



**BOARD OF TRUSTEES
REGULAR BOARD MEETING**

Board of Trustees
Joyce Dalessandro
Barbara Groth
Beth Hergesheimer
Amy Herman
John Salazar

Superintendent
Ken Noah

Union High School District

**THURSDAY, FEBRUARY 7, 2013
6:30 PM**

**DISTRICT OFFICE BOARD ROOM 101
710 ENCINITAS BLVD, ENCINITAS, CA. 92024**

Welcome to the meeting of the San Dieguito Union High School District Board of Trustees.

PUBLIC COMMENTS

If you wish to speak regarding an item on the agenda, please complete a speaker slip located at the sign-in desk and present it to the Secretary to the Board prior to the start of the meeting. When the Board President invites you to the podium, please state your name, address, and organization before making your presentation.

Persons wishing to address the Board on any school-related issue not elsewhere on the agenda are invited to do so under the "Public Comments" item. If you wish to speak under Public Comments, please follow the same directions (above) for speaking to agenda items. Complaints or charges against an employee are not permitted in an open meeting of the Board of Trustees.

In the interest of time and order, presentations from the public are limited to three (3) minutes per person, per topic. The total time for agenda and non-agenda items shall not exceed twenty (20) minutes. An individual speaker's allotted time may not be increased by a donation of time from others in attendance.

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda.

PUBLIC INSPECTION OF DOCUMENTS

In compliance with Government Code 54957.5, agenda-related documents that have been distributed to the Board less than 72 hours prior to the Board Meeting will be available for review on the district website, www.sduhsd.net and/or at the district office. Please contact the [Office of the Superintendent](#) for more information.

CONSENT CALENDAR

All matters listed under Consent are those on which the Board has previously deliberated or which can be classified as routine items of business. An administrative recommendation on each item is contained in the agenda supplements. There will be no separate discussion of these items prior to the time the Board of Trustees votes on the motion unless members of the Board, staff, or public request specific items to be discussed or pulled from the Consent items. To address an item on the consent calendar, please follow the procedure described under *Comments on Agenda Items*.

CLOSED SESSION

The Board will meet in Closed Session to consider qualified matters of litigation, employee negotiations, student discipline, employee grievances, personnel qualifications, or real estate negotiations which are timely.

CELL PHONES/PAGERS

As a courtesy to all meeting attendees, please set cellular phones and pagers to silent mode and engage in conversations outside the meeting room.

In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Governing Board, please contact the [Office of the Superintendent](#). Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with the meeting in appropriate alternative formats for persons with a disability.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
BOARD OF TRUSTEES
REGULAR BOARD MEETING**

AGENDA

**THURSDAY, FEBRUARY 7, 2013
6:30 PM**

**DISTRICT OFFICE BOARD ROOM 101
710 ENCINITAS BLVD., ENCINITAS, CA. 92024**

PRELIMINARY FUNCTIONS (ITEMS 1 – 6)

- 1. CALL TO ORDER; PUBLIC COMMENTS REGARDING CLOSED SESSION ITEMS 6:00 PM
- 2. **CLOSED SESSION** **6:01 PM**
 - A. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline /release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.*
(3 Issues)
 - B. To conference with Labor Negotiators, pursuant to Government Code Section 54957.8.
Agency Negotiators: Superintendent, Deputy Superintendent, and Associate Superintendents
Employee Organizations: San Dieguito Faculty Association / California School Employees Association
 - C. To confer with real property negotiator:
Property: Approximately 13.5 acre portion of 305-031-29 and 305-040-36
Agency Negotiator: Eric Dill, Associate Superintendent, Business and/or John Addleman, Director, Planning and Financial Management
Negotiating Parties: Pardee Homes
Under negotiation: Instructions pertaining to price, terms of payment, and delivery

REGULAR MEETING / OPEN SESSION **6:30 PM**

- 3. RECONVENE REGULAR BOARD MEETING / CALL TO ORDER BOARD PRESIDENT
* WELCOME / MEETING PROTOCOL REMARKS
- 4. PLEDGE OF ALLEGIANCE
- 5. REPORT OUT OF CLOSED SESSION
- 6. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING OF JANUARY 17, 2013
Motion by _____, second by _____, to approve the Minutes of the January 17th Board Meeting as shown in the attached supplement(s).

NON-ACTION ITEMS (ITEMS 7 - 10)

- 7. STUDENT UPDATES / OATH OF OFFICE
 - A. OATH OF OFFICE / MARIA LOPEZ, SDA.....KEN NOAH, SUPERINTENDENT
 - B. STUDENT UPDATESSTUDENT BOARD REPRESENTATIVES
- 8. BOARD REPORTS AND UPDATES BOARD OF TRUSTEES
- 9. SUPERINTENDENT’S REPORTS, BRIEFINGS, AND LEGISLATIVE UPDATES.....KEN NOAH, SUPERINTENDENT
- 10. UPDATE, LA COSTA CANYON HIGH SCHOOL KYLE RUGGLES, ED.D., PRINCIPAL

CONSENT AGENDA ITEMS (ITEMS 11 - 15)

Upon invitation by the President, anyone who wishes to discuss a Consent Item should come forward to the lectern, state his/her name and address, and the Consent Item number.

11. SUPERINTENDENT

A. GIFTS AND DONATIONS

Accept the Gifts and Donations, as shown in the attached supplement(s).

B. FIELD TRIP REQUESTS

Accept the Field Trips, as shown in the attached supplement(s).

