONLY]________
Authorized Officer
CHICO UNIFIED SCHOOL DISTRICT
(Butte County, California)

$[A-1 PAR AMOUNT] GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES A-1

$[A-1 PAR AMOUNT] GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES A-2

BOND PURCHASE AGREEMENT

[SALE DATE]

Board of Education
Chico Unified School District
1163 East Seventh Street
Chico, CA 95928

Ladies and Gentlemen:

The undersigned, Morgan Stanley & Co. LLC, as underwriter (the “Underwriter”) hereby offers to enter into this Bond Purchase Agreement with the Chico Unified School District (the “District”), which, upon acceptance of this offer by the District, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Bond Purchase Agreement by execution by the Superintendent or other authorized officers of the District and the delivery of such acceptance to the Underwriter at or prior to 5:00 p.m., Pacific Time, on [SALE DATE], and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the District at any time prior to the acceptance hereof by the District.

1. Definitions. All capitalized terms not defined herein shall have the meaning ascribed to them in the Preliminary Official Statement of the District, dated ____________, 2017, with respect to the public offering of the Bonds, unless a different meaning clearly appears from the context, and the following words and terms shall have the following meanings, respectively:

Bond Counsel means Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation.

Bond Purchase Agreement means this Bond Purchase Agreement.

Bonds means, collectively, the Chico Unified School District, Butte County, California, General Obligation Bonds, Election of 2016, Series A-1 (the “Series A-1 Bonds”), and the Chico Unified School District, Butte County, California, General Obligation Bonds, Election of 2016, Series A-2 (the “Series A-2 Bonds”), issued pursuant to the Paying Agent Agreement.

Business Day means a day on which banks located in California are not required or authorized by law to be closed and the New York Stock Exchange is not closed.

Code means the Internal Revenue Code of 1986, as amended.
Closing Date means the date of payment for and delivery of the Bonds as established pursuant to Section 6 (Closing) hereof.

Closing Time means the time at which payment for and delivery of the Bonds shall occur, as established pursuant to Section 6 (Closing) hereof.

Continuing Disclosure Certificate means that certain Continuing Disclosure Certificate dated as of the Closing Date executed by the District.

District Documents means the Paying Agent Agreement, this Bond Purchase Agreement, and the Continuing Disclosure Certificate.

District Resolution means the resolution of the Board of Education of the District approving the issuance, sale, execution and delivery of the Bonds and the execution and delivery of the District Documents, approving the Preliminary Official Statement, and authorizing execution of the Official Statement and distribution of the Preliminary Official Statement and the Official Statement.

[Insurance Policy means the municipal bond insurance policy issued by the Insurer and delivered simultaneously with the issuance and delivery of the Bonds, which will insure payment of the principal of and interest on the Bonds.]

[Insurer means _______________________.]

Official Statement means the final Official Statement of the District, dated the date hereof, relating to the Bonds, together with the cover page thereof and all appendices, exhibits, amendments and supplements thereto, provided by the District.

Paying Agent means The Bank of New York Mellon Trust Company, N.A.

Paying Agent Agreement means that certain Paying Agent Agreement, entered into between the District and the Paying Agent, dated April 1, 2017, as amended and supplemented from time to time.

Preliminary Official Statement means the Preliminary Official Statement of the District, dated __________, 2017, relating to the Bonds, together with the cover page thereof and all appendices, exhibits, amendments and supplements thereto provided by the District.

State means the State of California.

2. **Purchase, Sale, and Delivery of the Bonds.**

(A) Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties, and agreements set forth herein, the Underwriter hereby agrees to purchase from the District for offering to the public, and the District hereby agrees to execute and deliver to or upon the order of the Underwriter all (but not less than all) of the Bonds, duly authenticated by the Paying Agent. The aggregate purchase price to be paid by the Underwriter for the Bonds shall be $__________, which equals the principal amount of the Bonds of $__________, plus net original issue premium/minus discount of $__________, less
Underwriter’s discount of $________. Payment for the Bonds shall be made in federal funds or through wire transfer of federal funds. The Bonds shall be released for delivery by the District no later than the Closing Time. The Underwriter will accept delivery of the Bonds through the facilities of The Depository Trust Company ("DTC") utilizing DTC’s FAST delivery system, or at such other place as the District and the Underwriter may otherwise mutually agree upon.

