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RESOLUTION OF THE BOARD OF EDUCATION OF  
THE MT. DIABLO UNIFIED SCHOOL DISTRICT,  
AUTHORIZING THE ISSUANCE AND SALE OF ITS  
GENERAL OBLIGATION BONDS, 2010 ELECTION, 2011 SERIES C (FEDERALLY  
TAXABLE QUALIFIED SCHOOL CONSTRUCTION BONDS - DIRECT PAYMENT) AND  
GENERAL OBLIGATION BONDS, 2010 ELECTION, 2011 SERIES D  
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED  
ELEVEN MILLION DOLLARS

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**WHEREAS**, the issuance of not to exceed \$348,000,000 aggregate principal amount of general obligation bonds (the “Authorization”) of the Mt. Diablo Unified School District (the “District”), County of Contra Costa (the “County”), State of California was authorized at an election (the “Election”) held in said District on June 8, 2010 at which the qualified electors of the District were presented with the following bond proposition:

“To improve education quality, modernize, replace, and repair school facilities; improve energy efficiency, including solar panels; health and safety improvements; construct new classrooms and restrooms; infrastructure repairs; repair and replace heating, ventilation and air conditioning; and upgrade technology. Shall Mt. Diablo Unified School District acquire, construct, repair and equip school facilities by issuing \$348,000,000 of bonds at legal interest rates, have an independent oversight committee and have NO money used for administrative or teacher salaries?”

**WHEREAS**, the proceeds of the Election are to be used for the financing of the acquisition, construction, equipping, furnishing and improvement of certain capital facilities of the District (the “Project”)

**WHEREAS**, the Contra Costa County Elections Division certified to the effect that the official canvass of returns for the Election reflected that more than 55% of the votes cast on the District’s bond measure submitted to the voters at the Election (the “Measure”) were cast in favor of the Measure, and such result has been entered in the minutes of the Board of Education of the District (the “Board”); and

**WHEREAS**, the District has previously issued two series of general obligation bonds under the Authorization such that \$238,003,525 of general obligation bonds remain to be issued under the Authorization; and

**WHEREAS**, the District received allocation from the California Department of Education (the “CDE”) of \$3,860,000 in federal tax credit volume cap for qualified school construction bonds pursuant to Section 54F of the Internal Revenue Code of 1986, as amended; and

**WHEREAS**, the Board has determined the need for issuance of one or more series of its general obligation bonds under the Authorization in an aggregate principal amount not to exceed Eleven Million Dollars (\$11,000,000) in order to finance certain costs of the Project; and

**WHEREAS**, the Board intends for one series of bonds issued hereunder, to wit, the District's General Obligation Bonds, 2010 Election, 2011 Series C Bonds (Federally Taxable Qualified School Construction Bonds – Direct Payment) to be designated as “qualified school construction bonds” pursuant to Section 54F of the Code and as “specified tax credit bonds” pursuant to Section 6431(f)(3) of the Code;

**WHEREAS**, this Board has previously declared its intent for the District to reimburse itself for expenditures made on Projects; and

**WHEREAS**, the Board has elected to proceed under Section 53506 *et seq.* of the Government Code of the State of California; and

**NOW THEREFORE, IT IS ORDERED** by the Board of Education of the Mt. Diablo Unified School District as follows:

SECTION 1. Definitions. The following terms shall for all purposes of this Resolution have the following meanings:

“Accreted Value” shall mean with respect to any Capital Appreciation Bond, as of any date of calculation, the sum of the Principal Amount thereof and the interest accrued thereon to such date of calculation, compounded from the date of initial issuance at the stated accretion rate thereof on each February 1 and August 1, or as otherwise set forth in the Bond Purchase Agreement (defined below), assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

“ARRA” shall mean the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009), together with such rules, regulations and guidance from the United States Department of the Treasury and the Internal Revenue Service, as may be promulgated from time to time.

“Authorized Investments” shall mean legal investments authorized by Section 53601 of the Government Code of the State of California, but only to the extent that the same are acquired at Fair Market Value.

“Authorizing Law” shall mean, collectively, (i) Section 53506 *et seq.* of the Government Code of the State of California, as amended, (ii) Article XIII A of the California Constitution and (iii) as to Qualified School Construction Bonds only, the ARRA.

“Available Project Proceeds” means, with respect to the Qualified School Construction Bonds, (i) the proceeds from the sale of such Bonds, (ii) less costs of issuing such Bonds paid from proceeds of the sale of such Bonds (not exceeding 2% of the proceeds of the sale of such Bonds), plus (iii) investment earnings on the difference between (i) - (ii).

“Beneficial Owner” means any person who 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 or depositories including, but not limited to, through the Nominee.

“Board of Supervisors” means the Board of Supervisors of the County.

“Bond Counsel” and “Disclosure Counsel” means the law firm of Matt Juhl Darlington & Associates, as Bond Counsel to the District and a firm of nationally recognized standing with respect to the issuance of municipal obligations.

“Bond Insurer” shall mean any financial guaranty company that guarantees the scheduled payments of principal, and maturity value of, and interest on the Bonds when due.

“Bond Insurance Policy” shall mean a policy of municipal bond insurance which guarantees the scheduled payments of principal, and maturity value of, and interest on the Bonds when due.

“Bond Obligation” shall mean from time to time as of the date of calculation, with respect to any Current Interest Bond, the Principal Amount thereof and, with respect to any Capital Appreciation Bond, the Accreted Value thereof.

“Bond Purchase Agreement” shall mean the Bond Purchase Agreement, by and between the District and the Underwriter, relating to the Bonds.

“Bonds” shall mean, collectively, the Mt. Diablo Unified School District General Obligation Bonds, 2010 Election, 2011 Series C (Federally Taxable Qualified School Construction Bonds – Direct Payment) (the “Series C Bonds”) and the Mt. Diablo Unified School District General Obligation Bonds, 2010 Election, 2011 Series D (the “Series D Bonds”), as further designated as one or more series of Bonds, issued and delivered pursuant to this Resolution.

“Bond Year” shall mean the twelve-month period commencing August 1 in any year and ending on the last day of July in the next succeeding year, both dates inclusive, or as otherwise set forth in the Bond Purchase Agreement; provided, however, that the first Bond Year shall commence on the day the Bonds are issued and shall end on July 31, 2011, both dates inclusive, or as otherwise set forth in the Bond Purchase Agreement.

“Business Day” shall mean a day that is not a Saturday, Sunday or a day on which banking institutions in the State or the State of New York and the New York Stock Exchange are authorized or required to be closed.

“Capital Appreciation Bonds” shall mean the Bonds designated as such in Section 15 of this Resolution.

“Code” shall mean the Internal Revenue Code of 1986, as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement of the District for the benefit of the Owners of the Bonds.

“Conversion Date” shall mean the date upon which the Convertible CABs will convert from Capital Appreciation Bonds to Current Interest Bonds, which date shall be set forth in the Bond Purchase Agreement.

“Conversion Value” shall mean, for each Convertible CAB, the accumulation of earned interest from their initial principal amount on the date of delivery thereof to the Conversion Date.

“Convertible CABs” shall mean bonds which, by their terms, comprise Capital Appreciation Bonds for a term of years, whereupon they convert to Current Interest Bonds at a stated Conversion Value and date.

“Costs of Issuance” shall mean all of the costs of issuing the Bonds, including but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds and the Official Statement pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; financial advisor fees; rating agency fees and related travel expenses; auditor’s fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Paying Agent; fees for credit enhancement relating to the Bonds, if any; and other fees and expenses incurred in connection with the issuance of the Bonds, to the extent such fees and expenses are approved by the District.

“County” shall mean the County of Contra Costa, California.

“County Office of Education” shall mean the Office of Education of the County and such other persons as may be designated by the County Office of Education to perform the operational and disbursement functions hereunder.

“Current Interest Bonds” shall mean the Bonds designated as such in Section 14 of this Resolution.

“Debt Service” shall have the meaning given to that term in Section 26(c) of this Resolution.

“Debt Service Fund” shall mean the Debt Service Fund established pursuant to Section 26(a) of this Resolution.

“Depository” shall mean DTC and its successors and assigns or if (a) the then Depository resigns from its functions as securities depository of the Bonds, or (b) the County discontinues use of the Depository pursuant to this Resolution, any other securities depository that agrees to follow procedures required to be followed by a securities depository in connection with the Bonds and that is selected by the Treasurer.

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

“Excess Earnings Fund” shall mean the Excess Earnings Fund established pursuant to Section 27 of this Resolution.

“Expenditure Period” means the “expenditure period” defined in Section 54A(d)(2)(B)(ii) of the Code, which consists of the period beginning on the date of issue and ending on the later of the date three years after the date of issue or such later date, if any, as permitted by the Internal Revenue Service in response to a request to extend the Expenditure Period.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the Regulations, the term “investment” will include a hedge.

“Fiscal Year” shall mean the twelve-month period commencing on July 1 of each year and ending on the following June 30 or any other fiscal year in effect for the District.

“Interest Payment Date” shall mean with respect to (i) any Current Interest Bond, February 1 and August 1 in each year, or as otherwise specified in the Bond Purchase Agreement, commencing on the date specified in the Bond Purchase Agreement, (ii) any Capital Appreciation Bond, the maturity or earlier redemption date thereof and (iii) any Convertible CAB, the Conversion Date thereof and each subsequent February 1 and August 1 in each year, or as specified in the Bond Purchase Agreement.

“Maturity Value” shall mean the Accreted Value of any Capital Appreciation Bond on its maturity date.

“Moody's” shall mean Moody's Investors Service, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“Nominee” shall mean the nominee of the Depository which may be the Depository, as determined from time to time by the Depository.



“Outstanding” when used with reference to the Bonds, shall mean, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

- (i) Bonds canceled at or prior to such date;
- (ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 20 hereof;
- (iii) Bonds for the payment or redemption of which funds or eligible securities in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 46 of this Resolution.

“Owner” shall mean the registered owner, as indicated in the Bond Register, of any Bond.

“Participant” shall mean a member of or participant in the Depository.

“Paying Agent” shall mean Wells Fargo Bank National Association, its successors or assigns, acting in the capacity of paying agent, registrar, authenticating agent and transfer agent.

“Pledged Moneys” shall have the meaning given to that term in Section 25 of this Resolution.

“Principal” or “Principal Amount” shall mean, as of any date of calculation, with respect to (i) any Current Interest Bond, the principal amount thereof, and (ii) any Capital Appreciation Bond, the Accreted Value thereof.

“Principal Payment Date” shall mean August 1 in each year, or as otherwise specified in the Bond Purchase Agreement, commencing on the date specified in the Bond Purchase Agreement.

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

“Qualified School Construction Bonds” shall mean bonds issued under pertinent provisions of ARRA which qualify as “Qualified School Construction Bonds” under Section 54F of the Code.

“Record Date” shall mean the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date.

“Regulations” shall mean applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Resolution” shall mean this Resolution of the Board providing for the issuance and sale of the Bonds.

“S&P” shall mean Standard & Poor’s, a division of the McGraw-Hill Companies, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“Securities Depositories” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041, Fax (212) 855-1000; and, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the County may designate in a certificate of the County delivered to the Paying Agent.

“State” shall mean the State of California.

“Superintendent” shall mean the Superintendent of the District.

“Superintendent of Schools” shall mean the Superintendent of Schools of the County.

“Supplemental Resolution” shall mean any resolution supplemental to or amendatory of this Resolution, adopted by the Board in accordance with Section 43 or Section 44 hereof.

“Tax Certificate” shall mean a certificate as to arbitrage of the District delivered in connection with the issuance of the Bonds.

“Transfer Amount” shall mean, with respect to (i) any Outstanding Current Interest Bond, the aggregate Principal Amount thereof, and (ii) any Outstanding Capital Appreciation Bond, the Maturity Value thereof.

“Treasurer” shall mean the Treasurer and Tax Collector of the County or any authorized deputy thereof.

“Underwriter” shall mean, collectively, Stone & Youngberg LLC and George K. Baum & Company, or any successor thereto as underwriter.

SECTION 2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and vice versa. Except where the context otherwise requires, words importing the singular shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

SECTION 3. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Authorizing Law.

SECTION 4. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution 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 pledge made in this Resolution shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

**SECTION 5. Terms and Conditions of Sale.** The Board hereby approves of the sale of the Bonds on a negotiated basis to the Underwriter. The District has determined that conditions in the municipal marketplace are sufficiently complex that the increased flexibility the Underwriter can provide in structuring and planning the sale of the Bonds dictates sale on a negotiated basis. The Bonds shall be sold at a negotiated sale upon the direction of the Superintendent (the “Superintendent”) or the Chief Financial Officer (the “Chief Financial Officer”) of the District or any designee thereof (each, an “Authorized Officer”). The costs of sale of the Bonds, consisting of Costs of Issuance, not including any fees for credit enhancement, are estimated at 1.75% of the principal amount of the Bonds. The Bonds shall be sold pursuant to the terms and conditions set forth in the Bond Purchase Agreement, as described below.

**SECTION 6. Designation of Finance Team.** The Board hereby confirms the designation of Stone & Youngberg LLC and George K. Baum & Company, as underwriters, Isom Advisors, a Division of Urban Futures Incorporated, Walnut Creek, California, as Financial Advisor, the law firm of Matt Juhl Darlington & Associates, Chico, California, as Bond Counsel and Disclosure Counsel to the District and Jones Hall, a Professional Law Corporation, as Special Tax Counsel to the District in connection with the authorization and issuance of the Bonds. An Authorized Officer is hereby authorized to execute a legal services agreement with members of the finance team.