12. HUMAN RESOURCES

A. PERSONNEL REPORTS

Approve matters pertaining to employment of personnel, salaries, leaves of absence, resignations, changes in assignments, extra duty assignments, and consultant services:

1. Certificated and/or Classified Personnel Reports, as shown in the attached supplement(s).

13. EDUCATIONAL SERVICES

A. APPROVAL/RATIFICATION OF AGREEMENTS

(None Submitted)

14. PUPIL SERVICES / SPECIAL EDUCATION

SPECIAL EDUCATION

A. APPROVAL/RATIFICATION OF NON-PUBLIC SCHOOL / NON-PUBLIC AGENCY CONTRACTS, INDEPENDENT CONTRACTOR AGREEMENTS, AND/OR MEMORANDUMS OF UNDERSTANDING

Approve/ratify entering into the following non-public school / non-public agency master contracts (NPS/NPAs), independent contractor agreements (ICAs), and/or memorandums of understanding (MOUs), and authorize Christina M. Bennett or Eric R. Dill to execute all pertinent documents.

1. Bonnie Tierney, M.S. (ICA), to provide direct support for reading instruction, during the period November 5, 2012 through June 30, 2013, at the rate of \$150.00 per hour, to be expended from the General Fund/Restricted 06-00.

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

(None Submitted)

C. APPROVAL/RATIFICATION OF PARENT SETTLEMENT AND RELEASE AGREEMENTS

(None Submitted)

PUPIL SERVICES

D. APPROVAL/RATIFICATION OF AGREEMENTS

(None Submitted)

15. BUSINESS

A. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreements and authorize Christina M. Bennett, Eric R. Dill, or Ken Noah to execute the agreements:

1. MSDSpro, LLC, to provide software maintenance support for Web Inventory Manager, during the period February 11, 2013 through February 10, 2014, in the amount of \$1,710.00, to be expended from the General Fund 03-00.
2. Cathedral Catholic High School, for the lease of facilities for the Torrey Pines High School Swim Team, during the period February 18, 2013 through May 17, 2013, for an estimated amount not to exceed \$6,144.00, to be expended from the Torrey Pines High School Foundation.
3. Geocon, Inc., to provide geotechnical testing and reporting services for Diegueño Middle School's two new buildings, expansion of existing building, redesign of traffic pattern in the

parking lot, and building of a new ramp between the existing basketball courts and track field, during the period February 8, 2013 through project completion, in an amount not to exceed \$18,500.00, to be expended from Mello-Roos Funds as well as subject to availability of GO Bond Funds.

4. Geocon, Inc., to provide geotechnical testing and reporting services for Oak Crest Middle School's new building, new ADA ramp, new multi-purpose building, expansion of Crest Hall structure, and new science building, during the period February 8, 2013 through project completion, in an amount not to exceed \$18,500.00, to be expended from Mello-Roos Funds as well as subject to availability of GO Bond Funds.
5. San Diego Fire-Rescue Department, to provide automatic external defibrillators program maintenance, during the period January 20, 2013 through January 19, 2014, for an amount not to exceed \$425.00, to be expended from the General Fund 03-00.
6. Lionakis, to provide architectural/engineering services at Canyon Crest Academy, during the period February 8, 2013 through project completion, in an amount not to exceed \$1,055,139.00, to be expended from Capital Facilities Fund 25-19, Mello-Roos Funds, and GO Bond proceeds.
7. Lionakis, to provide architectural/engineering services at Middle School #5, during the period February 8, 2013 through project completion, in an amount not to exceed \$1,825,000.00, to be expended from Capital Facilities Fund 25-19, Mello-Roos Funds, and GO Bond proceeds.

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

Approve/ratify amending the following agreements and authorize Christina M. Bennett or Eric R. Dill to execute the agreements:

1. Classic School Portraits by Gerardy Photography, for district wide underclassman portrait photography services, extending the contract period one year from February 1, 2013 through January 31, 2014, with no increase in pricing.
2. Keane Studios, LLC, for district wide senior portrait photography services, extending the contract one year from February 1, 2013 through January 31, 2014, with a change in consideration from contractor to district to in-kind donations and direct contributions to the schools, as well as a 25% reduction in price of entry level prints and packages.

C. AWARD/RATIFICATION OF CONTRACTS
(None Submitted)

D. APPROVAL OF CHANGE ORDERS
(None Submitted)

E. ACCEPTANCE OF CONSTRUCTION PROJECTS
(None Submitted)

F. APPROVAL OF BUSINESS REPORTS
Approve the following business reports:

1. Purchase Orders
2. Membership Listing
3. Replacement Warrants

ROLL CALL VOTE FOR CONSENT AGENDA..... (ITEMS 11 - 15)

_____ Joyce Dalessandro	_____ Zoe Epriple, Torrey Pines High School
_____ Barbara Groth	_____ Kailey Lawson, Canyon Crest Academy
_____ Beth Hergesheimer	_____ Maria Lopez, San Dieguito Academy
_____ Amy Herman	_____ Allison Zimmerman, La Costa Canyon High School
_____ John Salazar	_____ Kirra Sarquilla, Sunset High School

DISCUSSION / ACTION ITEMS..... (ITEMS 16 - 21)