(B) **Arm’s Length Transaction.** The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the District and the Underwriter; (ii) in connection with such transaction and with the disclosures, undertakings, and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and not as agent or fiduciary of the District; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the District with respect to (a) the offering of the Bonds, or the process leading thereto (whether or not the Underwriter has advised or is currently advising the District on other matters); or (b) any other obligation to the District except the obligations expressly set forth in this Bond Purchase Agreement; and (iv) the District has consulted with its own legal, financial, and other professional advisors to the extent it has deemed appropriate in connection with the Bonds. The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB").

3. **Terms of the Bonds.** The Bonds shall be substantially in the form described in, shall be issued and secured pursuant to, shall be dated and be payable as provided in, shall bear interest at the rates, shall mature on the dates, and shall be subject to redemption as provided in the Paying Agent Agreement and Exhibit A hereto. The Bonds are to be initially registered in the name of Cede & Co., as nominee for DTC. The Bonds will be in such authorized denominations as described in the Official Statement. CUSIP identification numbers will be printed on the Bonds.

4. **Official Statement.**

   (A) **Preliminary Official Statement.** The District represents that it has duly authorized and caused the preparation and delivery of the Preliminary Official Statement, and confirms that the Preliminary Official Statement was deemed final for purposes of Rule 15c2-12 adopted under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), as of its date, except for final information as to the offering prices, interest rates, selling compensation, amount of proceeds, delivery dates, other terms of the Bonds depending on such factors, and other information permitted to be omitted under Rule 15c2-12. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement. The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first-class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

   (B) **Final Official Statement.** The District agrees to deliver to the Underwriter as many copies of the final Official Statement, which includes the information omitted from the Preliminary Official Statement in accordance with Rule 15c2-12, and any
supplements or amendments thereto as have been approved by the Underwriter, as the Underwriter shall reasonably request to enable it to meet its obligations under Rule 15c2-12 and under Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The District agrees to deliver such Official Statements within seven business days after the execution hereof (or earlier if necessary to accompany any confirmation that requires payment from any customer).

(C) End of the Underwriting Period. The "End of the Underwriting Period" is used as defined in Rule 15c2-12 and shall occur on the later of (i) the Closing Date; or (ii) when the Underwriter no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter to the District on or prior to the Closing Date, or otherwise agreed to by the District and the Underwriter, the District may assume that the End of the Underwriting Period is the Closing Date.

(D) Amendments or Supplements to Official Statement. If at any time prior to the twenty-fifth (25) day after the End of the Underwriting Period (or such other period as may be agreed to by the District and the Underwriter), any event occurs as a result of which it may be necessary to supplement the Official Statement in order to make the statements therein relating to the District, in light of the circumstances existing at such time, not misleading, the District shall forthwith notify the Underwriter in writing of any such event of which it has knowledge and, if in the opinion of the Underwriter such event requires an amendment or supplement to the Official Statement, the District will at its expense amend or supplement the Official Statement in a form and manner approved by the Underwriter. Any information supplied by the District for inclusion in any amendments or supplements to the Official Statement will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

5. Public Offering of the Bonds. The Underwriter agrees to offer the Bonds for sale to the public at the initial public offering price or prices (or yield or yields) set forth on Exhibit A attached hereto and made a part hereof; provided, however, that the Underwriter reserves the right to change such initial public offering prices or yields as the Underwriter deems necessary or desirable, in its sole discretion in connection with the marketing of the Bonds, and to sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or higher than the yields set forth in the Official Statement. The Underwriter also reserves the right (a) to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market, and (b) to discontinue such stabilizing, if commenced, at any time. A public offering shall include an offering to a representative number of institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold.