**SECTION 7. Terms of Bonds.** The Bonds shall be dated their date of delivery (or such other date as may be designated in the Bond Purchase Agreement). The Bonds shall bear or accrete interest at rates not to exceed the maximum rate permitted by law, or in the case of taxable bonds described in ARRA, at rates not to exceed 12.0% per annum, payable on any Bonds bearing current interest on the dates as may be set forth in the Bond Purchase Agreement, and accreting with respect to any Bonds which are issued as capital appreciation bonds or Convertible CABS, payable upon maturity or payable on a current basis following or conversion to current interest Bonds, shall mature on August 1 of each of the years as set forth in the Bond Purchase Agreement, or such other maturity date as may be set forth in the Bond Purchase Agreement, through a date no later than 40 years after the date of issuance of the Bonds, or otherwise upon such other terms and conditions as shall be established for the Bonds by the Bond Purchase Agreement. The Bond Purchase Agreement may provide for Bonds to be issued as current interest bonds, capital appreciation bonds, Convertible CABS or Qualified School Construction Bonds, as authorized under ARRA. The Bond Purchase Agreement may provide for the purchase of Bonds in any combination of the foregoing structures and shall provide for optional, mandatory sinking fund and other types and terms of redemption for the Bonds as shall prove most advantageous in marketing said Bonds for the District.

The District hereby covenants and agrees that any direct payment of interest paid to the District by the federal government under the provisions of ARRA with respect to the Series C Bonds shall, promptly upon receipt, be deposited into the Debt Service Fund of the District established by the County on behalf of the District for payment of the Series C Bonds, and

applied as a credit against subsequent tax levies within the District to pay debt service on the Series C Bonds. Prior to each Interest Payment Date (as defined in the Bond Purchase Agreement), the District shall submit or cause to be submitted a payment reimbursement request to the United States Treasury, in accordance with applicable federal regulations and sufficiently in advance of such Interest Payment Date that the federal payment is received on or prior to such Interest Payment Date.

**SECTION 8. Approval of Bond Purchase Agreement.** The Superintendent or any Authorized Officer, in consultation with Bond Counsel and such other officers of the District as shall be authorized by the Board, are hereby authorized and directed to issue and deliver the Bonds and to establish the final Principal Amount thereof, provided, however, that such combined Principal Amount (in one or more series) shall not exceed the maximum aggregate Principal Amount of \$11,000,000. The form of the Bond Purchase Agreement attached hereto as Exhibit B is hereby approved. The Authorized Officers, or any authorized deputy, and such other officers of the District as may be authorized by the Board are, and each of them acting alone is, authorized and directed to execute and deliver the Bond Purchase Agreement for and in the name and on behalf of the District, with such additions, changes or corrections therein as the officer executing the same on behalf of the District may approve, in his/her discretion, as being in the best interests of the District, such approval to be conclusively evidenced by such officer's execution thereof, and any other documents required to be executed thereunder, and to deliver the same to the Underwriter. The Authorized Officers, or any authorized deputy, and such other officers of the District as may be authorized by the Board are, and each of them acting alone hereby is authorized and directed to negotiate with the Underwriter the interest rates on the Bonds and the purchase price of the Bonds to be paid by the Underwriter, which purchase price shall reflect an Underwriter's discount of not to exceed eight tenths of one percent (0.80%) (not including original issue discount or any Costs of Issuance to be paid by the Underwriter) of the Principal Amount thereof. Final terms of the Bonds shall be as set forth in the Bond Purchase Agreement.

**SECTION 9. Official Statement.** The Board hereby approves the form of Preliminary Official Statement relating to the Bonds, on file with the Clerk of the Board and to be used and distributed, together with an Official Statement in connection with the sale of the Bonds, in each case with such changes as are approved by the Authorized Officer. An Authorized Officer and such other officers of the District as may be authorized by the Board are, and each of them acting alone hereby is, authorized to deliver copies of the Preliminary Official Statement and the Official Statement with such changes therein as such officer shall approve, in his or her discretion, as being in the best interests of the District. Upon approval of such changes by such officer, the Preliminary Official Statement shall be "deemed final" as of its date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") and an Authorized Officer is authorized to execute a certificate to that effect. Any Authorized Officer is hereby authorized and directed to execute such Official Statement with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**SECTION 10. Authorization of Officers.** The officers of the District and their authorized representatives are, and each of them acting alone is, hereby authorized to execute

any and all documents and do and perform any and all acts and things, from time to time, consistent with this Resolution and necessary or appropriate to carry the same into effect and to carry out its purpose.

SECTION 11. Use of Bond Proceeds. Bonds of the District shall be issued in the name of the District in an aggregate Principal Amount not to exceed \$11,000,000, and Bond proceeds shall be applied to finance the construction, acquisition, furnishing and equipping of District property and facilities, as authorized at the Election by the Measure, which shall be incorporated herein by this reference as though fully set forth in this Resolution.

SECTION 12. Reimbursement of Qualified Project Expenditures. The District hereby declares its official intent to use proceeds of the QSCBs to reimburse itself for expenditures made on Qualified Projects prior to the issuance of the QSCBs (the "Reimbursable Expenditures"). All of the Reimbursable Expenditures covered by this Resolution were paid not earlier than 60 days prior to the date of this Resolution and reimbursement of such Reimbursable Expenditures will occur not later than 18 months after the date such Reimbursable Expenditure was made.

SECTION 13. Designation and Form; Payment.

(a) An issue of Bonds of one or more series entitled to the benefit, protection and security of this Resolution is hereby authorized in an aggregate Principal Amount not to exceed \$11,000,000. Such Bonds shall be general obligations of the District, payable as to Principal, premium, if any, and interest from *ad valorem* taxes to be levied upon all of the taxable property in the District without limitation as to rate or amount (except certain personal property which is taxable at limited rates). The Bonds shall be designated "Mt. Diablo Unified School District General Obligation Bonds, 2010 Election, 2011 Series" with such additional series designations as may be necessary or advisable in order to market the Bonds, as set forth in the Bond Purchase Agreement. The Bonds may be issued as Current Interest Bonds, Capital Appreciation Bonds, Convertible CABS and/or Qualified School Construction Bonds and shall be subject to redemption as further set forth in the Bond Purchase Agreement, pursuant to this Resolution.

(b) The forms of the Bonds shall be substantially in conformity with the standard forms of registered school district bonds, copies of which are attached hereto as Exhibit A-1, A-2, A-3 and A-4 and incorporated herein by this reference.

(c) Principal or Accreted Value, premium, if any, and interest with respect to any Bond are payable in lawful money of the United States of America. Principal or Accreted Value and premium, if any, is payable upon surrender thereof at maturity or earlier redemption at the office designated by the Paying Agent in San Francisco, California.

SECTION 14. Description of Current Interest Bonds.

(a) The Bonds issued as Current Interest Bonds shall be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof, except that one maturity may be in an odd amount. The Current Interest Bonds shall be dated and shall mature on the dates, in the years and in the Principal Amounts, and interest shall be computed at the rates, set forth in the Bond Purchase Agreement.

(b) Interest on each Current Interest Bond shall accrue from its dated date as set forth in the Bond Purchase Agreement. Interest on Current Interest Bonds shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest with respect to each Current Interest Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Current Interest Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Current Interest Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of \$1,000,000 or more of such Current Interest Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Current Interest Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest.

#### SECTION 15. Description of Capital Appreciation Bonds.

(a) The Bonds issued as Capital Appreciation Bonds shall be issued in fully registered form in any denominations of their Principal Amounts but shall reflect denominations of \$5,000 Maturity Value or any integral multiple thereof, except that one such Bond may reflect an irregular denomination. The Capital Appreciation Bonds shall be dated the date of their issuance, shall be issued in the aggregate Principal Amounts, shall mature on the dates, in the years and in the Maturity Values, and shall accrete interest at the accretion rates, all as set forth in the Bond Purchase Agreement.

(b) Interest on each Capital Appreciation Bond, if any, shall be compounded semiannually on February 1 and August 1 of each year until maturity, or as otherwise set forth in the Bond Purchase Agreement, commencing on the date set forth in the Bond Purchase Agreement, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity as part of its Maturity Value or at earlier redemption at its Accreted Value.

#### SECTION 16. Description of Convertible CABs.

(a) The Bonds issued as Convertible CABs shall be issued in fully registered form in any denominations of \$5,000 Conversion Value or any integral multiple thereof provided that one such Convertible CAB may be in an irregular denomination. The Convertible CABs shall be dated the date of their issuance, shall be issued in the aggregate Principal Amount, shall mature on the dates and in the years, shall be subject to redemption and have the Conversion Values, all as set forth in the Bond Purchase Agreement.

(b) Prior to the Conversion Date, the Convertible CABs shall not pay current interest. Prior to the Conversion Date, each Convertible CAB shall have increased in value by the accretion of interest from its initial Principal Amount on the date of issuance thereof to its stated Conversion Value at the Conversion Date. Prior to the Conversion Date, interest accruing on the Convertible CABs will be computed on the basis of a 360-day year comprised of twelve 30-day months, will be compounded semiannually thereafter on February 1 and August 1 in each year, or as otherwise set forth in the Bond Purchase Agreement. No interest will be payable on any Convertible CAB prior to or on the Conversion Date.

(c) Following the Conversion Date, interest on the Convertible CABs shall be computed based upon the Conversion Value and on the basis of a 360-day year comprised of twelve 30-day months and will be payable on each Interest Payment Date, commencing on the first Interest Payment Date following the Conversion Date. Following its Conversion Date, each Convertible CAB will pay interest and be payable in the same manner as Current Interest Bonds.

#### SECTION 17. Description of Qualified School Construction Bonds.

The Bonds issued as Qualified School Construction Bonds shall be issued as Current Interest Bonds in fully registered form in any denomination of \$5,000 or any integral multiple thereof, provided that one maturity may be in an odd denomination. The Qualified School Construction Bonds shall be dated the date of their issuance, shall be issued in the aggregate Principal Amount, shall mature on the dates, in the years and be subject to redemption, if any, all as set forth in the Bond Purchase Agreement.

#### SECTION 18. Book-Entry System.

(a) The Bonds shall be initially issued in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds within each series. Upon initial issuance, the ownership of each such Bond certificate shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as provided in subsection (c) hereof, all of the Outstanding Bonds shall be registered in the Bond Register in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository. Each Bond certificate shall bear a legend substantially to the following effect: "UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR 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 THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), 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."

With respect to Bonds registered in the Bond Register in the name of the Nominee, the District shall have no responsibility or obligation to any Participant or to any person on behalf of

which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the District shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Participant, Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice, (iii) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (iv) the payment to any Participant, Beneficial Owner or any other person, other than the Depository, of any amount with respect to Principal of, premium, if any, and interest on, the Bonds. The District may treat and consider the person in whose name each Bond is registered in the Bond Register as the absolute Owner of such Bond for the purpose of payment of Principal of, premium, if any, and interest on, such Bond, for the purpose of giving Redemption Notices and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Paying Agent shall pay all Principal of, premium, if any, and interest on, the Bonds only to the respective Owners, as shown in the Bond Register, and all such payments shall be valid hereunder with respect to payment of Principal of, premium, if any, and interest on, the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of Principal of, premium, if any, and interest, pursuant to this Resolution. Upon delivery by the Depository to the Paying Agent and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions hereof with respect to Record Dates, the word "Nominee" in this Resolution shall refer to such new nominee of the Depository.

(b) If at any time the Depository notifies the District that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is not appointed by the Superintendent within 90 days after the District receives notice or become aware of such condition, as the case may be, subsection (a) hereof shall no longer be applicable and the Treasurer shall issue new bonds representing the Bonds as provided below. In addition, the District may determine at any time that the Bonds shall no longer be represented by book-entry securities and that the provisions of subsection (a) hereof shall no longer apply to the Bonds. In any such event, the Superintendent shall execute and deliver certificates representing the Bonds as provided below. Certificated securities issued in exchange for book-entry securities pursuant to this subsection shall be registered in such names and delivered in such denominations as the Depository shall instruct the District. The Treasurer shall then deliver certificated securities representing the new bonds to the persons in whose names such Bonds are so registered.

If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or cause to be prepared a new fully-registered book-entry security for each of the maturities of Bonds, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the District and such securities depository and not inconsistent with the terms of this Resolution.



(c) Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to Principal of, premium, if any, and interest on, such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

(d) The initial Depository under this Resolution shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

#### SECTION 19. Execution of the Bonds.

(a) The Bonds shall be executed in the name of the District by the manual or facsimile signature of the President of the Board and the manual or facsimile signature of the Clerk of the Board or by a deputy of either of such officers. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been issued by the District, such Bonds may, nevertheless, be issued, as herein provided, as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any of the Bonds may be signed and sealed by such persons as at the time of the execution of such Bonds shall be duly authorized to hold or shall hold the proper offices in the District, although at the date borne by the Bonds such persons may not have been so authorized or have held such offices.

(b) The Bonds shall bear thereon a certificate of authentication executed manually by the Paying Agent. Only such Bonds as shall bear thereon such certificate of authentication duly executed by the Paying Agent shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Paying Agent. Such certificate of the Paying Agent upon any Bond shall be conclusive evidence that the Bond so authorized has been duly authenticated and delivered under this Resolution and that the Owner thereof is entitled to the benefit of this Resolution.

SECTION 20. Transfer and Exchange. The transfer of any Bond may be registered upon surrender of such Bond to the Paying Agent. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer shown in Exhibit A-1, A-2, A-3 or A-4 hereto, duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute Owner of such Bond, whether the Principal, premium, if any, or interest with respect to such Bond shall be overdue or not, for the purpose of receiving payment of Principal, premium, if any, and interest with respect to such Bond and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the District or the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged at the office of the Paying Agent for Bonds of like tenor, maturity and Transfer Amount of other authorized denominations. All Bonds surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Bond executed and delivered upon any exchange (except in the case of the first exchange of any Bond in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be required to register the transfer or exchange of any Bond (i) during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or (ii) that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

SECTION 21. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, the Paying Agent, at the expense of the Owner, shall deliver a new Bond of like date, interest rate, maturity, Transfer Amount, series and tenor as the Bond so mutilated in exchange and substitution for such mutilated Bond, upon surrender and cancellation thereof. All Bonds so surrendered shall be cancelled. If any Bond shall be destroyed, stolen or lost, evidence of such destruction, theft or loss may be submitted to the Paying Agent and if such evidence is satisfactory to the Paying Agent that such Bond has been destroyed, stolen or lost, and upon furnishing the Paying Agent with indemnity satisfactory to the Paying Agent and complying with such other reasonable regulations as the Paying Agent may prescribe and paying such expenses as the Paying Agent may incur the Paying Agent shall, at the expense of the Owner, execute and deliver a new Bond of like date, interest rate, maturity, Transfer Amount and tenor in lieu of and in substitution for the Bond so destroyed, stolen or lost. Any new Bonds issued pursuant to this Section 21 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Bonds so alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Bonds.