- 16. BOARD POLICY REVISION PROPOSAL, #5131, "STUDENT CONDUCT"
Motion by_____, second by_____, to revise Board Policy #5131, "Student Conduct", as shown in the attached supplement(s).
- 17. ADOPTION OF RESOLUTION OF INTENTION / COMMUNITY FACILITIES DISTRICT 94-2 NO. 3 / ANNEXATION OF PROPERTY / LA COSTA SQUARE / A 63-UNIT FAMILY SUBDIVISION / DEVELOPMENT SOLUTIONS 2LAC, LLC
Motion by_____, second by_____, to adopt the attached Resolution of Intention to Annex Territory to the San Dieguito Union High School District Community Facilities District No. 94-2, Authorizing the Levy of a Special Tax and Calling an Election.
- 18. ADOPTION OF RESOLUTION / ESTABLISH A BUILDING FUND - PROPOSITION 39 (21-39) AND A DEBT SERVICE FUND
Motion by_____, second by_____, to adopt the Resolution to Establish a Building Fund -Prop 39 (21-39) and a Debt Service Fund, as shown in the attached supplement.
- 19. ADOPTION OF RESOLUTION AUTHORIZING THE ISSUANCE OF AND THE TERMS OF SALE OF NOT TO EXCEED \$160,000,000 OF BONDS OF SAN DIEGUITO UNION HIGH SCHOOL DISTRICT BY A NEGOTIATED SALE PURSUANT TO ONE OR MORE BOND PURCHASE CONTRACTS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH BOND PURCHASE CONTRACTS, A PAYING AGENT AGREEMENT AND AN OFFICIAL STATEMENT FOR SAID BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS RELATING TO SAID BONDS
Motion by_____, second by_____, to adopt the Resolution Authorizing the Issuance of and the Terms of Sale of Not to Excess \$160,000,000 of Bonds of San Dieguito Union High School District by a Negotiated Sale Pursuant to One or More Bond Purchase Contracts, Approving the Form of and Authorizing the Execution and Delivery of Such Bond Purchase Contracts, a Paying Agent Agreement and an Official Statement for Said Bonds, and Authorizing the Execution of Necessary Documents Relating to Said Bonds, as shown in the attached supplements.
- 20. APPROVAL AND ADOPTION OF PROPOSED NEW BOARD POLICY JOB DESCRIPTION, 4216.3-42.19, "INFORMATION SYSTEMS SUPPORT ANALYST"
Motion by_____, second by_____, to adopt new Board Policy 4216.3-42.19, *Information Systems Support Analyst*, as shown in the attached supplement.
- 21. APPROVAL AND ADOPTION OF NEW BOARD POLICY JOB DESCRIPTION, 4216.3-10.4, "CHIEF FACILITIES OFFICER", AND REVISED BOARD POLICY JOB DESCRIPTION, 4216.3-09.1, "DIRECTOR OF PLANNING SERVICES"
Motion by_____, second by_____, to adopt new Board Policy 4216.3-10.4, *Chief Facilities Officer*, and revised Board Policy 4216.3-09.1, *Director of Planning Services*, as shown in the attached supplements.

INFORMATION ITEMS..... (ITEMS 22 - 31)

- 22. UNIFORM COMPLAINT QUARTERLY REPORT, OCTOBER – DECEMBER, 2012
This item is being submitted as information only, for the second quarter, October through December, 2012, as shown in the attached supplement(s).
- 23. NEW BOARD POLICY PROPOSAL AND REVISED ADMINISTRATIVE REGULATION, #3513.1/4513.1 "CELLULAR PHONE REIMBURSEMENT" / DELETE BP 4119.12 , "CELLULAR PHONE ACCEPTABLE USE POLICY"
This item is being submitted for first read and will be resubmitted for board action on February 21, 2013.
- 24. BUSINESS SERVICES UPDATE..... ERIC DILL, ASSOCIATE SUPERINTENDENT
- 25. HUMAN RESOURCES UPDATE TORRIE NORTON, ASSOCIATE SUPERINTENDENT
- 26. EDUCATIONAL SERVICES UPDATE RICK SCHMITT, DEPUTY SUPERINTENDENT

27. PUBLIC COMMENTS

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda. (See Board Agenda Cover Sheet)

28. FUTURE AGENDA ITEMS

29. **ADJOURNMENT TO CLOSED SESSION** **6:01 PM**

A. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline /release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.*

(3 Issues)

B. To conference with Labor Negotiators, pursuant to Government Code Section 54957.8.
Agency Negotiators: Superintendent, Deputy Superintendent, and Associate Superintendents
Employee Organizations: San Dieguito Faculty Association / California School Employees Association

C. To confer with real property negotiator:
Property: Approximately 13.5 acre portion of 305-031-29 and 305-040-36
Agency Negotiator: Eric Dill, Associate Superintendent, Business and/or John Addleman, Director, Planning and Financial Management
Negotiating Parties: Pardee Homes
Under negotiation: Instructions pertaining to price, terms of payment, and delivery

30. REPORT FROM CLOSED SESSION (AS NECESSARY)

31. MEETING ADJOURNED

The next regularly scheduled Board Meeting will be held on [Thursday, February 21, 2013, at 6:30 PM](#) in the SDUHSD District Office Board Room 101. The District Office is located at 710 Encinitas Blvd., Encinitas, CA, 92024.



MINUTES
OF THE
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
BOARD OF TRUSTEES
REGULAR BOARD MEETING

ITEM 6 Minutes

Board of Trustees
Joyce Dalessandro
Barbara Groth
Beth Hergesheimer
Amy Herman
John Salazar

Superintendent
Ken Noah

JANUARY 17, 2013

THURSDAY, JANUARY 17, 2013
6:30 PM

DISTRICT OFFICE BOARD ROOM 101
710 ENCINITAS BLVD., ENCINITAS, CA. 92024

PRELIMINARY FUNCTIONS.....(ITEMS 1 – 6)

1. President Groth called the meeting to order at 6:00 PM to receive public comments on Closed Session agenda items. No public comments were presented.

2. **CLOSED SESSION(ITEM 2)**

The Board convened to Closed Session at 6:01 PM to:

A. To conference with legal counsel to discuss current and/or potential litigation, pursuant to Government Code Sections 54956.9(b)(3)(A), (D), and (E) (1 issue): *Guelland v San Dieguito Union High School District (case #37-2010-00061838-CU-PO-NC)*.

B. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline /release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.* (4 Issues)

C. To conference with Labor Negotiators, pursuant to Government Code Section 54957.8.
Agency Negotiators: Superintendent and Associate Superintendents (3)
Employee Organizations: San Dieguito Faculty Association / California School Employees Association

D. To confer with real property negotiator:
Property: Approximately 13.5 acre portion of 305-031-29 and 305-040-36
Agency Negotiator: Eric Dill, Associate Superintendent, Business and/or John Addleman, Director, Planning and Financial Management
Negotiating Parties: Pardee Homes
Under negotiation: Instructions pertaining to price, terms of payment, and delivery

OPEN SESSION / ATTENDANCE

BOARD OF TRUSTEES

Joyce Dalessandro
Barbara Groth
Beth Hergesheimer
Amy Herman
John Salazar

STUDENT BOARD REPRESENTATIVES

Zoe Eprile, Torrey Pines High School
Kailey Lawson, Canyon Crest Academy
Cassidy Mayeda, San Dieguito Academy
Kirra Sarquilla, Sunset High School
Allison Zimmerman, La Costa Canyon High School

DISTRICT ADMINISTRATORS / STAFF

Ken Noah, Superintendent
Eric Dill, Associate Superintendent, Business Services
Torrie Norton, Associate Superintendent, Human Resources
Rick Schmitt, Associate Superintendent, Educational Services
Kevin Fairchild, Teacher on Special Assignment (TOSA)
Becky Banning, Executive Assistant to the Superintendent / Recording Secretary

ITEM 6 Minutes

- 3. RECONVENE REGULAR MEETING / CALL TO ORDER (ITEM 3)
The regular meeting of the Board of Trustees was called to order at 6:33 PM by Ms. Groth.
- 4. PLEDGE OF ALLEGIANCE (ITEM 4)
President Groth led the Pledge of Allegiance.
- 5. REPORT OUT OF CLOSED SESSION (ITEM 5)
No reportable action was taken during Closed Session.
- 6. APPROVAL OF MINUTES OF THE BOARD WORKSHOP AND ORGANIZATIONAL BOARD MEETING OF DECEMBER 13, 2012, AND THE BOARD WORKSHOP OF JANUARY 9, 2013
It was moved by Ms. Joyce Dalessandro, seconded by Ms. Beth Hergesheimer, to approve the Minutes of the December 13th Board Meetings, (2), and the January 9th Board Workshop, as presented. Motion unanimously carried.

NON-ACTION ITEMS (ITEMS 7 - 10)

- 7. STUDENT UPDATES..... STUDENT BOARD REPRESENTATIVES
Students gave updates about events and activities at their schools.
- 8. BOARD UPDATES (ITEM 8)
All trustees attended the Board Workshop of January 9, 2013.
Ms. Dalessandro – visited La Costa Canyon High School
Ms. Groth – Attended a meeting with the San Diego County School Boards Association, where Mr. Kevin Gordon was a featured speaker; and announced that the deadline for Honoring Our Own nominations had been extended.
Ms. Hergesheimer – also visited La Costa Canyon High School; and participated in a webinar given by California School Boards Association earlier that same day.
Ms. Herman – does plan on attending a Carmel Valley Planning Meeting regarding the One Paseo development next week.
Mr. Salazar – nothing further to report
- 9. SUPERINTENDENT’S REPORTS, BRIEFINGS AND LEGISLATIVE UPDATES..... KEN NOAH
Superintendent Noah began by welcoming Torrie Norton, Associate Superintendent of Human Resources; he also reviewed his calendar with the board, which included attending a conference with the Southern California Superintendents the following week; a board meeting with Schools for Sound Finance in Monterey on January 30th; and a bond credit rating meeting in San Francisco on February 8th.
- 10. UPDATE / EDUCATION TECHNOLOGY KEVIN FAIRCHILD, TEACHER ON SPECIAL ASSIGNMENT
Mr. Fairchild stated that his role is to focus on technology and learning for both students, and teachers. He provides support for teachers focusing on what students learn and what students do in classrooms rather than what teachers do. He has worked with teachers at sites on updating their websites; and using blackboard; supporting with PLATO (content delivery system); working with teachers using electronic textbooks; he is also helping district and sites determine what 21st century learning means and how it can be implemented in the classroom.

CONSENT ITEMS..... (ITEMS 11 - 15)

It was moved by Ms. Barbara Groth, seconded by Ms. Amy Herman, that all consent Items 11 through 15, be approved as listed below. Motion unanimously carried. *(Please note that Item 11A was revised and hand-carried in to include one additional donation.)*

11. SUPERINTENDENT

A. GIFTS AND DONATIONS

Accept the Gifts and Donations, (Revised; see attached)

- B. FIELD TRIP REQUESTS
Approval of Field Trip Requests as presented.

12. HUMAN RESOURCES

- A. PERSONNEL REPORTS
Approve matters pertaining to employment of personnel, salaries, leaves of absence, resignations, changes in assignments, extra duty assignments, and consultant services:
 1. Certificated and/or Classified Personnel Reports, as presented.

13. EDUCATIONAL SERVICES

- A. APPROVAL/RATIFICATION OF AGREEMENTS
(None Submitted)

14. PUPIL SERVICES / SPECIAL EDUCATION

SPECIAL EDUCATION

- A. APPROVAL/RATIFICATION OF NON-PUBLIC SCHOOL / NON-PUBLIC AGENCY CONTRACTS, INDEPENDENT CONTRACTOR AGREEMENTS, AND/OR MEMORANDUMS OF UNDERSTANDING
Approve/ratify entering into the following non-public school / non-public agency master contracts (NPS/NPAs), independent contractor agreements (ICAs), and/or memorandums of understanding (MOUs), and authorize Christina M. Bennett or Eric R. Dill to execute all pertinent documents.
 1. Dependable Nursing, LLC (NPA), to provide health and nursing services, during the period August 28, 2012 through June 30, 2013, at the rate of \$39.00 per hour, to be expended from the General Fund/Restricted 06-00.
 2. San Dieguito Union High School District (MOU), to provide special education instruction/services for two Encinitas Union School District elementary students, during the period July 1, 2012 through June 30, 2013, to be reimbursed in the amount of \$27,897.84 total.
 3. San Dieguito Union High School District (MOU), to provide special education instruction/services for one Solana Beach School District elementary student, during the period July 1, 2012 through June 30, 2013, to be reimbursed in the amount of \$16,295.27.
 4. Psychological and Educational Consulting Services (ICA), to provide psychological assessments and consultations, during the period November 1, 2012 through June 30, 2013, at the rate of \$125.00 per hour, to be expended from the General Fund/Restricted 06-00.
- B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS
(None Submitted)
- C. APPROVAL/RATIFICATION OF PARENT SETTLEMENT AND RELEASE AGREEMENTS
(None Submitted)