6. Closing. The Closing Time shall be no later than 9:00 a.m., Pacific Time, on December 13, 2017, or at such earlier or later time or on such earlier date as shall have been
mutually agreed upon by the District and the Underwriter. The documents described in Section 8(E) (Receipt of Documents) hereof shall be delivered to the Underwriter at the Closing Time; and the Underwriter will accept delivery of such documents and pay the purchase price for the Bonds as described above. Delivery of such documents shall be made at the offices of Bond Counsel, 400 Capitol Mall, 27th Floor, Sacramento, California, or at such other place as shall have been mutually agreed upon by the District and the Underwriter. The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, the District Documents, the District Resolution, the Preliminary Official Statement and the Official Statement, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Bond Purchase Agreement.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees to the Underwriter that:

(A) **Valid Existence.** The District is a school district duly organized and validly existing under the laws of the State.

(B) **Authority.** The District has full legal right, power and authority under the laws of the State (i) to enter into the District Documents and to adopt the District Resolution; (ii) to approve and execute the Official Statement; (iii) to issue, execute, sell, and deliver the Bonds to the Underwriter as provided herein; (iv) to perform its obligations under the District Documents and the District Resolution; and (v) to consummate the transactions as described in the District Documents and the Official Statement.

(C) **Official Action.** By all necessary action, the District has duly approved the Preliminary Official Statement and authorized: (i) the execution and delivery of the District Documents and the issuance, sale, execution, and delivery of the Bonds; (ii) approval of the final Official Statement and the signing of the Official Statement by the District’s Superintendent or Senior Director of Fiscal Services, or their designee; (iii) distribution of the Preliminary Official Statement and the Official Statement by the Underwriter; and (iv) the performance of the District’s obligations under the District Documents and the District Resolution and the consummation of the transactions to be consummated on its part as described therein and in the Official Statement.

(D) **Validity of Documents.** Assuming due authorization, execution, and delivery by the other parties thereto, this Bond Purchase Agreement and the District Resolution are in full force and effect as of the date hereof and the other District Documents and the Bonds, upon execution thereof, will each constitute valid and binding agreements or obligations of the District, enforceable in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors’ rights generally or by equitable principles.

(E) **Government Approvals.** All consents, approvals, authorizations, orders, licenses, or permits of any governmental authority, legislative body, board, agency, or commission having jurisdiction of the matter (i) that are required for the due authorization by the District; or (ii) that would constitute a condition precedent to, or the absence of which would materially adversely affect, the issuance, sale, or delivery of the Bonds or the due performance
by the District of its obligations under the District Documents and the District Resolution, have been duly obtained (except for such approvals, consents, and orders as may be required under the Blue Sky or other securities laws of any state in connection with the offering and sale of the Bonds, as to which no representation is made).

(F) **No Violation of Law.** The issuance, sale, and delivery of the Bonds, the execution and delivery of the District Documents, the adoption of the District Resolution, and compliance with the District’s obligations therein will not violate any such constitutional provision, law, administrative regulation, judgment, or decree.

(G) **No Breach of Contracts.** The issuance, sale, and delivery of the Bonds, the execution and delivery of the District Documents, the adoption of the District Resolution, and compliance with the District’s obligations herein and therein will not conflict with, result in a breach of or constitute a default under the Constitution of the State or any existing law, any loan agreement, indenture, bond, note, resolution, agreement, mortgage, lease, or other instrument to which the District is a party or by which it is bound.

(H) **No Litigation.** As of the date hereof and except as may be described in the Official Statement, no action or proceeding before any court, governmental agency or arbitrator is pending or overtly threatened in writing against the District (i) in any way affecting the existence of the District or in any way challenging the respective powers of the Board of Education of the District or any officer of the District who is required to act with respect to the issuance, execution, sale, and delivery of the Bonds, the adoption of the District Resolution, or the execution and delivery of the District Documents; (ii) affecting or seeking to prohibit, restrain, or enjoin the issuance, sale, execution, or delivery of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the Paying Agent Agreement; (iii) in any way contesting or affecting the validity or enforceability of the Bonds, the District Resolution, or the District Documents, the powers of the District, or its authority with respect to the issuance, sale, or delivery of the Bonds or the execution and delivery of the District Documents; (iv) in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement; (v) in any way contesting or challenging the consummation of the transactions contemplated by the Official Statement or the District Documents; or (vi) in which a final adverse decision could materially adversely affect the operations of the District or adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxes.