SECTION 22. Bond Register. The Paying Agent shall keep or cause to be kept at its office sufficient books for the registration and registration of transfer of the Bonds. Upon presentation for registration of transfer, the Paying Agent shall, as above provided and under such reasonable regulations as it may prescribe subject to the provisions hereof, register or register the transfer of the Bonds, or cause the same to be registered or cause the registration of the same to be transferred, on such books.

SECTION 23. Unclaimed Money. All money which the Paying Agent shall have received from any source and set aside for the purpose of paying or redeeming any of the Bonds shall be held in trust for the respective Owners of such Bonds, but any money which shall be so set aside or deposited by the Paying Agent and which shall remain unclaimed by the Owners of

such Bonds for a period of one year after the date on which any payment or redemption with respect to such Bonds shall have become due and payable shall be transferred to the general fund of the District; provided, however, that the Paying Agent, before making such payment, shall cause notice to be mailed to the Owners of such Bonds, by first class mail, postage prepaid, after a date in said notice, which date shall not be less than 90 days prior to the date of such payment, to the effect that said money has not been claimed and that after a date named therein, any unclaimed balance of said money then remaining will be transferred to the general fund of the District. Thereafter, the Owners of such Bonds shall look only to the general fund of the District for payment of such Bonds.

SECTION 24. Application of Proceeds. Upon the sale of the Bonds, the District intends to deposit or cause to be deposited:

(a) a portion of the proceeds of the Bonds into the Debt Service Fund to be used to pay interest on the Bonds during construction of the Project;

(b) the balance of the proceeds of the sale of the Bonds into the Building Fund (the "Building Fund") to the credit of the account within the Building Fund for the related series of Bonds (the "Series C Building Account" and the "Series D Building Account"), which are hereby established for the account of the District and shall be administered by the County Office of Education. Money in the Building Fund shall be disbursed for the payment of the costs of acquiring and constructing the Project. At such time that no amounts remain on deposit in Building Fund, the County Treasurer may close the Building Fund.

SECTION 25. Payment and Security for the Bonds. The Board of Supervisors shall annually at the time of making the levy of taxes for County purposes, levy a continuing direct *ad valorem* tax for the Fiscal Year upon the taxable property in the District without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) in an amount at least sufficient, together with moneys on deposit in the Debt Service Fund and available for such purpose, to pay the Principal or Accreted Value of, premium, if any, and interest on each Bond as each becomes due and payable in the next succeeding Bond Year. The tax levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The District hereby pledges as security for the Bonds and the interest thereon and the County shall deposit or cause to be deposited in the District's Debt Service Fund, the proceeds from the levy of the aforementioned tax which the County receives (the "Pledged Moneys"). The Pledged Moneys shall be used to pay the Principal or Accreted Value, of, premium, if any, and interest on the Bonds when and as the same shall become due and payable. The Bonds are the general obligations of the District and do not constitute an obligation of the County except as provided in this Resolution. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds or the interest thereon. Other than the Pledged Moneys, no funds or accounts of the District are pledged to payment of the Bonds.

SECTION 26. Debt Service Fund.

(a) The District shall deposit or cause to be deposited any accrued interest and any original issue premium not applied towards payment of the Costs of Issuance and received by the District from the sale of the Bonds in the fund established and designated as the "Mt. Diablo

Unified School District, General Obligation Bonds, 2010 Election, Series 2011, Debt Service Fund” (the “Debt Service Fund”) to be administered by the County and used only for the payment of the Principal of, premium, if any, and interest on the Bonds. Within the Debt Service Fund, there is hereby established an account for the Series C Bonds (“the Series C Debt Service Account”) and an account for the Series D Bonds (the “Series D Debt Service Account”). Any direct payment of interest paid to the District by the federal government under the provisions of ARRA with respect to the Series C Bonds shall, promptly upon receipt, be deposited into the Series C Debt Service Account and applied as a credit against subsequent tax levies within the District to pay debt service on the Series C Bonds as described in Section 7 hereof.

(b) All Pledged Moneys shall be deposited upon collection by the County into the Debt Service Fund and used for the payment of the Principal of, premium, if any, and interest on the Bonds.

(c) The County shall transfer or cause to be transferred from the Debt Service Fund to the Paying Agent, an amount, in immediately available funds, sufficient to pay all the Principal of, premium, if any, and interest on the Bonds (collectively, the “Debt Service”) on such Interest Payment Date. Debt Service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of Debt Service.

(d) The District shall cause moneys to be transferred to the extent needed to comply with the Tax Certificate. Any amounts on deposit in the Debt Service Fund when there are no longer any Bonds Outstanding shall be transferred to the general fund of the District.

SECTION 27. Establishment and Application of Excess Earnings Fund. The District shall establish a special fund designated “Mt. Diablo Unified School District General Obligation Bonds, 2010 Election, Series 2011, Excess Earnings Fund” (the “Excess Earnings Fund”) which shall be administered by the County Office of Education for the account of the District and which shall be kept separate and apart from all other funds and accounts held hereunder. The District shall deposit, or cause to be deposited, moneys to the Excess Earnings Fund in accordance with the provisions of the Tax Certificate. Amounts on deposit in the Excess Earnings Fund shall only be applied to payments made to the United States or otherwise transferred to other accounts or funds established hereunder in accordance with the Tax Certificate.

SECTION 28. Payment of Costs of Issuance. The District may pay, or cause to be paid, Costs of Issuance using proceeds of the Bonds or, to the extent available, original issue premium derived from the sale of the Bonds and applied for that purpose as provided in the Bond Purchase Agreement.

SECTION 29. Establishment of Additional Funds and Accounts. If at any time it is deemed necessary or desirable by the District, the County Office of Education may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

SECTION 30. Redemption. The Bonds shall be subject to redemption as provided in the Bond Purchase Agreement.

SECTION 31. Selection of Bonds for Redemption. Whenever provision is made in this Resolution or in the Bond Purchase Agreement for the redemption of the Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 45 days prior to the date designated for such redemption, shall select Bonds for redemption in such order as the District may direct, or, in the absence of such direction, in inverse order of maturity within a series. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in the Maturity Value of \$5,000 or any integral multiple thereof.

SECTION 32. Notice of Redemption. When redemption is authorized or required pursuant to this Resolution or the Bond Purchase Agreement, the Paying Agent, upon written instruction from the District given at least 45 days prior to the date designated for such redemption, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price or Accreted Value, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount or Accreted Value, as appropriate, of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with the interest accrued to the redemption date in the case of Current Interest Bonds, and that from and after such date interest with respect thereto shall cease to accrue or accrete and be payable.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(a) At least 30 but not more than 60 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the Bond Register. Notice of redemption may be given on a conditional basis in contemplation of a refunding of the Bonds.

(b) In the event that the Bonds shall no longer be held in book-entry only form, at least two days before the date of the notice required by clause (a) of this Section, such Redemption Notice shall be given by (i) first class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.

(c) In the event that the Bonds shall no longer be held in book-entry only form, at least two days before the date of notice required by clause (a) of this Section, such Redemption Notice shall be given by (i) first class mail, postage prepaid, or (ii) overnight delivery service, to the Municipal Securities Rulemaking Board.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear the CUSIP number identifying, by series and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

SECTION 33. Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

SECTION 34. Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside for the payment of their redemption price, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 31 hereof, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of Sections 31, 32 and 33 shall be cancelled upon surrender thereof and delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

SECTION 35. Paying Agent, Appointment and Acceptance of Duties.

(a) The Board hereby consents to and confirms the appointment of Wells Fargo Bank National Association to act as Paying Agent for the Bonds under this Resolution. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District. The Paying Agent shall have a corporate trust office in San Francisco or Los Angeles, California.

(b) Unless otherwise provided, the office of the Paying Agent designated by the Paying Agent shall be the place for the payment of Principal of, premium, if any, and interest on the Bonds.

SECTION 36. Liability of Paying Agent. The Paying Agent makes no representations as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder or as to the security afforded by this Resolution, and the Paying Agent shall incur no liability in respect hereof or thereof.

SECTION 37. Evidence on Which Paying Agent May Act. The Paying Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent may consult with counsel, who may or may not be counsel to the District, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

SECTION 38. Compensation. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution. In no event shall the Paying Agent be required to expend its own funds hereunder.

The fees and expenses of the Paying Agent not paid from the proceeds of the sale of the Bonds shall be paid each year from the Debt Service Fund, insofar as permitted by law, including specifically by Section 15232 of the Education Code.

SECTION 39. Ownership of Bonds Permitted. The Paying Agent or the Underwriter may become the Owner of any Bonds.

SECTION 40. Resignation or Removal of Paying Agent and Appointment of Successor.

(a) The Paying Agent initially appointed hereunder may resign from service as Paying Agent and the Superintendent may remove such Paying Agent or any subsequent Paying Agent as provided in the respective Paying Agent's service agreement. Without further action by the District, if at any time the Paying Agent shall resign or be removed, the Superintendent shall appoint a successor Paying Agent, which shall be a bank or trust company doing business in and having a corporate trust office in San Francisco or Los Angeles, California, with at least \$50,000,000 in net assets. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the District in a format mutually agreeable to the Paying Agent and the District. Such successor Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(b) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor.

SECTION 41. Investment of Certain Funds. Moneys held in all funds and accounts established hereunder shall be invested and reinvested by the Treasurer in Authorized Investments to the fullest extent practicable as shall be necessary to provide moneys when needed for payments to be made from such funds or accounts. Nothing in this Resolution shall

prevent any investment securities acquired as investments of funds held hereunder from being issued or held in book-entry form on the books of the Department of the Treasury of the United States. All investment earnings on amounts on deposit in the Excess Earnings Fund, the Debt Service Fund and the Building Fund shall remain on deposit in such funds.

The proceeds from the sale of the Bonds (net of premium, if any) will be deposited in the County treasury to the credit of the Building Fund. Any premium or accrued interest received by the County from the sale of the Bonds will be deposited in the Debt Service Fund. Earnings on the investment of moneys in either fund will be retained in that fund and used only for the purposes to which that fund may lawfully be applied. Moneys in the Building Fund may only be applied for the purposes for which the Bonds were approved. Moneys in the Debt Service Fund may only be applied to make payments of interest, principal, Maturity Value and premium, if any, on bonds of the District.

All funds held in the Building Fund and the Debt Service Fund will be invested by the Treasurer at the direction of the District. All funds held in the Building Fund by the Treasurer under this Resolution will be invested pursuant to applicable law and the investment policy of the County, unless otherwise directed in writing by the District. At the written direction of the District, all or any portion of the Building Fund may be invested in the Local Agency Investment Fund in the treasury of the State, and all or any portion of the Building Fund may be invested on behalf of the District in investment agreements, including guaranteed investment contracts, which comply with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds, provided that the Treasurer will be a signatory to any such investment agreement.

The District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Resolution, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Resolution or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code).

**SECTION 42. Valuation and Sale of Investments.** Obligations purchased as an investment of moneys in any fund or account shall be deemed at all times to be a part of such fund or account. Profits or losses attributable to any fund or account shall be credited or charged to such fund or account.

**SECTION 43. Supplemental Resolutions With Consent of Owners.** This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the District with the written consent of Owners owning at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that if a Bond Insurance Policy is in effect, and provided that the Bond Insurer, if any, complies with its obligations thereunder, the Bond Insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal



Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification thereof or hereof. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

SECTION 44. Supplemental Resolutions Effective Without Consent of Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms:

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

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

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

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

(e) to make such additions, deletions or modifications as may be necessary or desirable to assure qualification of the Series C Bonds as Qualified School Construction Bonds and "specified tax credit bonds" under the Code; or

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

(g) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the Owners.

SECTION 45. Effect of Supplemental Resolution. Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the District or any officer or agent of either from taking any action pursuant thereto.

SECTION 46. Defeasance. If any or all Outstanding Bonds shall be paid and discharged in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the Principal of and interest on all Bonds Outstanding, as and when the same become due and payable;

(b) by depositing with the Paying Agent, in trust, at or before maturity, cash which, together with the amounts then on deposit in the Debt Service Fund plus the interest to accrue thereon without the need for further investment, is fully sufficient to pay all Bonds Outstanding on their redemption date or at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

(c) by depositing with an institution to act as escrow agent selected by the District and which meets the requirements of serving as Paying Agent pursuant to Section 35, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America and described under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient, in the opinion of a verification agent satisfactory to the District, to pay and discharge all Bonds Outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment;

then all obligations of the District and the Paying Agent under this Resolution with respect to such Outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of the Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under Section 38 hereof.

SECTION 47. Bond Insurance. All or a portion of the Bonds may be sold with bond insurance or other form of credit enhancement, if the Superintendent, in consultation with the Underwriter and the Financial Advisor, determines that the savings to the District resulting from the purchase of such bond insurance exceeds the cost thereof.

SECTION 48. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the terms of the Continuing Disclosure Agreement. Any Underwriter, any Owner or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section 48 and the Continuing Disclosure Agreement.

SECTION 49. Tax Covenants

(a) Tax covenants Relating to Series C Bonds.