PUPIL SERVICES

- D. APPROVAL/RATIFICATION OF AGREEMENTS
(None Submitted)

15. BUSINESS

- A. APPROVAL/RATIFICATION OF AGREEMENTS
Approve/ratify entering into the following agreements and authorize Christina M. Bennett, Eric R. Dill, or Ken Noah to execute the agreements:

ITEM 6 Minutes

1. Cathedral Catholic High School, for the lease of facilities for the Torrey Pines High School Girl's Water Polo Team, during the period December 27, 2012 through December 29, 2012, for an estimated amount not to exceed \$576.00, to be expended from the Torrey Pines High School Foundation.
2. DLA Piper, LLP, to provide legal representation and advice to the San Dieguito Union High School District and the San Dieguito Public Facilities Authority, for either an agreed upon fixed fee or at the current hourly rates now at \$572.00 to \$739.00 for the professionals providing such services discounted 7%, during the period January 18, 2013 until terminated by either party, to be expended from the fund to which the service is charged.

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

Approve/ratify amending the following agreements and authorize Christina M. Bennett or Eric R. Dill to execute the agreements:

1. Blackboard Connect, Inc., extending the contract three years to February 16, 2016 at a reduced rate of \$1.50 per parent, administrator, faculty, staff, or board member, to be expended from the General Fund 03-00.

C. RATIFICATION OF CONTRACTS

(None Submitted)

D. ACCEPTANCE OF CONSTRUCTION PROJECTS

(None Submitted)

E. AUTHORIZATION TO EXECUTE AND FILE THE NOTICES OF EXEMPTION / CCA & SDA

Authorize Eric Dill, Associate Superintendent, Business, to execute and file the Notices of Exemption for the Track & Field Reconstruction at Canyon Crest Academy and San Dieguito Academy, as presented.

F. APPROVAL OF BUSINESS REPORTS

Approve the following business reports:

1. Purchase Orders
2. Membership Listing (None Submitted)
3. Replacement Warrant

ROLL CALL VOTE FOR CONSENT AGENDA (ITEMS 11 - 15)

_____ Joyce Dalessandro	_____ Zoe Eprile, Torrey Pines High School
_____ Barbara Groth	_____ Kailey Lawson, Canyon Crest Academy
_____ Beth Hergesheimer	_____ Cassidy Mayeda, San Dieguito Academy
_____ Amy Herman	_____ Allison Zimmerman, La Costa Canyon High School
_____ John Salazar	_____ Kirra Sarquilla, Sunset High School

DISCUSSION / ACTION ITEMS (ITEMS 16 - 23)

16. NEW BOARD POLICY AND ADMINISTRATIVE REGULATION 7214 & AR-1, "GENERAL OBLIGATION BONDS"
It was moved by Ms. Joyce Dalessandro, seconded by Ms. Beth Hergesheimer, to adopt new Board Policy #7214, "General Obligation Bonds", (Policy and Administrative Regulation), as presented. Motion unanimously carried.
17. ADOPTION OF RESOLUTION / 2011/2012, REPORT ON STATUTORY SCHOOL FEES AND FINDINGS
It was moved by Ms. Joyce Dalessandro, seconded by Ms. Beth Hergesheimer, to adopt resolution regarding Statutory School Fees Report for fiscal year 2011/2012, and Findings in compliance with Government Code sections 66006 and 66001, as presented. Motion unanimously carried.
18. BOARD / SUPERINTENDENT WORKING AGREEMENTS

ITEM 6 Minutes

It was moved by Ms. Beth Hergesheimer, seconded by Ms. Amy Herman, to approve Board / Superintendent Working Agreements, as presented. Motion unanimously carried.

19. RENEWAL OF EMPLOYMENT CONTRACTS FOR ASSOCIATE SUPERINTENDENTS (3)

It was moved by Ms. Beth Hergesheimer, seconded by Kailey Lawson, to revise and renew the four-year Employment Contracts (3) for the Associate Superintendents of Human Resources, Business Services, and Educational Services, as presented. Motion unanimously carried.

Note of clarification: The contract for Associate Superintendent of Human Resources was not renewed or extended. It only included a revision relative to post-retirement health benefits. Ms. King's employment with the district terminated on January 30, 2013, the effective date of her retirement.

20. APPROVAL AND ADOPTION OF PROPOSED NEW BOARD POLICY JOB DESCRIPTION, (BP AND AR), 4160.35 & 4160.35-AR/1, "DEPUTY SUPERINTENDENT"

It was moved by Ms. Joyce Dalessandro, seconded by Ms. Beth Hergesheimer, to adopt the New Board Policy and Administrative Regulation Job Description, "Deputy Superintendent", as presented. Motion unanimously carried.

21. APPROVAL AND ADOPTION OF PROPOSED NEW BOARD POLICY JOB DESCRIPTIONS, (2), 4216.3-77.1, "CONSTRUCTION PROJECTS INFORMATION TECHNICIAN", AND 4216.3-65.6, "CONSTRUCTION & FACILITY PROJECTS COORDINATOR"; AND REVISED BOARD POLICY JOB DESCRIPTIONS, (2), 4216.3-60.1, "FACILITIES PLANNING ANALYST"; AND 4216.3-69.6, "CONSTRUCTION CONTRACTS ANALYST"

It was moved by Ms. Amy Herman, seconded by Mr. John Salazar, to adopt New and Revised Board Policy job descriptions *Construction Projects Information Technician, Construction & Facility Projects Coordinator Facilities Planning Analyst, and Construction Contracts Analyst*, as presented. Motion unanimously carried.