(I) **No Debt Issues.** Between the date hereof and the Closing Time, without the written consent of the Underwriter, which consent will not be unreasonably withheld, the District will not offer or issue (or request the County of Butte to issue on its behalf) any bonds, notes, or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the District.

(J) **“Blue Sky” Qualification.** The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to
continue such qualifications in effect so long as required for distribution of the Bonds; provided, however, that the District shall not be required to register as a broker-dealer in any state or other jurisdiction of the United States.

(K) **Accuracy of Preliminary Official Statement.** As of the date thereof, and at the time of the District’s acceptance hereof, the Preliminary Official Statement (except for any information about the Insurer or DTC) did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in the Preliminary Official Statement, in light of the circumstances under which they were made, not misleading.

(L) **Accuracy of Official Statement.** As of the date hereof, and (unless an event occurs of the nature described in Section 4(D) (Amendments or Supplements to Official Statement)) at all times subsequent hereto, up to and including the end of the underwriting period as described in Section 4(C) (End of the Underwriting Period), the Official Statement (except for any information about the Insurer or DTC) does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in the Official Statement, in light of the circumstances under which they are made, not misleading.

(M) **Accuracy of Supplemented Official Statement.** If the Official Statement is supplemented or amended pursuant to Section 4(D) (Amendments or Supplements to Official Statement), at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such Section) at all times subsequent thereto up to and including the end of the underwriting period as described in Section 4(C) (End of the Underwriting Period), the Official Statement as so supplemented or amended (except for any information about the Insurer or DTC) will not 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 under which they were made, not misleading.

(N) **Officials’ Certificates.** Any certificate signed by any officer or representative of the District with respect to the Bonds or the District Documents and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein.

(O) **No Arbitrage.** The District shall not take any action or fail to take any action, or permit any action or omission with regard to which the District may exercise control, with respect to the proceeds of the Bonds that, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused interest on the Bonds not to be excludable from gross income for federal income tax purposes.

(P) **Financial Statements of District.** The financial statements of the District contained in the Preliminary Official Statement and final 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.
(Q) Levy of Tax. The District hereby agrees to take any and all actions as may be required by Butte County (the "County") or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds.

8. **Conditions to the Underwriter’s Obligations.** The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties, and obligations of the District contained herein, in the other District Documents, and in the other documents and instruments to be delivered on the Closing Date. Accordingly, the Underwriter’s obligations under this Bond Purchase Agreement shall be subject to the following conditions:

(A) **Representations and Warranties.** The representations and warranties of the District contained herein shall be true, complete, and correct in all material respects at the date hereof and at and as of the Closing Time, as if made at and as of the Closing Time and will be confirmed by a certificate or certificates of the appropriate District officer or officers dated the Closing Date; the statements made in all Bonds and other documents delivered to the Underwriter at the Closing Time pursuant hereto shall be true, complete, and correct in all material respects at the Closing Time; and the District shall be in compliance with each of the warranties, agreements, and covenants made by it in the District Documents.

(B) **Actions and Obligations.** (i) At the Closing Time, all actions that in the opinion of Bond Counsel are necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect; and (ii) the District shall perform or have performed all of its obligations required under or specified in the District Documents to be performed at or prior to the Closing Time.

(C) **Actions Relating to Documents.** As of the date hereof and at the Closing Time, all necessary actions of the District relating to the District Documents and the Official Statement, and all other matters with respect to authorization, issuance, execution, sale, and delivery of the Bonds, shall have been taken and shall be in full force and effect and shall not have been amended, modified, or supplemented in any material respect, except as agreed to in writing by the Underwriter.

(D) **No Material Change.** Subsequent to the date hereof and up to and including the Closing Time, there shall not have occurred any change in the financial position, results of operations, or condition, financial or otherwise, of the District; or in any of the District Documents, as the foregoing matters are described in the Official Statement, that in the reasonable judgment of the Underwriter would materially impair the investment quality of the Bonds.

(E) **Receipt of Documents.** At or prior to Closing Date, the Underwriter shall receive a transcript of all proceedings relating to the authorization, issuance, execution, sale, and delivery of the Bonds, certified by such officer or officers of the District as shall be satisfactory to the Underwriter, specifically including copies of each of the following documents:

(i) **Official Statement.** The Official Statement delivered in accordance with Section 4 (Official Statement) hereof and each supplement or amendment, if
any, each executed by the Superintendent or Assistant Superintendent, Business Services, or their designee, or such other authorized officer of the District.