(i) *Qualified School Construction Project.* The District shall assure that all of the Available Project Proceeds of the Series C Bonds will be used for a Qualified Purpose or Purposes in accordance with section 54F(a)(1) of the Code.

(ii) *Designation of Series C Bonds as Qualified School Construction Bonds.* The District hereby designates the Series C Bonds as qualified school construction bonds for purposes of section 54F(a)(3) of the Code.

(iii) *Three Year Expenditure of Proceeds on Project.* The District reasonably expects to expend all of the Available Project Proceeds of the Series C Bonds for a Qualified Purpose with respect to the Project within the Expenditure Period. To the extent that less than 100% of the Available Project Proceeds of the Series C Bonds are expended for a Qualified Purpose by the end of the Expenditure Period, all nonqualified bonds (as determined under Section 142 of the Code) shall be redeemed within 90 days of the end of the Expenditure Period all in accordance with the requirements of Section 54A(d)(2)(B) of the Code in the time and manner prescribed by the Code.

(iv) *Binding Commitment to Spend Available Project Proceeds.* The District reasonably expects that, within 6 months of the date of issue of the Series C Bonds, it will enter into a binding commitment with a third party to spend at least ten percent (10%) of the Available Project Proceeds of the Series C Bonds for a Qualified Purpose with respect to the Project.

(v) *Financing Capital Expenditures, No Working Capital.* All Available Project Proceeds of the Series C Bonds will be spent on capital expenditures with a reasonably expected economic life of one year or more.

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

(vii) *Qualified Issuer.* The District is local government qualified to issue the Qualified School Construction Bonds under Section 54F(a)(2) of the Tax Code. The District has established and currently operates the various public school sites with respect to which the Available Project Proceeds will be spent.

(viii) *Allocation of Qualified School Construction Bond Limitation.* The District has received an allocation of a portion of the national qualified school construction bond limitation in the aggregate amount of \$3,860,000 in calendar year 2010, which will be included in the transcript for the Series C Bonds.

(ix) *No Arbitrage.* The District shall not take, or permit or suffer to be taken by any other person, any action with respect to the proceeds of the Series C Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series C Bonds would have caused

the Series C Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code as modified by Section 54A(d)(4) of the Code, including the Regulations with respect thereto.

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

(xi) *Limitation on Reserve Funds.* No funds, the proceeds of which are pledged to, or are reasonably expected to be used directly or indirectly to pay, principal or interest on the Series C Bonds, are reserved or otherwise set aside such that there is a reasonable assurance that such amounts will be available to pay principal or interest on the Series C Bonds will be funded with respect to the Series C Bonds except as follows: (i) the fund is funded at a rate not more rapid than equal annual installments, (ii) such fund is funded in a manner reasonably expected to result in an amount not greater than an amount necessary to repay the issue, and (iii) the yield on the fund is not greater than the rate determined under 54A(d)(5)(B) of the Code.

(xii) *Acquisition, Disposition and Valuation of Investments.* Except as otherwise provided in following sentence, the District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Resolution, or otherwise containing proceeds of the Series C Bonds shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code).

(xiii) *Prohibition on Financial Conflicts of Interest.* The District hereby covenants and agrees to comply with all State and local law requirements governing conflicts of interest as such requirements may relate, directly or indirectly, to the Series C Bonds. The District hereby covenants and agrees to comply with any conflict of interest rules prescribed by the IRS or United States Department of Treasury governing the appropriate Member of Congress, Federal, State, and local officials, and their spouses as such rules may apply to the Series C Bonds.

(xiv) *Davis-Bacon Act Requirements.* The District hereby covenants and agrees to comply with the wage rate requirements of Title 40, Subtitle II, Part A, Chapter 31, Subchapter IV of the United States Code as such requirements relate to the proceeds of the Series C Bonds.

(xv) *Election to Receive Refundable Credit Payments.* The District hereby irrevocably elects to treat the Series C Bonds as "Specified Tax Credit Bonds" within the meaning of Section 6431(f) of the Code such that the District will be eligible to receive direct payment by the federal government of a refundable credit equal to the lesser of the

interest payable on the Series C Bonds or 100% of the tax credit rate applicable to the Series C Bonds (the "Refundable Credit Payment").

(xvi) *Filing of Forms To Receive Refundable Credit Payment.* The District will, within the 45-day period beginning on the date that is 90 days before the next interest payment date with respect to the Series C Bonds, file, or cause to be filed, Form 8038-CP or any successor form designated by the federal government, requesting payment of the Refundable Credit Payment with respect to the next interest payment with respect to the Series C Bonds.

(xvii) *Maintenance of Qualification for Refundable Credit Payments.* The District shall take all actions necessary to assure that the Series C Bonds remain qualified school construction bonds under Section 54F(a) of the Code and specified tax credit bonds eligible for the Refundable Credit Payments under Section 6431 of the Code.

(b) Tax Covenants Relating to Tax-Exempt Bonds.

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

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

(iii) *Rebate Requirement.* The District shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series D Bonds.

(iv) *No Arbitrage.* The District shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series D Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series D Bonds would have caused the Series D Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

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

*[Remainder of this page intentionally left blank.]*

The foregoing resolution was, on the \_\_\_\_ day of \_\_\_\_, 2011, adopted by the Board of Education of the Mt. Diablo Unified School District at a regular meeting by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

Clerk of the Board of Education of the Mt. Diablo  
Unified School District

By: \_\_\_\_\_

EXHIBIT A-1

FORM OF CURRENT INTEREST BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR 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 THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), 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.

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

MT. DIABLO UNIFIED SCHOOL DISTRICT (COUNTY OF CONTRA COSTA)  
GENERAL OBLIGATION BONDS, 2010 ELECTION, 2011 SERIES D

\$ \_\_\_\_\_

No. \_\_\_\_\_

Interest Rate

Maturity Date

Dated Date

CUSIP

\_\_\_%

August 1, 20\_\_

\_\_\_\_\_, 2011

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Mt. Diablo Unified School District (the "District") of the County of Contra Costa, State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the dated date set forth above until the Principal Amount hereof shall have been paid or provided for, in accordance with the Resolution hereinafter referred to, at the interest rate set forth above. Interest on this Bond is payable on \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter on the first day of February and August (each, an "Interest Payment Date") in each year to the registered owner hereof from the Interest Payment Date next preceding the date on which this Bond is registered (unless it is registered after the close of business on the fifteenth calendar day of the month preceding any Interest Payment Date



(a “Record Date”) and before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Bond is registered prior to the close of business on [July 15, 2011], in which event it shall bear interest from its date; provided, however, that if at the time of registration of this Bond interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment). The Principal Amount hereof is payable at the office of Wells Fargo Bank National Association, as paying agent (the “Paying Agent”), in San Francisco, California. The interest hereon is payable by check or draft mailed by first class mail to each registered owner, at his address as it appears on the registration books kept by the Paying Agent as of the Record Date.

[The Bonds of this issue are comprised of \$\_\_\_\_\_ Principal Amount of Current Interest Bonds, of which this Bond is a part (a “Current Interest Bond”) and \$\_\_\_\_\_ Principal Amount of Capital Appreciation Bonds.] This Bond is issued by the District under and in accordance with the provisions of (i) Section 53506 *et seq.* of the California Government Code (the “Act”) and (ii) Article XIII A of the California Constitution, and pursuant to a resolution adopted by the Board of Education of the District on \_\_\_\_\_, 2011 (the “Resolution”). Reference is hereby made to the Resolution, a copy of which is on file at the office of the District, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of more than 55% of the qualified electors of the District voting on the proposition at a general election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to both Principal and interest from *ad valorem* taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Principal of this Bond, or any part thereof, nor any interest or premium hereon constitute a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Current Interest Bonds maturing on or before August 1, 20\_\_ shall not be subject to redemption prior to their maturity dates. The Current Interest Bonds maturing on or before August 1, 20\_\_ may be redeemed prior to their respective stated maturity dates, at the option of the District, from any source of available funds, on August 1, 20\_\_ or on any date thereafter as a

whole, or in part, at the principal amount thereof, together with interest accrued thereon to the date of redemption, without premium.

The Current Interest Bonds maturing on August 1, 20\_\_\_, are subject to mandatory sinking fund redemption, in part by lot, on August 1 in each of the years and in the principal amounts set forth in the following schedule, at a redemption price of par, plus accrued interest to the date fixed for redemption:

<u>Mandatory Sinking Fund Payment Date (August 1)</u>	<u>Mandatory Sinking Fund Payment</u>
---	---------------------------------------

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that no such modification or amendment shall, without the express consent of the registered owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, extend its maturity or the times for paying interest thereon or change the monetary medium in which the Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof.

A supplemental resolution of the District may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the District in the Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Principal Amount of this Bond plus premium, if any, and accrued interest due with respect hereto are duly provided therefor as specified in the Resolution, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Education Code of the State and that all of the proceedings of the Board of Education of the District in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Act and of the Constitution of the State of California, and that the total bonded indebtedness of the District, including the issue of which this Bond is a part, does not exceed any limit prescribed by law.

IN WITNESS WHEREOF, Mt. Diablo Unified School District has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the Mt. Diablo Unified School District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Education of the Mt. Diablo Unified School District.

MT. DIABLO UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
President of the Board of Education

Countersigned:

By: \_\_\_\_\_  
Clerk of the Board of Education

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Education of the Mt. Diablo Unified School District.

DATED: \_\_\_\_\_, 2011

WELLS FARGO BANK NATIONAL  
ASSOCIATION, as  
Paying Agent

By: \_\_\_\_\_  
Authorized Officer

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: \_\_\_\_\_

Address for Payment of Interest: \_\_\_\_\_

\_\_\_\_\_  
Social Security Number or other Tax Identification No.:

\_\_\_\_\_

the within-mentioned Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

\_\_\_\_\_  
Registered Owner

Dated:

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

Signature \_\_\_\_\_  
guaranteed

[Bank, Trust Company or Firm]

By \_\_\_\_\_  
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT A-2

FORM OF CAPITAL APPRECIATION BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR 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 THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), 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.

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

MT. DIABLO UNIFIED SCHOOL DISTRICT (COUNTY OF CONTRA COSTA)  
GENERAL OBLIGATION BONDS, 2010 ELECTION, 2011 SERIES D

No. \_\_\_\_\_

<u>Accretion Rate</u>	<u>Yield to Maturity</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
%	___%	August 1, 20__	Date of Delivery	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

MATURITY AMOUNT:

The Mt. Diablo Unified School District of the County of Contra Costa (the "District"), State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Maturity Value set forth above, on the Maturity Date set forth above. Interest on this Bond with respect to the Principal Amount hereof will accrue at the Accretion Rate per annum shown above from the Dated Date shown above and will be compounded semiannually on February 1 and August 1 of each year until maturity, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity as part of the Maturity Value. The Accreted Value hereof is payable at the office of Wells Fargo Bank National Association, as initial paying agent (the "Paying Agent"), in San Francisco, California.

[The Bonds of this issue are comprised of \$\_\_\_\_\_ of Principal Amount of Capital Appreciation Bonds of which this Bond is a part (a "Capital Appreciation Bond") and

\$\_\_\_\_\_ Principal Amount of Current Interest Bonds.] This Bond is issued by the District under and in accordance with the provisions of (i) Section 53506 *et seq.* of the California Government Code (the “Act”) and (ii) Article XIII A of the California Constitution, and pursuant to a resolution adopted by the Board of Education of the District on \_\_\_\_\_, 2011 (the “Resolution”). Reference is hereby made to the Resolution, a copy of which is on file at the office of the District, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of more than 55% of the qualified electors of the District voting on the proposition at a general election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to Maturity Value from *ad valorem* taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Maturity Value of this Bond, or any part hereof, nor any premium hereon constitute a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District, the County and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

[The Capital Appreciation Bonds maturing on and after August 1, 20\_\_ may be redeemed prior to their respective stated maturity dates, at the option of the District, from any source of available funds, on any date on or after August 1, 20\_\_, as a whole or in part, at a redemption price equal to the Accreted Value as of the date of redemption of such Capital Appreciation Bonds called for redemption, without premium. ]

[The Capital Appreciation Bonds maturing on or before August 1, 20\_\_ are not subject to optional redemption. The Capital Appreciation Bonds maturing on or after August 1, 20\_\_, may be redeemed prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20\_\_ at a redemption price equal to the Accreted Value as of the date of redemption of such Capital Appreciation Bonds called for redemption, without premium.]

[The Capital Appreciation Bonds are subject to mandatory redemption prior to their maturity date, by lot, at the Accreted Value thereof, without premium, on each August 1, in the years and in an amount equal to the aggregate Accreted Values set forth below:]

Redemption Date

Accreted Value  
To Be Redeemed

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that no such modification or amendment shall, without the express consent of the registered owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, extend its maturity or the times for paying interest thereon, or change the monetary medium in which the Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof.

A supplemental resolution of the District may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the District in the Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Accreted Value, without premium, is duly provided therefor as specified in the Resolution, then interest shall cease to accrete with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Education Code of the State and that all of the proceedings of the Board of Education of the District in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Act and of the Constitution of the State of California, and that the total bonded indebtedness of the District, including the issue of which this Bond is a part, does not exceed any limit prescribed by law.



IN WITNESS WHEREOF, the Mt. Diablo Unified School District has caused this Bond to be executed and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the Mt. Diablo Unified School District and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Education of the Mt. Diablo Unified School District.

MT. DIABLO UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
President of the Board of Education

Countersigned:

By: \_\_\_\_\_  
Clerk of the Board of Education

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Education of the Mt. Diablo Unified School District.