22. APPROVAL OF MEMORANDUM OF UNDERSTANDING / MODERNIZATION, IMPROVEMENT & TRANSFORMATION INITIATIVE (MITI)

It was moved by Ms. Joyce Dalessandro, seconded by Ms. Amy Herman, to approve entering into a Memorandum of Understanding with the San Diego County Office of Education for inclusion in the procurement, configuration and implementation of a countywide Enterprise Resource Planning solution, to be expended from the General Fund 03-00, and authorize Ken Noah, Eric Dill, or Christina Bennett to execute the memorandum of understanding. Motion unanimously carried.

23. ACCEPTANCE OF 2011-12 ANNUAL AUDIT

It was moved by Mr. John Salazar, seconded by Ms. Beth Hergesheimer, to accept the 2011-12 annual audit of the San Dieguito Union High School District, as prepared by Wilkinson, Hadley, King, & Co. LLP, as presented. Motion unanimously carried.

INFORMATION ITEMS.....(ITEMS 24 - 32)

24. BOARD POLICY REVISION PROPOSAL, #5131, "STUDENT CONDUCT"

This item was presented for first read and will be resubmitted for board action on February 7, 2013.

25. BUSINESS SERVICES UPDATE ERIC DILL, ASSOCIATE SUPERINTENDENT

Mr. Dill discussed a new funding model called Local Control Funding Formula (LCFF) and explained the way the formula works.

20. HUMAN RESOURCES UPDATE TORRIE NORTON, EXECUTIVE SUPERINTENDENT

Ms. Norton reported that so far nine individuals have announced their retirement.

21. EDUCATIONAL SERVICES UPDATE RICK SCHMITT, ASSOCIATE SUPERINTENDENT

Mr. Schmitt gave an update on enrollment projections for 2013-14, a summary of the California State Superintendent's Assessment System Proposal, and presented a sample brochure to be distributed to parents regarding high school of choice. (See supporting documents attached)

22. PUBLIC COMMENTS – (No comments presented)

23. FUTURE AGENDA ITEMS - None discussed.

ITEM 6 Minutes

- 24. ADJOURNMENT TO CLOSED SESSION – Not required.
- 25. CLOSED SESSION – Nothing further to report out of closed session.
- 26. ADJOURNMENT OF MEETING - Meeting adjourned at 8:00 PM.

Beth Hergesheimer, Board Clerk

____ / ____ / 2013
Date

Ken Noah, Superintendent

____ / ____ / 2013
Date

ITEM 6 Minutes

Item #	Donation	Description	Donor	Department	School Site
1	*\$500.00	Billiards Table for Mosaic Café	Sharon Redsun and Jerome Coffidis	Various	SDA
2	*\$1500.00	Life Fitness X5 Cross Trainer	John T. Denton	Physical Education	SDA
3	\$15.00	Academic Support	Glenn and Aileen Raskin	Math	DNO
4	\$479.49	EWMS Staff Shirts and Jackets	EWMS Staff	Various	EWMS
5	\$5,000.00	Academic Support	Yearbook Tech, Inc.	Various	SDA
6	\$547.29	Artist in Residence Program	EWMS PTSA	Arts	EWMS
7	\$876.38	Academic Support	CCA Foundation	Special Education	CCA
8	\$5,119.83	Academic Support	CCA Foundation	Various	CCA
9	\$2,207.16	Conservatory Teachers	CCA Foundation	Various	CCA
10	\$582.66	Academic Support	CCA Foundation	Science	CCA
11	\$158.33	Academic Support	CCA Foundation	Various	CCA
12	\$129.70	Academic Support	TRUIST - Johnson and Johnson	Various	CCA
13	\$20.00	Academic Support	Anonymous	Math	DNO
14	\$2,925.45	Academic Support - "Almost Maine" Play	SDA Foundation	Theater	SDA
15	\$19,627.30	Technology	DNO PTSA	Various	DNO
16	\$496.00	Locks for Sports/Athletics' Lockers	SDA Foundation - Athletics Council	Physical Education	SDA
17	\$2,275.35	Academic Support - "Midsummer Night's Dream"	SDA Foundation	Theater	SDA
18	*\$6,000.00	Home Plate Professional Pitching Machine	E. L. "Scott" Strom III	Athletics	SDA
19	*7,500.00	30 Chromebooks	Blaze Newman	AVID	SDA
	\$40,459.94	Monetary Donations			
	*\$15,500.00	*Value of Donated Items			
	\$55,959.94	TOTAL VALUE			

SDUHSD
Education Services
2013-14 Enrollment Projections

ITEM 6 Minutes

School	Current Enrollment 1/2/2013	2013-14 Enrollment Projections - 1/14/2013	2013-14 Projection Over/Under Current Enrollment
Carmel Valley	1503	1520	17
Diegueno	812	851	39
Earl Warren	697	710	13
Oak Crest	880	868	-12
Canyon Crest Academy	1851	1868	17
La Costa Canyon	2077	1985	-92
San Dieguito Academy	1578	1575	-3
Torrey Pines	2619	2645	26
Sunset	152	150	-2
North Coast	45	40	-5
TOTAL	12214	12212	-2

Summary of California State Superintendent's Assessment System Proposal

On January 8, 2013, California State Superintendent of Public Instruction (SSPI) released his recommendations for revising the state's assessment system in light of the upcoming transition to the Smarter Balanced Assessment Consortium (SBAC) assessments linked to the Common Core State Standards (CCSS) in 2014-15. Most of the recommendations revolve around formally adopting and implementing the SBAC assessments and were expected given the information we already knew about SBAC and CCSS. The one significant surprise in the recommendations is that the SSPI is recommending that California suspend administration of all STAR tests other than those required by NCLB. If accepted by the legislature, this would mean that during the 2013-14 school year California would only administer STAR tests in ELA & Math in grades 3-8 and Science in grades 5, 8, & 10 - all other tests would be suspended. The calculation of the API would be adjusted to reflect the suspension of the numerous STAR tests not required by NCLB. This would obviously result in significant cost savings for the state and lift a significant logistic burden from school districts. Listed below are the tests that would be suspended should the legislature accept the SSPI's recommendations.