(ii) Final Opinion of Bond Counsel. An approving legal opinion of Bond Counsel, dated the Closing Date, in the form of Appendix D to the Official Statement, and a letter from Bond Counsel addressed to the Underwriter authorizing the Underwriter to rely on that opinion.

(iii) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel, addressed to the Underwriter, in form and substance to the effect that:

(1) The statements and information contained in the Official Statement on the cover page and under the captions “INTRODUCTION,” “THE BONDS” (except for the information under the captions “Book-Entry Only System”), “LEGAL MATTERS,” and “TAX MATTERS,” and in Appendices D and E, insofar as such statements purport to summarize certain provisions of the Bonds, the Paying Agent Agreement and such counsel’s opinion with respect to the validity of, and certain Federal and State of California tax matters relating to, the Bonds, are true and accurate in all material respects;

(2) The Bonds are exempt from registration under the Securities Act of 1933, as amended (the “1933 Act”), and the Paying Agent Agreement is exempt from qualification as an indenture of trust pursuant to the Trust Indenture Act of 1939, as amended; and

(3) The District Documents have been duly authorized, executed and delivered by the District, and, assuming due authorization, execution and delivery by the other parties thereto, constitute the legal, valid and binding agreements of the District enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting the enforcement of creditors’ rights generally and equitable remedies if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and limitations on remedies against public agencies, and except as the enforceability of the indemnification or waiver provisions contained in the District Documents may be limited by applicable securities laws or public policy.

(iv) Disclosure Counsel Opinion. An opinion, dated the Closing Date and addressed to the District and the Underwriter, of Disclosure Counsel, to the effect that without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement, but on the basis of their participation in conferences with representatives of the District, the Underwriter and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Preliminary Official Statement as of its date and the Official Statement as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to DTC or the book-entry system, or any financial or statistical data contained in the Official Statement);
(vi) Opinion of Insurer's Counsel. A legal opinion of counsel to the Insurer, addressed to the Underwriter and the District, dated the Closing Date, in form and substance acceptable to the Underwriter, to the effect that:

(1) The Insurer is a New York domiciled financial guaranty insurance company, and is duly qualified to conduct an insurance business in the State of California; and

(2) The Insurance Policy has been duly executed and is a valid and binding obligation of the Insurer enforceable in accordance with its terms except that the enforcement of the Insurance Policy may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium, receivership and other similar laws affecting creditor's rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(vii) District Resolution. The District Resolution certified by the Secretary of the Board of Education.

(vii) Tax Certificate. A Tax Certificate of the District in form satisfactory to Bond Counsel, signed by such officers of the District as shall be satisfactory to Bond Counsel and the Underwriter.

(viii) District’s Certificate. A certificate, dated the Closing Date and signed by such officers of the District as shall be satisfactory to the Underwriter, to the effect that:

(1) the representations and warranties of the District contained herein and in the other District Documents are true and correct in all material respects on and as of the Closing Time with the same effect as if made at the Closing Time;

(2) the District Resolution is in full force and effect at the Closing Time and has not been amended, modified, or supplemented, except as agreed to in writing by the Underwriter;

(3) there has not been any adverse change of a material nature in the financial position, results of operations, or condition, financial or otherwise, of the District since the date of this Bond Purchase Agreement and no consent is required for the inclusion of the District's Audited Financial Statement as an appendix to the Official Statement; and

(4) the District has complied with all the agreements and terms of the District Documents and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Time.