DATED: \_\_\_\_\_, 2011

WELLS FARGO BANK NATIONAL  
ASSOCIATION, as Paying Agent

By: \_\_\_\_\_  
Authorized Officer

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: \_\_\_\_\_

Address for Payment of Interest: \_\_\_\_\_

\_\_\_\_\_  
Social Security Number or other Tax Identification No.:

\_\_\_\_\_

the within-mentioned Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

\_\_\_\_\_  
Registered Owner

Dated:

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

Signature \_\_\_\_\_  
guaranteed

[Bank, Trust Company or Firm]

By \_\_\_\_\_  
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT A-3

FORM OF CONVERTIBLE CAB

REGISTERED  
NO. \_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

MT. DIABLO UNIFIED SCHOOL DISTRICT  
(COUNTY OF CONTRA COSTA)  
GENERAL OBLIGATION BONDS, 2010 ELECTION, 2011 SERIES A

Reoffering Yield:	Interest Rate				
through	after the	Conversion	Maturity		
<u>Conversion Date</u>	<u>Conversion Date</u>	<u>Date</u>	<u>Date</u>	<u>Dated as of:</u>	<u>CUSIP</u>
%	%				

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

CONVERSION VALUE: \_\_\_\_\_ DOLLARS

The Mt. Diablo Unified School District (the "District") in the County of Contra Costa, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the Principal Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing \_\_\_\_\_ 1, 2011 at the Reoffering Yield specified above to the dated Conversion Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denomination Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. After the Conversion Date, the District, for value received, promises to pay to the Registered Owner named above, interest on the Accreted value as of the Conversion Date (the "Conversion Value") until the Maturity Value (*i.e.* the Conversion Value) is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing \_\_\_\_\_ 1, 20\_\_ (first anniversary of Conversion Date). This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 15<sup>th</sup> day of the month next preceding any Bond Payment Date to the Bond Payment date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before \_\_\_\_\_ 15, 2011, in which event it will bear interest from the Date of Delivery. Principal (*i.e.*, Conversion Value or Maturity Value) and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the register maintained by the Bond Registrar, initially Wells Fargo Bank National Association. Conversion

Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Bond Registrar. The Bonds were authorized by a vote of more than 55% of the qualified electors of the District voting on the proposition at an election held therein to determine whether such Bonds should be issued.

This bond is authorized by that certain resolution adopted by the Board of Education of the District on \_\_\_\_\_, 2011 (the "Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Section 15250 and 15252. The bonds of this issue are general obligations of the District and do not constitute an obligation of the County except as provided in the Resolution. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

The bonds of this issue comprise \$\_\_\_\_\_ principal amount of Current Interest Bonds, \$\_\_\_\_\_ issue amount of Capital Appreciation Bonds and \$\_\_\_\_\_ principal amount of convertible capital appreciation bonds (each a "Convertible Capital Appreciation Bond"), of which this bond is a part, in the Denominational Amount of \$\_\_\_\_\_ and the Maturity Value of \$\_\_\_\_\_.

The Convertible Capital Appreciation Bonds maturing on August 1, 20\_\_ may be redeemed before maturity at the option of the District, from any source of available funds, in whole or in part, at the direction of the District, on any date on or after August 1, 20\_\_ at a redemption price equal to the principal amount thereof, together with accrued interest to the date of redemption, without premium.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Resolution) and in authorized denominations at the principal office of the Bond Registrar by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar, all subject to the terms, limitations and conditions provided in the Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Bond Registrar may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

Neither the District nor the Bond Registrar will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

Reference is made to the Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Convertible Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the Bond Registrar and the Registered Owners, and the terms and conditions upon which the bonds are

issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Mt. Diablo Unified School District has caused this Bond to be executed and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the Mt. Diablo Unified School District and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Education of the Mt. Diablo Unified School District.

MT. DIABLO UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
President of the Board of Education

Countersigned:

By: \_\_\_\_\_  
Clerk of the Board of Education

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Education of the Mt. Diablo Unified School District.

DATED: \_\_\_\_\_, 2011

WELLS FARGO BANK NATIONAL  
ASSOCIATION, as Paying Agent

By: \_\_\_\_\_  
Authorized Officer

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

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

EXHIBIT A-4

FORM OF QUALIFIED SCHOOL CONSTRUCTION BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR 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 THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), 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.

Number Principal Amount  
R-\_\_\_\_ \$ \_\_\_\_\_

MT. DIABLO UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, 2010 ELECTION, 2011 SERIES C  
(FEDERALLY TAXABLE QUALIFIED SCHOOL CONSTRUCTION BONDS - DIRECT  
PAYMENT)

Dated Date                      Maturity Date                      Interest Rate                      CUSIP No.

**August 1, 20\_\_**

Registered Owner:    Cede & Co.

Principal Amount:    \_\_\_\_\_ DOLLARS

The Mt. Diablo Unified School District (the "District") of the County of Contra Costa, State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the Dated Date set forth above until the Principal Amount hereof shall have been paid or provided for, in accordance with the Resolution hereinafter referred to, at the interest rate set forth above. Interest on this Bond is payable on \_\_\_\_\_ 1, 20\_\_ and semiannually thereafter on the first day of February 1 and August 1 (each, an "Interest Payment Date") in each year to the Registered Owner hereof from the Interest Payment Date next preceding the date on which this Bond is registered (unless it is registered after the close of business on the fifteenth calendar day of the month preceding any Interest Payment Date (a "Record Date") and before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Bond is registered prior to the close of business on \_\_\_\_\_ 15, 20\_\_, in



which event it shall bear interest from its Dated Date; provided, however, that if at the time of registration of this Bond interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment). Interest on this Bond shall be computed using a year of 360 days, comprised of twelve 30-day months. The Principal Amount hereof is payable at the office of the Wells Fargo Bank National Association, as initial paying agent (the "Paying Agent"), in San Francisco, California. The interest hereon is payable by check or draft mailed by first class mail to each registered owner, at his address as it appears on the registration books kept by the Paying Agent as of the Record Date.

[The Bonds of this issue are comprised of \$\_\_\_\_\_ Principal Amount of Current Interest Bonds, \$\_\_\_\_\_ Principal Amount of Capital Appreciation Bonds and \$\_\_\_\_\_ Principal Amount of Qualified School Construction Bonds –Direct Payment, of which this Bond is a part]. This Bond is issued by the District under and in accordance with the provisions of (i) Section 53506 *et seq.* of the California Government Code (the "Act"), (ii) Article XIII A of the California Constitution, (iii) Section 54F of the American Recovery and Reinvestment Act of 2009; and pursuant to a resolution adopted by the Board of Education of the District on \_\_\_\_\_, 2011 (the "Resolution"). Reference is hereby made to the Resolution, a copy of which is on file at the office of the District, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, the County and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of more than 55% of the qualified electors of the District voting on the proposition at an election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to both Principal and interest from *ad valorem* taxes, which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Principal of this Bond, or any part thereof, nor any interest or premium hereon constitute a debt, liability or obligation of the County. Direct Payment payments received by the District from the United States government are not pledged to pay debt service on this Bond.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

[The Bonds maturing on or before August 1, 20\_\_\_, are not subject to redemption prior to their stated maturity dates. The Bonds maturing on and after August 1, 20\_\_\_, may be redeemed before maturity, at the option of the District, from any source of available funds, in whole or in

part on any date on or after August 1, 20\_\_, at par, together with interest accrued thereon to the date of redemption.]

[The Bonds maturing on August 1, 20\_\_, are subject to mandatory sinking fund redemption, in part by lot, on August 1 in each of the years and in the principal amounts set forth in the following schedule, at a redemption price of par, plus accrued interest to the date fixed for redemption:]

<u>Mandatory Sinking Fund</u> <u>Payment Date (August 1)</u>	<u>Mandatory Sinking Fund Payment</u> \$
---	---

Whenever provision is made for the redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 45 days prior to the Date designated for such redemption, shall select Bonds for redemption in such order as the District may direct, or, in the absence of such direction, in inverse order of maturity within a series. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of this Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof.

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District; provided, however, that no such modification or amendment shall, without the express consent of the registered owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, extend its maturity or the times for paying interest thereon or change the monetary medium in which the Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof.

A supplemental resolution of the District may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the County in the Resolution, other covenants and agreements to be observed by the County or the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the County or the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; (5) to make such additions, deletions or modifications as may be necessary or desirable to assure qualification of the Bonds as Qualified School Construction Bonds and “specified tax credit bonds” under the Code or (6)

to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Principal Amount of this Bond plus premium, if any, and accrued interest due with respect hereto are duly provided therefor as specified in the Resolution, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Mt. Diablo Unified School District has caused this Bond to be executed and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the Mt. Diablo Unified School District and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Education of the Mt. Diablo Unified School District.

MT. DIABLO UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
President of the Board of Education

Countersigned:

By: \_\_\_\_\_  
Clerk of the Board of Education

The following Certificate of Authentication shall be printed on the face of each Bond:

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Education of the Mt. Diablo Unified School District.

DATED: \_\_\_\_\_, 20\_\_

WELLS FARGO BANK NATIONAL  
ASSOCIATION, as Paying Agent

By: \_\_\_\_\_  
Authorized Officer

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: \_\_\_\_\_

Address for Payment of Interest: \_\_\_\_\_

\_\_\_\_\_  
Social Security Number or other Tax Identification No.:

\_\_\_\_\_

the within-mentioned Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

\_\_\_\_\_  
Registered Owner

Dated:

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

Signature \_\_\_\_\_  
guaranteed

[Bank, Trust Company or Firm]

By \_\_\_\_\_  
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

**EXHIBIT B**  
**FORM OF BOND PURCHASE AGREEMENT**

\$ \_\_\_\_\_  
**MT. DIABLO UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**

\$ \_\_\_\_\_  
**GENERAL OBLIGATION BONDS**  
**2010 ELECTION, 2011 SERIES C**  
**(FEDERALLY TAXABLE QUALIFIED SCHOOL**  
**CONSTRUCTION BONDS – DIRECT PAYMENT)**

\$ \_\_\_\_\_  
**GENERAL OBLIGATION BONDS**  
**2010 ELECTION, 2011 SERIES D**  
**(Bank Qualified)**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2011

Board of Education  
Mt. Diablo Unified School District  
1936 Carlotta Drive  
Concord, California 94519

Ladies and Gentlemen:

The undersigned, Stone & Youngberg LLC, as (the “Underwriter”), offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Mt. Diablo Unified School District (the “District”), which, upon your acceptance hereof, will be binding upon the District and the Underwriter. By execution of this Purchase Agreement, the District and the Underwriter acknowledge the terms hereof and recognize that they will be bound by certain of the provisions hereof, and to the extent binding thereupon, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof.

**SECTION 50. Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of \$\_\_\_\_\_ aggregate principle amount of the District’s General Obligation Bonds, 2010 Election, 2011 Series C (Federally Taxable Qualified School Construction Bonds – Direct Payment) (the “Series C Bonds”) and \$\_\_\_\_\_ aggregate principal amount of the District’s General Obligation Bonds, 2010 Election, 2011 Series D (the “Series D Bonds,” and together with the Series C Bonds, the “Bonds”). The Bonds shall bear or accrete interest at the rates with the yields to maturity (or yields to call date), shall mature in the years and shall be subject to redemption as shown on Exhibit A hereto, which is incorporated herein by this reference. The Underwriter shall purchase: (A) the Series C Bonds at a price of \$\_\_\_\_\_, being the aggregate principal amount of the Series C Bonds of \$\_\_\_\_\_ and (B) the Series D Bonds at a price of \$\_\_\_\_\_ (consisting of the aggregate initial principal amount of the Series D Bonds of \$\_\_\_\_\_ plus original issue premium of \$\_\_\_\_\_ less \$\_\_\_\_\_ to be deposited by the Underwriter into an account to be held with a commercial bank (the “Fiscal Agent”) and used to pay costs of issuance pursuant to the provisions of Section 12

hereof), \$\_\_\_\_\_ as premium for a policy of municipal bond insurance for the Bonds to be paid to \_\_\_\_\_ and less an Underwriter's discount of \$\_\_\_\_. The District acknowledges that the amount of original issue premium retained by the Underwriter to pay costs of issuance does not constitute Underwriter's compensation. The original issue premium deposited by the Underwriter with the Fiscal Agent shall be applied to pay a portion of the allocated costs of issuance of the Bonds as provided below. If, after payment of all costs of issuance, any amount deposited by the Underwriter with the Fiscal Agent has not been expended, such amount shall be paid by the Underwriter or the Fiscal Agent to the County of Contra Costa (the "County") for deposit into the District's Debt Service Fund. In the event the amount deposited in the costs of issuance account is insufficient to pay costs of issuance, any shortfall shall be paid by the District.

Inasmuch as this purchase and sale represents a negotiated transaction, the District understands, and hereby confirms, that the Underwriter is not acting as a fiduciary, of the District, but rather is acting solely in its capacity as Underwriter, for its own account. The Underwriter has been duly authorized to execute this Purchase Agreement and to act hereunder.

**SECTION 51. The Bonds.** The Bonds shall be dated as of their date of delivery and shall mature on August 1 in the years shown on Exhibit A hereto. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the Board of Education of the District, adopted on \_\_\_\_\_, 2011 (the "Resolution"), this Purchase Agreement and Sections 53506 *et seq.* of the California Government Code (collectively, the "Act"). Certain provisions for the redemption of the Bonds, not otherwise specified in the Resolution, are shown in Exhibit A attached hereto and incorporated herein by reference, all as provided in the Resolution. The initial Paying Agent for the Bonds, as designated by the Resolution, shall be Wells Fargo Bank National Association (the "Paying Agent").

The Bonds are issued as Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds and shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Resolution. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

The District intends to apply the net proceeds of the Bonds to finance the construction, acquisition, furnishing and equipping of District facilities as specified in the bond proposition approved by the voters on June 8, 2010 (the "Election"). Additionally, because the Series C Bonds are designated as qualified school construction bonds under section 54F of the Code, the proceeds of the Series C Bonds will be applied to finance the construction, rehabilitation or repair of public school facilities or the acquisition of land upon which such a facility is to be constructed.

**SECTION 52. Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offering and sale of the Bonds, this Purchase Agreement, the Official Statement, the Resolution, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement (except as such documents otherwise expressly provide).