Standardized Testing and Reporting (STAR) Program Assessments That Would be Suspended During the 2013-14 School Year

Grade-Level Assessments

- Grade 2 ELA and Mathematics (CST and CAPA).
- Grade 8 History–Social Science (CST).
- Grade 9 ELA (CST, CMA, and CAPA).
- Grade 9 Math (CAPA).
- Grade 10 ELA (CST and CMA).
- Grade 11 U.S. History (CST).
- Grade 11 ELA (CMA and CAPA).
- Grade 11 Math (CAPA).
- Grade 2–11 Reading/Language Arts (STS).
- Grade 2–7 Mathematics (STS).

End-of-Course Assessments

- Algebra I (CST and CMA) (for grades 9-11).
- Algebra II (CST) (for grades 9-10).
- General Mathematics (CST) (grade 9).
- High School Summative Math (CST) (for grades 9-10).
- Geometry (CST and CMA) (for grades 9-11).
- Integrated Mathematics 1 (CST) (for grades 9-11).
- Integrated Mathematics 2 (CST) (for grades 9-11).
- Integrated Mathematics 3 (CST) (for grades 9-11).
- Biology (CST).
- Chemistry (CST).
- Earth Science (CST).
- Physics (CST).
- Integrated/Coordinated Science 1 (CST).
- Integrated/Coordinated Science 2 (CST).
- Integrated/Coordinated Science 3 (CST).
- Integrated/Coordinated Science 4 (CST).
- World History (CST).
- Algebra I (STS).
- Geometry (STS).

ITEM 6 Minutes
San Dieguito

Union High School District



*Canyon Crest Academy
La Costa Canyon High School
San Dieguito High School Academy
Sunset/North Coast Alternative High School
Torrey Pines High School*

**Four comprehensive high schools.
Two with boundaries.
Two with open enrollment.
Which one is right for you?**

Questions
and answers
to help you decide.

Deadline to apply: March 4, 2013, 4 p.m.

The San Dieguito Union High School District is committed to equity and excellence.

Pupil Services

684 Requeza St., Encinitas, CA 92024
Phone: 760-753-3860 x 5602
Fax: 760-753-8469
Website: www.sduhsd.net

Superintendent

Ken Noah

Board of Trustees

Mrs. Joyce Dalessandro
Mrs. Barbara Groth
Mrs. Beth Hergesheimer
Mrs. Amy Herman
Mr. John Salazar



Athletics

■ **How do the athletics programs at the district high schools differ?** CCA, LCC, SDA and TP offer a variety of CIF sports. Football and Cheerleading are only available at LCC and TP.

■ **If one of the four comprehensive high schools does not offer a particular CIF-approved sport, can a student participate on other school's team?** No, CIF does not allow a student at one school to compete on another's team.

Special Considerations

■ **Do all four comprehensive high schools offer special education?** There are special education programs at all 4 high schools. Programs vary by site so please check with your case manager for specifics.

■ **Which school will give my student the best chance of getting into an excellent college?** All of our high schools offer a strong college-prep academic program. SDA, CCA, LCC, TP, and SS have all sent students to top-ranked colleges and universities. For more information about colleges, please contact your high school's Counseling Office.

■ **What if students are in the process of learning English as a second language?** The academic and language needs of all students are addressed at the 4 comprehensive high schools. Students may attend any school regardless of language proficiency.

Scheduling

■ **What are the features of a block schedule (LCC and TP)?** Students may take up to 6 classes per year and rotate between periods 1-3-5 and 2-4-6 alternating days. The 120-minute periods allow for in-depth teaching and learning. Students are required to take a minimum of 2 classes per day on campus.

■ **What are the features of a 4x4 schedule (SDA and CCA)?** Students may take up to 4 classes per term or 8 per year. Classes are 90 minutes long. Students are required to take a minimum of 3 classes per day on campus.

■ **If a student completes 230 credits in three years, can he or she graduate from high school early?** Yes.

■ **How well do students perform when they take math or world language for only one semester per year in a 4x4 schedule? Is there a learning gap?** Research has shown that the so-called *gap* in performance (caused by either summer vacation or a semester off) disappears for students after a few weeks back in class.

■ **Does the district offer online course work?** Students who are enrolled at either LCC or TP may elect to take online courses. Independent study online courses can be taken for full credit and will be offered for acceleration at LCC and TP only. In order to be eligible for independent study online courses, students must be enrolled in 4 on-campus classes.

Abbreviations Used

CCA=Canyon Crest Academy
LCC=La Costa Canyon High School
NCA=North Coast Alternative High School
SDA=San Dieguito [High School] Academy
SS=Sunset High School
TP=Torrey Pines High School

Introduction

One of the top-ranked school districts in California, San Dieguito Union High School District boasts 6 outstanding high schools: Canyon Crest Academy, La Costa Canyon High School, San Dieguito Academy, Sunset High School/North Coast Alternative High School, and Torrey Pines High School.

■ **Canyon Crest Academy and San Dieguito Academy** are comprehensive “non-boundary” schools with open enrollment. Students from any area within the San Dieguito District may apply to either of the 2 academies.

■ **La Costa Canyon and Torrey Pines High Schools** are considered comprehensive “boundary” schools in which attendance is restricted to students living within prescribed school boundaries. However, students in the LCC attendance area may apply for an intra-district transfer to attend TP and students in the TP attendance area may apply for an intra-district transfer to attend LCC.

■ **Sunset High School and North Coast Alternative High School** are continuation (SS and NC) and alternative educational programs. Enrollment at Sunset or North Coast is determined by referral or by application through your comprehensive high school. SS students attend school daily. NCA students work through an independent study program and attend classes 1-5 hours per week.