(ix) Insurer’s Certificate. A certificate, dated the Closing Date and signed by such officers of the Insurer as shall be satisfactory to the Underwriter, to the effect that the information with respect to the Insurer and the Insurance Policy in the Official Statement is true and correct in all material respects on and as of the Closing Date.
(x) Paying Agent’s Certificate. A certificate dated the Closing Date of an authorized officer of the Paying Agent to the effect that:

(1) the Paying Agent has duly accepted its duties under the Paying Agent Agreement;

(2) the Paying Agent Agreement was duly executed and delivered and the Bonds were duly authenticated in the name and on behalf of the Paying Agent by authorized signatories of the Paying Agent; and

(3) to the knowledge of the Paying Agent, there are no actions or proceedings against the Paying Agent pending (service of process having been accomplished) or overtly threatened in writing, before any court, governmental agency, or arbitrator that a) seek to restrain or enjoin the execution and delivery of the Paying Agent Agreement or the delivery of the Bonds, by the Paying Agent or b) seek to affect the validity of the Bonds or the Paying Agent Agreement against the Paying Agent.

(xii) Paying Agent Authorization. Certified copies of the excerpts of the Bylaws of the Paying Agent authorizing the execution and delivery of certain documents by certain officers of the Paying Agent, as the case may be, which resolution authorizes the execution and delivery of the Bonds and the performance by the Paying Agent of its obligations under the Paying Agent Agreement;

(xiii) Agreement. Fully executed copies of the Paying Agent Agreement and the Continuing Disclosure Certificate.

(xiv) Rating Letter. Letter from _______ (“___”) evidencing that the Bonds are rated “___,” based upon the issuance of the Insurance Policy by the Insurer, and the Bonds have received an underlying rating of “___” by ____________, and that each such rating is in full force and effect and has not been withdrawn or downgraded for any reason.

(xv) Underwriter’s Counsel Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of _______________, Underwriter’s Counsel, in format and substance acceptable to the Underwriter.

(xvi) Additional Certificates. A certificate signed by a District official setting forth a projection evidencing that tax rates are projected not to exceed $60 per $100,000 of assessed value during the term of the Bonds, and a certificate signed by a County or District official confirming that the District is in compliance with applicable bonding capacity limitations.

(xvii) Other Legal Opinions and Documents. Such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the District and the Paying Agent with all legal requirements with respect to the issuance, sale, execution and delivery of the Bonds.
and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

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

The Underwriter shall also have the right to cancel its obligations to purchase the Bonds, by written notice to the District, if between the date hereof and the Closing Time:

(A) **Inaccuracy of Official Statement.** Any event occurs or information becomes known that, in the reasonable judgment of the Underwriter, makes untrue any statement of a material fact set forth in the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(B) **Change in Law Affecting Bonds.** Any legislation, resolution, ordinance, rule, or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered, or any action taken by any department or agency of the State or federal government that, in the reasonable opinion of the Underwriter, materially adversely affects the market price or marketability of the Bonds;

(C) **Change in Law Affecting Tax Consequences of Interest Paid on the Bonds.** The market for the Bonds or the market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds shall have been materially and adversely affected, in the reasonable professional judgment of the Underwriter, by legislation enacted or in by the Congress of the United States, or passed by either House of the Congress, or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or by the legislature of the State; or a decision rendered by a court of the United States or the State or by the United States Tax Court, or a ruling, order, or regulation (final or temporary) made by the Treasury Department of the United States or the Internal Revenue Service or other federal or State authority, that would have the effect of changing, directly or indirectly, the federal income tax consequences or State income tax consequences of the receipt of interest paid with respect to obligations of the general character of the Bonds;

(D) **Administrative Action Affecting Securities Law Status.** A stop order, ruling, regulation, or official statement by, or on behalf of, the Securities and Exchange Commission (including a no-action or interpretive letter of the staff thereof) or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, execution, sale, or delivery of obligations of the general character of the
Bonds, including any underlying or related arrangements, as contemplated hereby or by the Official Statement, is in violation of (or would be in violation unless registered or otherwise qualified under) any provision of the Securities Act of 1933, as amended and as then in effect (the “Securities Act”), or the Bonds, including any underlying or related arrangements, are required to be registered under the Securities Exchange Act of 1934, as amended and as then in effect (the “Exchange Act”), or the Paying Agent Agreement is required to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the “Trust Indenture Act”); 

(E) Change in Law Affecting Securities Law Status. Legislation shall be introduced in or enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, including any underlying or related arrangements, are not exempt from registration, qualification, or the other requirements of the Securities Act or the Exchange Act that are not now applicable to the Bonds and any underlying or related arrangements or that the Paying Agent Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act;