**SECTION 53. Public Offering of the Bonds.** The Underwriter agrees to make a *bona fide* public offering of all the Bonds at the initial public offering prices or yields to be set forth on the cover or inside cover page of the Official Statement (defined below). Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as it deems necessary in connection with the marketing of the Bonds; *provided* that the Underwriter shall not change the interest rates set forth in Exhibit A. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated in the Official Statement.

The Underwriter hereby represents to the District (i) that as of the date of sale, all of the Bonds purchased were expected to be reoffered in a *bona fide* public reoffering; (ii) that as of the date of the certification at closing, all of the Bonds purchased had actually been offered to the general public at the offering prices shown in Exhibit “A”; and (iii) that the prices given in Exhibit “A” are the maximum initial *bona fide* offering prices at which a substantial amount (at least 10%) of each maturity of the Bonds purchased (or as otherwise indicated) was offered to the general public. The Underwriter agrees, upon request, to furnish to the District or to Bond Counsel, reasonable written verification of its compliance with this paragraph, in the form of a Certificate of Underwriter at closing.

**SECTION 54. Official Statement.** The District has caused to be drafted and consents to the use of a Preliminary Official Statement (the “Preliminary Official Statement”), including the cover page and Appendices thereto, relating to the Bonds. The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the “Rule”). The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds.

The District hereby authorizes the preparation of a final Official Statement respecting the Bonds following the execution hereof (the “Official Statement”) and the District hereby authorizes the use thereof by the Underwriter in connection with the public offering and sale of the Bonds. The District shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the District’s acceptance of this Agreement (but, in any event, not later than seven business days after the execution hereof, and in sufficient time to accompany any confirmation of a sale of Bonds) copies of the Official Statement, which is complete as of the date of its delivery to the Underwriter, in such reasonable quantities as the Underwriter shall request in order to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

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 Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

During the period ending on the 25th day after the End of the Underwriting Period (as defined below) (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriter, at the District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. 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.

For purposes of this Purchase Agreement:

The "End of the Underwriting Period" is used as defined in Rule 15c2-12 and shall occur on the later of (a) the date of Closing or (b) when the Underwriter no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter 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.

**SECTION 55. Closing.** At 9:00 a.m., California Time, on \_\_\_\_\_, 2011, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (the "Closing"), the District will deliver, or arrange to deliver, to the Underwriter, through the facilities of DTC, or at such other place as the parties may mutually agree upon, the Bonds in book-entry form, duly executed and registered as provided in paragraph 2 above, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to an account or accounts within the United States designated by the District. The Underwriter will deposit certain original issue premium with the Fiscal Agent, who shall pay or provide for payment of certain costs of issuance of the Bonds.

**SECTION 56. Representations, Warranties and Agreements of the District.** The District, hereby represents, warrants and agrees with the Underwriter that:

- (a) The District is a unified school district, duly organized and validly existing under the laws of the State of California, with the full legal right, power and authority to (i) issue the Bonds pursuant to the Act; (ii) enter into, execute and deliver this Purchase Agreement and the Continuing Disclosure Agreement appended to the Official Statement (the "Continuing Disclosure Agreement"); (iii) to adopt the Resolution; and (iv) to construct, improve or acquire the Project (as described in the Official Statement) with the proceeds of sale of the Bonds.

(b) (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has the legal right, power and authority to enter into this Purchase Agreement, to adopt the Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Agreement and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Continuing Disclosure Agreement, the Resolution and this Purchase Agreement (collectively, the “District Documents”) have been duly authorized and such authorization shall be in force and effect at the time of the Closing; (iv) the District Documents constitute valid and legally binding obligations of the District enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and to principles of equity relating to or affecting the enforcement of creditors’ rights; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement and by the Official Statement.

(c) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions which may qualify the Bonds for offer and sale under “Blue Sky” or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) The District has complied, or will comply, with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), applicable to the Bonds.

(e) To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of the District Documents, and the compliance with the provisions thereof and hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(f) As of the time of acceptance hereof no action, suit, hearing or investigation is pending or, to the best knowledge of the District, threatened: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of revenues available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or

the Resolution or contesting the powers of the District or its authority with respect to the Bonds, this Purchase Agreement or the Resolution; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement or the Resolution, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Series D Bonds from gross income for federal income tax purposes or the exemption of such interest on the Bonds from California personal income taxation.

(g) Between the date hereof and the Closing without the prior written consent of the Underwriter, neither the District nor the County in the name and on behalf of the District, will have issued in the name and on behalf of the District, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

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

(i) With respect to any certifications of the District pursuant to Section 42131 of the Education Code of the State, the District has not received for the current, and for the next reporting period (based on currently available information) does not expect to receive, a qualified or negative classification from the County Superintendent of Schools.

(j) In accordance with the requirements of the Rule, the District will enter into the Continuing Disclosure Agreement, upon or prior to the sale of the Bonds, in which the District will undertake, for the benefit of the Owners of the Bonds, to provide certain information as set forth therein. The District is not in default with respect to any continuing disclosure obligation it may have incurred prior to the date hereof in connection with the delivery or issuance of any debt instruments, bonds, notes or lease-purchase obligations.

(k) The District will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request, and at the sole expense of the Underwriter, in order to qualify the Bonds for offering and sale under the "Blue Sky" or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and to continue such qualifications in effect so long as may be required for the distribution of the Bonds (provided, however, that the District will not be required to qualify as a foreign corporation or to file any general or special consent to service of process under the laws of any jurisdiction).

(l) The District agrees to apply the proceeds from the sale of the Bonds for the purposes specified in the Resolution and the purposes specifically designated in its

official project list approved by the voters of the District on June 8, 2010 and moreover, with respect to the Series C Bonds, for one or more qualified purposes described in Section 54F(a)(1) of the Code.

(m) The Preliminary Official Statement did not and the Official Statement does not as of its date (excluding therefrom information relating to The Depository Trust Company, its book-entry system, and information provided by the Underwriter, the County or County officers) contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of, and other financial information regarding, the District contained in the Official Statement fairly represent the financial position and operating results of the District as of the dates and for the periods set forth therein. Prior to the Closing, there will have been no adverse change of a material nature in such financial position, results of operation or condition, financial or otherwise, of the District. The District is not a party to any litigation or other proceeding pending, or, to its knowledge, threatened which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District.

(n) The financial statements of, and other financial information regarding the District, contained in the Official Statement fairly represent the financial position and operating results of the District as of the dates and for the periods set forth therein. Since the date of the Preliminary Official Statement, there has been no adverse change of a material nature in such financial position, results of operation or condition, financial or otherwise, of the District. The District is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District.

**SECTION 57. Reserved**

**SECTION 58. Underwriter's Representations, Warranties and Agreements.** The Underwriter represents, warrants to and agrees with the District that, as of the date hereof and as of the Closing Date:

(a) The Underwriter is duly authorized to execute this Purchase Agreement through its officer as undersigned and is authorized to take any action(s) under the Purchase Agreement required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the District, and are not prohibited thereby from acting as Underwriter with respect to the securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship with the District with respect to the Bonds, within the meaning of California Government Code Section 53590.

(d) The Underwriter has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm, or person (including, but not limited to, the District's financial consultants, or any officer, agent or employee thereof), other than a bona fide officer, agent or employee working for the Underwriter, any compensation, fee gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Agreement; and

(e) The Underwriter has reasonably determined that the District's undertaking to provide continuing disclosure with respect to the Bonds pursuant to Section 10(E)(12) hereof is sufficient to effect compliance with the Rule.

**SECTION 59. Conditions to Closing.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and he performance by the District of its obligations hereunder and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the date of Closing. Accordingly, the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds are and shall be conditioned upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject at the option of the Underwriter, to the following further conditions, including the delivery by the District of such documents and instruments as are enumerated herein, in form and substance satisfactory to the Underwriter:

(a) The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by them, individually, in this Purchase Agreement;

(b) At the time of the Closing, (i) the Official Statement, this Purchase Agreement and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Resolution, this Purchase Agreement or the Official Statement to be performed at or prior to the Closing;

(c) No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened, which has any of the effects described in Section 7.F. hereof, or contesting in any way the completeness or accuracy of the Official Statement;

(d) Between the date hereof and the Closing, the market price for the Bonds, or the market for or marketability of the Bonds at the initial offering prices set forth in the Official Statement, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected in the reasonable professional judgment of the Underwriter (evidenced by a written notice to the the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(i) legislation enacted 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 of California (the "State"), or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, regulation (final, temporary or proposed) or official statement issued or made:

(A) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

(B) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(ii) the declaration of war or engagement in or material escalation of major military hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(iii) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue of a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(iv) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material

restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters;

(v) an order, decree or injunction of any court of competent jurisdiction, or order, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(vi) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the District's outstanding indebtedness;

(vii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or results in an omission to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(viii) there shall have occurred since the date of this Purchase Agreement any materially adverse change in the affairs or financial condition of the District;

(ix) any state "Blue Sky" or securities commission, or other governmental agency or body, shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(x) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds; or

(xi) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.



(e) At or prior to the date of the Closing, the Underwriter shall receive three copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(i) An approving opinion of Matt Juhl Darlington & Associates, as Bond Counsel (“Bond Counsel”), addressed to the District;

(ii) A reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described in E(1) above;

(iii) A supplemental opinion from Bond Counsel, addressed to the Underwriter and the District, to the effect that:

1. this Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the Underwriter, is a legally valid and binding agreement of the District, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors’ rights or remedies, and is subject to general principles of equity (regardless of whether such enforcement is considered in equity or at law);

2. the statements contained in the Official Statement in the sections thereof entitled: “INTRODUCTION, “THE BONDS” “SECURITY FOR THE BONDS” and “TAX MATTERS” (excluding information related to DTC, its book-entry-only system, and certain statistical information),” insofar as such statements purport to summarize certain provisions of the Bonds and the Resolution, present a fair and accurate summary of such provisions; and

3. the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(iv) An opinion of Jones Hall, as Special Tax Counsel, as to the Series C Bonds status as Qualified School Construction Bonds;

(v) An opinion of Jones Hall, as Special Tax Counsel, as to the tax-exempt status of Series D Bonds;

(vi) A reliance letter from Special Tax Counsel to the effect that the Underwriter may rely upon the opinion described in E(4) above;

(vii) A reliance letter from Special Tax Counsel to the effect that the Underwriter may rely upon the opinion described in E(5) above;

(viii) A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, (ii) the representations, agreements and warranties of the District herein are

true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Resolution and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statements of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolution and (vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his or her knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds by District or the due adoption of the Resolution;

(ix) Tax certificate(s) of the District in form(s) satisfactory to Bond Counsel and Special Tax Counsel;

(x) Internal Revenue Service Form(s) 8038-G and 8038-C, as applicable, as prepared for the Bonds;

(xi) Evidence satisfactory to the Underwriter that the Bonds shall have been rated “\_\_\_\_\_” by Standard & Poor’s and “\_\_\_\_\_” by Moody’s Investors Service (or such other equivalent rating as such rating agency may give) based upon the issuance of the Policy (as defined below), and that such ratings have not been revoked or downgraded or placed under review or “Credit Alert”;

(xii) A certificate, together with fully executed copies of the Resolution, of the Clerk or Secretary of the Board of Education to the effect that:

(A) such copies are true and correct copies of the Resolution; and

(B) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(xiii) A “deemed final” certificate of the appropriate official of the District with respect to the Preliminary Official Statement in accordance with the Rule;

(xiv) The Continuing Disclosure Agreement, signed by an appropriate official of the District and the Dissemination Agent, if any;

(xv) A certificate of the Paying Agent, signed by a duly authorized officer of the Paying Agent, and in form and substance satisfactory to the Underwriter, to the effect that, to the best of such officer’s knowledge, no litigation is pending or threatened (either in state or federal courts) (A)

seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or any agreement with the Paying Agent;

(xvi) A copy of the submitted Report of Proposed Debt Issuance and acknowledgement, together with the Report(s) of Final Sale to be submitted to the California Debt and Investment Advisory Commission;

(xvii) A Preliminary Official Statement, together with a final Official Statement executed by an authorized representative of the District; and

(xviii) Evidence that \_\_\_\_\_ (the "Insurer") has issued its municipal bond insurance policy with respect to the Bonds (hereinafter referred to as the "Policy") as well as appropriate opinions and certificates from the Insurer relating to the Policy;

(xix) Such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter may reasonably request in order to evidence compliance (i) by the District with legal requirements, (ii) of the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (iii) of the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Underwriter's Certifications. At or prior to the date of the Closing, and contemporaneously with the acceptance and delivery of the Bonds and the payment of the purchase price therefore (as set forth herein), the Underwriter shall provide to the District:

(i) the receipt of the Underwriter, in form satisfactory to the District and signed by an authorized officer of the Underwriter, accepting the Bonds by the Underwriter and receipt of all documents required by the Underwriter pursuant to the terms hereof, and the satisfaction or waiver of all conditions and terms of this Purchase Agreement by the District, and confirming to the District that as of the Closing Date all of the representations of the Underwriter contained in this Purchase Agreement are true, complete and correct in all material respects;

(ii) the certification(s) of the Underwriter, signed by an authorized officer of the Underwriter, in form satisfactory to Bond Counsel and Special Tax Counsel, regarding the prices at which the Bonds have been reoffered to the public, as described in section 4 hereof and such other matters relative to the Bonds as Bond Counsel or Special Tax Counsel may request; and

(g) Notwithstanding anything to the contrary herein contained, if for any reason whatsoever, the Bonds shall not have been delivered by the District to the Underwriter for checking prior to the close of business, California Time, on a day no

later than two Business Days prior to the Closing, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 15 hereof.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing or by telephone or telecopy, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

**SECTION 60. Conditions to Obligations of the District.** The performance by the District of its obligations under this Purchase Agreement is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and by the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than themselves.