(F) Change in Capital Requirements. Any national securities exchange, or any governmental authority, shall impose, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(G) Banking Moratorium. A general banking moratorium shall have been established by federal, New York, or State authorities;

(H) National Emergency. A war involving the United States of America shall have been declared, or any conflict involving the armed forces of the United States of America shall have commenced or escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred (regardless of the circumstances, if any, that exist as to such events as of the date hereof) that, in the reasonable opinion of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(I) Suspension of Trading. A general suspension of trading on any national securities exchange shall be in force;

(J) Trading Restrictions. Additional material restrictions not in force or not being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange that, in the professional opinion of the Underwriter, materially and adversely affects the market price of the Bonds;

(K) Event Requiring Amendment of Official Statement. An event described in Section 4(D) (Amendments or Supplements to Official Statement) hereof shall have occurred that, in the reasonable professional opinion of the Underwriter, requires the preparation and publication of a supplement or amendment to the Official Statement and, in 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 Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(L) **Litigation.** Any litigation shall be instituted or be pending at the Closing Time to restrain or enjoin the issuance, execution, or delivery of the Bonds or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Bonds, the District Documents, the security for the Bonds, or the existence or powers of the District; or

(M) **Ratings Withdrawal or Downgrade.** The withdrawal or downgrading or placement on credit watch of any rating of the Bonds or the District’s outstanding indebtedness by any national rating agency then rating the Bonds.

If the Underwriter terminates its obligations to purchase the Bonds because the conditions specified in this Bond Purchase Agreement shall not have been fulfilled at or before the Closing Time, such termination shall not result in any liability on the part of the Underwriter.

10. **Conditions to Obligations of the District.** The performance by the District of its obligations hereunder is conditioned upon (i) the performance by the Underwriter of its obligations hereunder at or prior to the Closing Date; and (ii) the following additional conditions:

(A) **Continued Legality.** No order, decree, injunction, ruling, or regulation of any court, regulatory agency, public board, or body shall have been issued, nor shall any legislation have been enacted, with the purpose or effect, directly or indirectly, of prohibiting the issuance, offering, sale, execution, or delivery of the Bonds as contemplated hereby or by the Official Statement;

(B) **Opinions and Certificates.** The opinions and certificates required to be delivered at the Closing Time under Section 8(E) (Receipt of Documents) of this Bond Purchase Agreement by persons and entities other than the District shall have been delivered to the District in form and substance satisfactory to Bond Counsel.

11. **Expenses.**

The District shall pay any expenses incident to the performance of its obligations hereunder from the proceeds of the Bonds, including but not limited to the following:

(i) the cost of the preparation and reproduction of the District Documents;

(ii) the fees and disbursements of Bond Counsel, financial advisor, accountants, and any other experts or consultants retained in connection with the Bonds;

(iii) the cost of the preparation, printing and delivery of the Bonds;

(iv) the fees, if any, for Bond ratings, including all necessary travel expenses;
(v) the cost of the printing and distribution of the Preliminary Official Statement, and the Official Statement;

(vi) the initial fees of the Paying Agent;

(vii) the premium for the Insurance Policy; and

(viii) all other fees and expenses incident to the issuance and sale of the Bonds.

The District hereby directs the Underwriter to wire directly to the Insurer on the Closing Date at or before the Closing Time an amount equal to $__________ constituting the premium for the Insurance Policy. All out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission and CUSIP fees, travel (other than related to the Bond ratings), all expenses incurred by it in connection with the public offering and distribution of the Bonds (including all advertisement expenses and “blue sky” filing fees), fees of counsel to the Underwriter, and other expenses (except as provided above) without limitation, shall be paid by the Underwriter.

12. **Continuing Disclosure.** The District will undertake, pursuant to the Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Except as described in the Preliminary Official Statement and the Official Statement, the District has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure certificate or agreement under the Rule.

13. **Notices.** Any notice or other communication to be given under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, addressed as follows:

If to the District: Board of Education
Chico Unified School District
1163 East Seventh Street
Chico, CA 95928
Attention: Superintendent

If to the Underwriter: Morgan Stanley & Co. LLC
1999 Avenue of the Stars, Suite 2400
Los Angeles, CA 90067
Attention: 

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

16. **Section Headings and References.** The headings or titles of the sections and subsections of this Bond Purchase Agreement are solely for convenience of reference and shall not affect the meaning, construction, or effect of any provision of this Bond Purchase Agreement.

17. **Execution in Counterparts.** This Bond Purchase Agreement may be executed in several counterparts and by each of the parties hereto in separate counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

18. **Applicable Law.** This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

19. **Effective Date.** This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the District and shall be valid and enforceable as of the time of such acceptance.

[Signature Page Follows]
IN WITNESS WHEREOF, the parties hereto have caused this Bond Purchase Agreement to be duly executed by their officers duly authorized as of the date first written above.

MORGAN STANLEY & CO. LLC

By: ____________________________
[name/title]

CHICO UNIFIED SCHOOL DISTRICT

By: ____________________________
[name/title]

The above is hereby agreed to and accepted as of [SALE DATE], at _____ a.m./p.m. Pacific Time.
EXHIBIT A

DESCRIPTION OF THE BONDS

<table>
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<tr>
<th>Maturity Date (August 1)</th>
<th>Amount</th>
<th>Interest Rate</th>
<th>Yield</th>
<th>Price</th>
</tr>
</thead>
</table>

* Total

C=Priced to optional call date of August 1, 202__ @ par
*Term Bonds

REDEMPTION PROVISIONS

[Please note: Redemption provisions will be inserted after bond sale]
AGENDA ITEM: Changes to the Salary Schedule for Certificated Preschool Substitute

Prepared by: Jim Hanlon, Assistant Superintendent of Human Resources

☐ Consent          Board Date  March 22, 2017

☐ Information Only

☒ Discussion/Action

Background Information
Chico Unified School District currently pays day to day certificated substitutes (substitute teachers) $95 per day and $140 per day for long term assignments (in excess of 10 consecutive days at the same position). However, with the addition of the Preschool Program the length of day and the pay rate for Preschool teachers has been negotiated at a different rate.

The purpose of this agenda item is to set a substitute rate of $126 per day for a substitute Preschool teacher. The reason for the increased rate for Preschool teachers is the 8-hour workday (compared to the 6-hour workday in K-12 classrooms. The current rate of $95 per day in a K-12 classroom equates to $15.83 per hour. For an 8-hour workday this rate equates to $126 per day.

Education Codes 44977 and 45030 require school districts to adopt a salary schedule for certificated substitutes and to make that schedule public.

Discussion:
After approving our Preschool program earlier this year we quickly discovered the problem of paying the same rate ($95 per day) for an extra 2 hours of work at our preschools. There is no incentive for substitutes to work an extra 2 hours for the same pay.

Substitute positions are not a part of the Chico Unified Teachers Association.

Educational Implications
Without a pay incentive to work in Preschool classrooms, substitutes will choose to work the shorter days in K-12 classrooms.

Fiscal Implications
Given that we currently have 2 Preschool teachers that both receive 10 sick days and 10 vacation days, the estimated additional cost above the current $95 per day is $1,240 per year per teacher.
AGENDA ITEM: CUSD Board Self Evaluation

Prepared by: Board Members

☐ Consent  Board Date March 22, 2017

☐ Information Only

☒ Discussion/Action

Background Information
The Board of Education shall annually and in conjunction with the Superintendent’s evaluation, conduct a self-evaluation in order to demonstrate accountability to the community and ensure that district governance effectively supports student achievement and the attainment of the district's vision and goals.

Educational Implications
How the Board conducts business, including working together to set goals, has an impact on the Educational Program of the District.

Fiscal Implications
n/a
AGENDA ITEM:  Update CUSD Governance Handbook for 2017-2018 School Year

Prepared by:  Board Members

☐ Consent  
☐ Information Only  
☒ Discussion/Action  

Board Date  March 22, 2017

Background Information
Each year the Board of Education reviews the CUSD Governance Handbook.

Educational Implications
As the Board sets policy for the District, how the Board conducts business and sets goals and priorities has an impact on the educational program of the District.

Fiscal Implications
n/a