**SECTION 61. Expenses.** The Underwriter, on behalf of the District, shall pay any expenses incident to the performance of the District's obligations hereunder from the proceeds of the Bonds, including, but not limited to, the following: (i) the fees and disbursements of Bond Counsel, Disclosure Counsel, Special Tax Counsel and the Financial Advisor; (ii) the cost of the preparation, printing and delivery of the Bonds; (iii) the fees, if any, for Bond ratings including all expenses related to obtaining such ratings; (iv) the cost of the printing and distribution of the Preliminary Official Statement and Official Statement; (v) the initial fees of the Paying Agent and the fees of the Fiscal Agent to pay costs of issuance; (vi) the expenses of the County and the District incurred in the connection with the Election; and (vii) all other fees and expenses incident to the issuance and sale of Bonds, but only to the extent that original issue premium deposited by the Underwriter with the Fiscal Agent proves insufficient to pay the same. In the event that following payment of the expenses set forth above, the amount of \$\_\_\_\_\_ deposited by the Underwriter with the Fiscal Agent to pay costs of issuance exceeds the actual costs described herein, the Underwriter or the Fiscal Agent shall remit any remaining amount to the County, on behalf of the District, and the County shall deposit such amount into the District's Debt Service Fund (as defined in the Resolution) for the Bonds. At the time that all such costs of issuance are paid, the Underwriter, or the Fiscal Agent, shall provide the District with a complete accounting of such payments and any amounts remaining after all such payments have been made. Any expenses owing following the depletion of said amount shall be for the account of the District. The Underwriter shall pay its out-of-pocket expenses, (other than travel incurred in connection with obtaining ratings and bond insurance, as applicable), the California Debt and Investment Advisory Commission fee.

**SECTION 62. Reserved.**

**SECTION 63. Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the District, to the Chief Financial Officer of

Mt. Diablo Unified School District, 1936 Carlotta Drive, Concord, California 94519, or if to the Underwriter at Stone & Youngberg LLC, One Ferry Building, Suite 275, San Francisco, California 94111, Attn: Bruce Kerns.

**SECTION 64. Parties In Interest; Survival of Representations and Warranties.**

This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement between the District and the Underwriter. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements dated as of their respective dates (s) the District in this 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 Purchase Agreement.

**SECTION 65. Severability.** In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**SECTION 66. Nonassignment.** Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior written consent of the other party hereto.

**SECTION 67. Entire Agreement.** This Purchase Agreement, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto, including their permitted successors and assigns, respectively.

**SECTION 68. Execution in Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same document.

SECTION 69. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,  
**STONE & YOUNGBERG LLC, as Underwriter**

By \_\_\_\_\_  
Bruce Kerns  
Managing Director  
**MT. DIABLO UNIFIED SCHOOL DISTRICT**

By \_\_\_\_\_  
Steven Lawrence  
Superintendent

**EXHIBIT A**

\$ \_\_\_\_\_  
MT. DIABLO UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS  
2010 ELECTION, 2011 SERIES C  
(FEDERALLY TAXABLE QUALIFIED SCHOOL CONSTRUCTION BONDS – DIRECT PAYMENT)

<b><u>Maturity</u></b> <b>(<u>August 1</u>)</b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP<sup>1</sup></u></b> <b>(<u>621196</u> )</b>
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\$ \_\_\_\_\_ % TERM BONDS DUE AUGUST 1, 20\_\_ – PRICED TO YIELD: \_\_\_\_\_%, CUSIP:  
621196\_\_

\$ \_\_\_\_\_  
MT. DIABLO UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS  
2010 ELECTION, 2011 SERIES D

\$ \_\_\_\_\_ **Capital Appreciation Bonds**

<b><u>Maturity Date</u></b> <b>(<u>August 1</u>)</b>	<b><u>Initial Principal</u></b> <b><u>Amount</u></b>	<b><u>Accretion</u></b> <b><u>Rate</u></b>	<b><u>Yield to</u></b> <b><u>Maturity</u></b>	<b><u>Maturity Value</u></b>
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<sup>1</sup> Copyright 2011, American Bankers Association. CUSIP data herein is provided by Standard and Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. The CUSIP number is provided for convenience of reference only. Neither the District nor the Underwriter take any responsibility for the accuracy of such CUSIP number.

**\$\_\_\_\_\_ Convertible Capital Appreciation Bonds**

<b><u>Maturity</u></b> <b><u>Date</u></b> <b><u>(August 1)</u></b>	<b><u>Initial</u></b> <b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Accretion</u></b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>Conversion</u></b> <b><u>Value</u></b>	<b><u>Conversion</u></b> <b><u>Date</u></b> <b><u>(August 1)</u></b>	<b><u>Interest</u></b> <b><u>Rate after</u></b> <b><u>Conversion</u></b>	<b><u>CUSIP<sup>1</sup></u></b> <b><u>(621196 )</u></b>
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## **TERMS OF REDEMPTION**

\$ \_\_\_\_\_  
**MT. DIABLO UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**

\$ \_\_\_\_\_  
**GENERAL OBLIGATION BONDS**  
**2010 ELECTION, 2011 SERIES C**  
**(FEDERALLY TAXABLE QUALIFIED SCHOOL**  
**CONSTRUCTION BONDS – DIRECT PAYMENT)**

\$ \_\_\_\_\_  
**GENERAL OBLIGATION BONDS**  
**2010 ELECTION, 2011 SERIES D**  
**(Bank Qualified)**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2011

Board of Education  
Mt. Diablo Unified School District  
1936 Carlotta Drive  
Concord, California 94519

Ladies and Gentlemen:

The undersigned, Stone & Youngberg LLC, as (the “Underwriter”), offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Mt. Diablo Unified School District (the “District”), which, upon your acceptance hereof, will be binding upon the District and the Underwriter. By execution of this Purchase Agreement, the District and the Underwriter acknowledge the terms hereof and recognize that they will be bound by certain of the provisions hereof, and to the extent binding thereupon, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof.

**SECTION 70. Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of \$\_\_\_\_\_ aggregate principle amount of the District’s General Obligation Bonds, 2010 Election, 2011 Series C (Federally Taxable Qualified School Construction Bonds – Direct Payment) (the “Series C Bonds”) and \$\_\_\_\_\_ aggregate principal amount of the District’s General Obligation Bonds, 2010 Election, 2011 Series D (the “Series D Bonds,” and together with the Series C Bonds, the “Bonds”). The Bonds shall bear or accrete interest at the rates with the yields to maturity (or yields to call date), shall mature in the years and shall be subject to redemption as shown on Exhibit A hereto, which is incorporated herein by this reference. The Underwriter shall purchase: (A) the Series C Bonds at a price of \$\_\_\_\_\_, being the aggregate principal amount of the Series C Bonds of \$\_\_\_\_\_ and (B) the Series D Bonds at a price of \$\_\_\_\_\_ (consisting of the aggregate initial principal amount of the Series D Bonds of \$\_\_\_\_\_ plus original issue premium of \$\_\_\_\_\_ less \$\_\_\_\_\_ to be deposited by the Underwriter into an account to be held with a commercial bank (the “Fiscal Agent”) and used to pay costs of issuance pursuant to the provisions of Section 12

hereof), \$\_\_\_\_\_ as premium for a policy of municipal bond insurance for the Bonds to be paid to \_\_\_\_\_ and less an Underwriter's discount of \$\_\_\_\_. The District acknowledges that the amount of original issue premium retained by the Underwriter to pay costs of issuance does not constitute Underwriter's compensation. The original issue premium deposited by the Underwriter with the Fiscal Agent shall be applied to pay a portion of the allocated costs of issuance of the Bonds as provided below. If, after payment of all costs of issuance, any amount deposited by the Underwriter with the Fiscal Agent has not been expended, such amount shall be paid by the Underwriter or the Fiscal Agent to the County of Contra Costa (the "County") for deposit into the District's Debt Service Fund. In the event the amount deposited in the costs of issuance account is insufficient to pay costs of issuance, any shortfall shall be paid by the District.

Inasmuch as this purchase and sale represents a negotiated transaction, the District understands, and hereby confirms, that the Underwriter is not acting as a fiduciary, of the District, but rather is acting solely in its capacity as Underwriter, for its own account. The Underwriter has been duly authorized to execute this Purchase Agreement and to act hereunder.

**SECTION 71. The Bonds.** The Bonds shall be dated as of their date of delivery and shall mature on August 1 in the years shown on Exhibit A hereto. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the Board of Education of the District, adopted on \_\_\_\_\_, 2011 (the "Resolution"), this Purchase Agreement and Sections 53506 *et seq.* of the California Government Code (collectively, the "Act"). Certain provisions for the redemption of the Bonds, not otherwise specified in the Resolution, are shown in Exhibit A attached hereto and incorporated herein by reference, all as provided in the Resolution. The initial Paying Agent for the Bonds, as designated by the Resolution, shall be Wells Fargo Bank National Association (the "Paying Agent").

The Bonds are issued as Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds and shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Resolution. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

The District intends to apply the net proceeds of the Bonds to finance the construction, acquisition, furnishing and equipping of District facilities as specified in the bond proposition approved by the voters on June 8, 2010 (the "Election"). Additionally, because the Series C Bonds are designated as qualified school construction bonds under section 54F of the Code, the proceeds of the Series C Bonds will be applied to finance the construction, rehabilitation or repair of public school facilities or the acquisition of land upon which such a facility is to be constructed.

**SECTION 72. Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offering and sale of the Bonds, this Purchase Agreement, the Official Statement, the Resolution, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement (except as such documents otherwise expressly provide).

**SECTION 73. Public Offering of the Bonds.** The Underwriter agrees to make a *bona fide* public offering of all the Bonds at the initial public offering prices or yields to be set forth on the cover or inside cover page of the Official Statement (defined below). Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as it deems necessary in connection with the marketing of the Bonds; *provided* that the Underwriter shall not change the interest rates set forth in Exhibit A. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated in the Official Statement.

The Underwriter hereby represents to the District (i) that as of the date of sale, all of the Bonds purchased were expected to be reoffered in a *bona fide* public reoffering; (ii) that as of the date of the certification at closing, all of the Bonds purchased had actually been offered to the general public at the offering prices shown in Exhibit “A”; and (iii) that the prices given in Exhibit “A” are the maximum initial *bona fide* offering prices at which a substantial amount (at least 10%) of each maturity of the Bonds purchased (or as otherwise indicated) was offered to the general public. The Underwriter agrees, upon request, to furnish to the District or to Bond Counsel, reasonable written verification of its compliance with this paragraph, in the form of a Certificate of Underwriter at closing.

**SECTION 74. Official Statement.** The District has caused to be drafted and consents to the use of a Preliminary Official Statement (the “Preliminary Official Statement”), including the cover page and Appendices thereto, relating to the Bonds. The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the “Rule”). The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds.

The District hereby authorizes the preparation of a final Official Statement respecting the Bonds following the execution hereof (the “Official Statement”) and the District hereby authorizes the use thereof by the Underwriter in connection with the public offering and sale of the Bonds. The District shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the District’s acceptance of this Agreement (but, in any event, not later than seven business days after the execution hereof, and in sufficient time to accompany any confirmation of a sale of Bonds) copies of the Official Statement, which is complete as of the date of its delivery to the Underwriter, in such reasonable quantities as the Underwriter shall request in order to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

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 Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

During the period ending on the 25th day after the End of the Underwriting Period (as defined below) (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriter, at the District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. 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.

For purposes of this Purchase Agreement:

The "End of the Underwriting Period" is used as defined in Rule 15c2-12 and shall occur on the later of (a) the date of Closing or (b) when the Underwriter no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter 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.

**SECTION 75. Closing.** At 9:00 a.m., California Time, on \_\_\_\_\_, 2011, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (the "Closing"), the District will deliver, or arrange to deliver, to the Underwriter, through the facilities of DTC, or at such other place as the parties may mutually agree upon, the Bonds in book-entry form, duly executed and registered as provided in paragraph 2 above, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to an account or accounts within the United States designated by the District. The Underwriter will deposit certain original issue premium with the Fiscal Agent, who shall pay or provide for payment of certain costs of issuance of the Bonds.

**SECTION 76. Representations, Warranties and Agreements of the District.** The District, hereby represents, warrants and agrees with the Underwriter that:

- (a) The District is a unified school district, duly organized and validly existing under the laws of the State of California, with the full legal right, power and authority to (i) issue the Bonds pursuant to the Act; (ii) enter into, execute and deliver this Purchase Agreement and the Continuing Disclosure Agreement appended to the Official Statement (the "Continuing Disclosure Agreement"); (iii) to adopt the Resolution; and (iv) to construct, improve or acquire the Project (as described in the Official Statement) with the proceeds of sale of the Bonds.

(b) (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has the legal right, power and authority to enter into this Purchase Agreement, to adopt the Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Agreement and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Continuing Disclosure Agreement, the Resolution and this Purchase Agreement (collectively, the “District Documents”) have been duly authorized and such authorization shall be in force and effect at the time of the Closing; (iv) the District Documents constitute valid and legally binding obligations of the District enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and to principles of equity relating to or affecting the enforcement of creditors’ rights; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement and by the Official Statement.

(c) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions which may qualify the Bonds for offer and sale under “Blue Sky” or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) The District has complied, or will comply, with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), applicable to the Bonds.

(e) To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of the District Documents, and the compliance with the provisions thereof and hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(f) As of the time of acceptance hereof no action, suit, hearing or investigation is pending or, to the best knowledge of the District, threatened: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of revenues available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or

the Resolution or contesting the powers of the District or its authority with respect to the Bonds, this Purchase Agreement or the Resolution; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement or the Resolution, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Series D Bonds from gross income for federal income tax purposes or the exemption of such interest on the Bonds from California personal income taxation.

(g) Between the date hereof and the Closing without the prior written consent of the Underwriter, neither the District nor the County in the name and on behalf of the District, will have issued in the name and on behalf of the District, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

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

(i) With respect to any certifications of the District pursuant to Section 42131 of the Education Code of the State, the District has not received for the current, and for the next reporting period (based on currently available information) does not expect to receive, a qualified or negative classification from the County Superintendent of Schools.

(j) In accordance with the requirements of the Rule, the District will enter into the Continuing Disclosure Agreement, upon or prior to the sale of the Bonds, in which the District will undertake, for the benefit of the Owners of the Bonds, to provide certain information as set forth therein. The District is not in default with respect to any continuing disclosure obligation it may have incurred prior to the date hereof in connection with the delivery or issuance of any debt instruments, bonds, notes or lease-purchase obligations.

(k) The District will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request, and at the sole expense of the Underwriter, in order to qualify the Bonds for offering and sale under the "Blue Sky" or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and to continue such qualifications in effect so long as may be required for the distribution of the Bonds (provided, however, that the District will not be required to qualify as a foreign corporation or to file any general or special consent to service of process under the laws of any jurisdiction).

(l) The District agrees to apply the proceeds from the sale of the Bonds for the purposes specified in the Resolution and the purposes specifically designated in its

official project list approved by the voters of the District on June 8, 2010 and moreover, with respect to the Series C Bonds, for one or more qualified purposes described in Section 54F(a)(1) of the Code.

(m) The Preliminary Official Statement did not and the Official Statement does not as of its date (excluding therefrom information relating to The Depository Trust Company, its book-entry system, and information provided by the Underwriter, the County or County officers) contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of, and other financial information regarding, the District contained in the Official Statement fairly represent the financial position and operating results of the District as of the dates and for the periods set forth therein. Prior to the Closing, there will have been no adverse change of a material nature in such financial position, results of operation or condition, financial or otherwise, of the District. The District is not a party to any litigation or other proceeding pending, or, to its knowledge, threatened which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District.

(n) The financial statements of, and other financial information regarding the District, contained in the Official Statement fairly represent the financial position and operating results of the District as of the dates and for the periods set forth therein. Since the date of the Preliminary Official Statement, there has been no adverse change of a material nature in such financial position, results of operation or condition, financial or otherwise, of the District. The District is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District.

#### SECTION 77. **Reserved**

SECTION 78. **Underwriter's Representations, Warranties and Agreements.** The Underwriter represents, warrants to and agrees with the District that, as of the date hereof and as of the Closing Date:

(a) The Underwriter is duly authorized to execute this Purchase Agreement through its officer as undersigned and is authorized to take any action(s) under the Purchase Agreement required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the District, and are not prohibited thereby from acting as Underwriter with respect to the securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship with the District with respect to the Bonds, within the meaning of California Government Code Section 53590.



(d) The Underwriter has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm, or person (including, but not limited to, the District's financial consultants, or any officer, agent or employee thereof), other than a bona fide officer, agent or employee working for the Underwriter, any compensation, fee gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Agreement; and

(e) The Underwriter has reasonably determined that the District's undertaking to provide continuing disclosure with respect to the Bonds pursuant to Section 10(E)(12) hereof is sufficient to effect compliance with the Rule.

**SECTION 79. Conditions to Closing.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and he performance by the District of its obligations hereunder and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the date of Closing. Accordingly, the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds are and shall be conditioned upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject at the option of the Underwriter, to the following further conditions, including the delivery by the District of such documents and instruments as are enumerated herein, in form and substance satisfactory to the Underwriter:

(a) The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by them, individually, in this Purchase Agreement;

(b) At the time of the Closing, (i) the Official Statement, this Purchase Agreement and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Resolution, this Purchase Agreement or the Official Statement to be performed at or prior to the Closing;

(c) No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened, which has any of the effects described in Section 7.F. hereof, or contesting in any way the completeness or accuracy of the Official Statement;

(d) Between the date hereof and the Closing, the market price for the Bonds, or the market for or marketability of the Bonds at the initial offering prices set forth in the Official Statement, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected in the reasonable professional judgment of the Underwriter (evidenced by a written notice to the the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(i) legislation enacted 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 of California (the "State"), or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, regulation (final, temporary or proposed) or official statement issued or made:

(A) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

(B) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(ii) the declaration of war or engagement in or material escalation of major military hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(iii) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue of a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(iv) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material

restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters;

(v) an order, decree or injunction of any court of competent jurisdiction, or order, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(vi) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the District's outstanding indebtedness;

(vii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or results in an omission to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(viii) there shall have occurred since the date of this Purchase Agreement any materially adverse change in the affairs or financial condition of the District;

(ix) any state "Blue Sky" or securities commission, or other governmental agency or body, shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(x) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds; or

(xi) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

(e) At or prior to the date of the Closing, the Underwriter shall receive three copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(i) An approving opinion of Matt Juhl Darlington & Associates, as Bond Counsel (“Bond Counsel”), addressed to the District;

(ii) A reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described in E(1) above;

(iii) A supplemental opinion from Bond Counsel, addressed to the Underwriter and the District, to the effect that:

1. this Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the Underwriter, is a legally valid and binding agreement of the District, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors’ rights or remedies, and is subject to general principles of equity (regardless of whether such enforcement is considered in equity or at law);

2. the statements contained in the Official Statement in the sections thereof entitled: “INTRODUCTION, “THE BONDS” “SECURITY FOR THE BONDS” and “TAX MATTERS” (excluding information related to DTC, its book-entry-only system, and certain statistical information),” insofar as such statements purport to summarize certain provisions of the Bonds and the Resolution, present a fair and accurate summary of such provisions; and

3. the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(iv) An opinion of Jones Hall, as Special Tax Counsel, as to the Series C Bonds status as Qualified School Construction Bonds;

(v) An opinion of Jones Hall, as Special Tax Counsel, as to the tax-exempt status of Series D Bonds;

(vi) A reliance letter from Special Tax Counsel to the effect that the Underwriter may rely upon the opinion described in E(4) above;

(vii) A reliance letter from Special Tax Counsel to the effect that the Underwriter may rely upon the opinion described in E(5) above;

(viii) A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, (ii) the representations, agreements and warranties of the District herein are

true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Resolution and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statements of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolution and (vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his or her knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds by District or the due adoption of the Resolution;

(ix) Tax certificate(s) of the District in form(s) satisfactory to Bond Counsel and Special Tax Counsel;

(x) Internal Revenue Service Form(s) 8038-G and 8038-C, as applicable, as prepared for the Bonds;

(xi) Evidence satisfactory to the Underwriter that the Bonds shall have been rated “\_\_\_\_\_” by Standard & Poor’s and “\_\_\_\_\_” by Moody’s Investors Service (or such other equivalent rating as such rating agency may give) based upon the issuance of the Policy (as defined below), and that such ratings have not been revoked or downgraded or placed under review or “Credit Alert”;

(xii) A certificate, together with fully executed copies of the Resolution, of the Clerk or Secretary of the Board of Education to the effect that:

(A) such copies are true and correct copies of the Resolution; and

(B) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(xiii) A “deemed final” certificate of the appropriate official of the District with respect to the Preliminary Official Statement in accordance with the Rule;

(xiv) The Continuing Disclosure Agreement, signed by an appropriate official of the District and the Dissemination Agent, if any;

(xv) A certificate of the Paying Agent, signed by a duly authorized officer of the Paying Agent, and in form and substance satisfactory to the Underwriter, to the effect that, to the best of such officer’s knowledge, no litigation is pending or threatened (either in state or federal courts) (A)

seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or any agreement with the Paying Agent;

(xvi) A copy of the submitted Report of Proposed Debt Issuance and acknowledgement, together with the Report(s) of Final Sale to be submitted to the California Debt and Investment Advisory Commission;

(xvii) A Preliminary Official Statement, together with a final Official Statement executed by an authorized representative of the District; and

(xviii) Evidence that \_\_\_\_\_ (the "Insurer") has issued its municipal bond insurance policy with respect to the Bonds (hereinafter referred to as the "Policy") as well as appropriate opinions and certificates from the Insurer relating to the Policy;

(xix) Such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter may reasonably request in order to evidence compliance (i) by the District with legal requirements, (ii) of the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (iii) of the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Underwriter's Certifications. At or prior to the date of the Closing, and contemporaneously with the acceptance and delivery of the Bonds and the payment of the purchase price therefore (as set forth herein), the Underwriter shall provide to the District:

(i) the receipt of the Underwriter, in form satisfactory to the District and signed by an authorized officer of the Underwriter, accepting the Bonds by the Underwriter and receipt of all documents required by the Underwriter pursuant to the terms hereof, and the satisfaction or waiver of all conditions and terms of this Purchase Agreement by the District, and confirming to the District that as of the Closing Date all of the representations of the Underwriter contained in this Purchase Agreement are true, complete and correct in all material respects;

(ii) the certification(s) of the Underwriter, signed by an authorized officer of the Underwriter, in form satisfactory to Bond Counsel and Special Tax Counsel, regarding the prices at which the Bonds have been reoffered to the public, as described in section 4 hereof and such other matters relative to the Bonds as Bond Counsel or Special Tax Counsel may request; and

(g) Notwithstanding anything to the contrary herein contained, if for any reason whatsoever, the Bonds shall not have been delivered by the District to the Underwriter for checking prior to the close of business, California Time, on a day no

later than two Business Days prior to the Closing, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 15 hereof.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing or by telephone or telecopy, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

**SECTION 80. Conditions to Obligations of the District.** The performance by the District of its obligations under this Purchase Agreement is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and by the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than themselves.

**SECTION 81. Expenses.** The Underwriter, on behalf of the District, shall pay any expenses incident to the performance of the District's obligations hereunder from the proceeds of the Bonds, including, but not limited to, the following: (i) the fees and disbursements of Bond Counsel, Disclosure Counsel, Special Tax Counsel and the Financial Advisor; (ii) the cost of the preparation, printing and delivery of the Bonds; (iii) the fees, if any, for Bond ratings including all expenses related to obtaining such ratings; (iv) the cost of the printing and distribution of the Preliminary Official Statement and Official Statement; (v) the initial fees of the Paying Agent and the fees of the Fiscal Agent to pay costs of issuance; (vi) the expenses of the County and the District incurred in the connection with the Election; and (vii) all other fees and expenses incident to the issuance and sale of Bonds, but only to the extent that original issue premium deposited by the Underwriter with the Fiscal Agent proves insufficient to pay the same. In the event that following payment of the expenses set forth above, the amount of \$\_\_\_\_\_ deposited by the Underwriter with the Fiscal Agent to pay costs of issuance exceeds the actual costs described herein, the Underwriter or the Fiscal Agent shall remit any remaining amount to the County, on behalf of the District, and the County shall deposit such amount into the District's Debt Service Fund (as defined in the Resolution) for the Bonds. At the time that all such costs of issuance are paid, the Underwriter, or the Fiscal Agent, shall provide the District with a complete accounting of such payments and any amounts remaining after all such payments have been made. Any expenses owing following the depletion of said amount shall be for the account of the District. The Underwriter shall pay its out-of-pocket expenses, (other than travel incurred in connection with obtaining ratings and bond insurance, as applicable), the California Debt and Investment Advisory Commission fee.

**SECTION 82. Reserved.**

**SECTION 83. Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the District, to the Chief Financial Officer of

Mt. Diablo Unified School District, 1936 Carlotta Drive, Concord, California 94519, or if to the Underwriter at Stone & Youngberg LLC, One Ferry Building, Suite 275, San Francisco, California 94111, Attn: Bruce Kerns.

**SECTION 84. Parties In Interest; Survival of Representations and Warranties.**

This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement between the District and the Underwriter. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements dated as of their respective dates (s) the District in this 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 Purchase Agreement.

**SECTION 85. Severability.** In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**SECTION 86. Nonassignment.** Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior written consent of the other party hereto.

**SECTION 87. Entire Agreement.** This Purchase Agreement, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto, including their permitted successors and assigns, respectively.

**SECTION 88. Execution in Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same document.



SECTION 89. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,  
**STONE & YOUNGBERG LLC, as Underwriter**

By \_\_\_\_\_  
Bruce Kerns  
Managing Director  
**MT. DIABLO UNIFIED SCHOOL DISTRICT**

By \_\_\_\_\_  
Steven Lawrence  
Superintendent

**EXHIBIT A**

\$ \_\_\_\_\_  
MT. DIABLO UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS  
2010 ELECTION, 2011 SERIES C  
(FEDERALLY TAXABLE QUALIFIED SCHOOL CONSTRUCTION BONDS – DIRECT PAYMENT)

<b><u>Maturity</u></b> <b>(<u>August 1</u>)</b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP</u></b> <sup>1</sup> <b>(<u>621196</u> )</b>
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\$ \_\_\_\_\_ % TERM BONDS DUE AUGUST 1, 20\_\_ – PRICED TO YIELD: \_\_\_\_\_%, CUSIP:  
621196\_\_

\$ \_\_\_\_\_  
MT. DIABLO UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS  
2010 ELECTION, 2011 SERIES D

\$ \_\_\_\_\_ **Capital Appreciation Bonds**

<b><u>Maturity Date</u></b> <b>(<u>August 1</u>)</b>	<b><u>Initial Principal</u></b> <b><u>Amount</u></b>	<b><u>Accretion</u></b> <b><u>Rate</u></b>	<b><u>Yield to</u></b> <b><u>Maturity</u></b>	<b><u>Maturity Value</u></b>
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**\$\_\_\_\_\_ Convertible Capital Appreciation Bonds**

<b><u>Maturity</u> Date (August 1)</b>	<b><u>Initial</u> Principal Amount</b>	<b><u>Accretion</u> Rate</b>	<b><u>Yield</u></b>	<b><u>Conversion</u> Value</b>	<b><u>Conversion</u> Date (August 1)</b>	<b><u>Interest</u> Rate after Conversion</b>	<b><u>CUSIP<sup>1</sup></u> (621196 )</b>
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## **TERMS OF REDEMPTION**