Eligibility

■ **How is eligibility determined for each of the 4 high schools?** SDA and CCA are “non-boundary” schools with open enrollment. Students from any area within the district may apply either to SDA or CCA. If the number of requests exceed the available space, enrollment is determined by a lottery. LCC and TP are considered “boundary” schools in which attendance is restricted to students living within the school boundaries. However, students may apply for an intra-district transfer to attend LCC or TP.

No student may attend CCA or SDA for any reason if they do not participate in the (HS Selection Process) and declare an academy school by the 3/4/13 deadline. In order to be eligible for the lottery, a student must have their primary residence within the district boundaries **prior** to 3/4/13.

■ **If a student is not selected in the lottery for SDA or CCA, is the student automatically assigned to another school, or can he or she try again?** In this case, the student would automatically be assigned to his or her “boundary” school. If so desired, he or she may apply again to SDA or CCA the following year.

■ **If a student is accepted into SDA or CCA, can he or she change plans and attend LCC or TP instead?** All students and parents must make thoughtful and informed choices on or prior to 3/4/13. At CCA and SDA, students must enroll at and select classes on or before April 26, 2013, in order to hold their Academy position.

■ **If the student has a sibling at SDA or CCA, is he or she automatically accepted?** Everyone must fill out an application by the deadline. If that is done, and the enrolling student will have a sibling at the school during the 2013-2014 year, the incoming student is admitted.

This brochure is designed to answer some of the most often asked questions, but for more thorough information, we invite you to visit the schools’ websites at www.sduhsd.net.

Curriculum and Environment

■ **Are the graduation requirements the same at all high schools?** Yes, the course requirements and the number of units required for graduation (230) are the same at all the high schools. The curriculum is district - aligned, and textbooks are district - approved. For example, a Biology class at TP is the same as a Biology class taught at CCA, SDA, or LCC.

■ **What are the major differences in the curriculum?** The graduation requirements, the curriculum, and the textbooks are the same at all high schools. LCC and TP offer online learning enrichment classes.

■ **Does the University of California view the coursework differently?** No, each of the high schools have UC approved courses. To see course lists, go to <http://www.ucop.edu/doorways/>.

■ **Is the student:teacher ratio the same at the four comprehensive high schools?** Yes.

■ **Will the curriculum at all 4 high schools accommodate all of a student’s subject needs, or will it be necessary to take classes elsewhere?** A comprehensive choice of classes will be offered, including all those courses necessary to meet district graduation requirements and UC/CSU entrance requirements.

■ **Are Honors and Advanced Placement classes offered at all 4 comprehensive high schools?** Yes, students have the same opportunities for advanced studies at all 4 schools. Courses may be cancelled due to lack of enrollment.

■ **If my student is in Honors classes now, can he or she continue in Honors classes at any of the 4 high schools?** Yes, your student can continue in Honors classes, which are available at all 4 comprehensive high schools, each of which offers “expanded access” to Honors and AP courses.

ITEM 6 Minutes

■ **Where can we get a list of electives for the high schools?** Course profiles will be updated and will be online at all school websites.

■ **Can students take world language courses at colleges or private schools and receive credit?** Yes, but students must first meet with their counselor to complete a permission form. All off-campus course work must be from an accredited program.

■ **Can 2 years of world language and math studies be fulfilled in 1 year at SDA or CCA?** Yes, on a 4x4 schedule it is possible for a student to complete 2 years of a world language and math in one year.

■ **What P.E./Health classes are offered?** Integrated Year One P.E. is recommended for all ninth-graders. In subsequent years, each school also offers a wide variety of elective P.E. courses in such areas as dance, skateboarding, weight training, tennis and surfing.

■ **Other than Year One PE and Elective PE, what PE options are available?** ISPE, ISMPE and PE Credit/Athletics course offerings are available at all 4 high schools. Team Sports are available at LCC and TP.

■ **What music programs are offered?** Each school has an excellent music program, including concert band, jazz ensembles and other specialty courses. TP and CCA also have orchestras.

■ **What are the 4 comprehensive high schools’ API Scores for the Spring, 2011?** CCA-910, LCC-819; SDA-854; TP-882.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 30, 2013

BOARD MEETING DATE: February 7, 2013

**PREPARED AND
SUBMITTED BY:** Ken Noah, Superintendent

SUBJECT: ACCEPTANCE OF GIFTS AND DONATIONS

.....

EXECUTIVE SUMMARY

The district administration is requesting acceptance of gifts and donations to the district as shown on the following report.

RECOMMENDATION:

The administration recommends that the Board accept the gifts and donations to the district as shown on the following report.

FUNDING SOURCE:

Not applicable

KN/bb

**GIFTS AND DONATIONS
SDUHSD BOARD MEETING
February 7, 2013**

ITEM 11A

Item #	Donation	Description	Donor	Department	School Site
1	\$40.00	Copy Account - Rodas	Rachel Rodas	Social Studies	DNO
2	\$41.87	Kroger	Kroger	Various	DNO
3	\$88.98	Academic Support	Wu JieJun (Johnson & Johnson - TRUIST)	Various	CVMS
4	\$42.00	Science Lab	Michael & Sandra Mazzilli	Science	DNO
5	\$3,300.00	Technology Upgrade 2.5	CVMS PTSA	Various	CVMS
6	\$10,000.00	Academic Support	CVMS PTSA	Various	CVMS
7	\$526.75	Teacher Mini-Grants	CVMS PTSA	Various	CVMS
8	\$330.40	Artist-In-Residence - Mark Weed	EWMS PTSA	Music	EWMS
9	\$2,500.00	After-school Tutoring	Oak Crest Foundation, Inc.	Various	OCMS
10	\$1,850.00	Academic Support	Oak Crest Foundation, Inc.	Various	OCMS
11	\$7,500.00	Writing Lab Tutor	San Dieguito Academy Foundation	Various	SDA
12	\$129.70	Academic Support	Johnson & Johnson - TRUIST	Various	CCA
13	\$100.00	Bus Transportation - Cross Country	Sally Muir (Sempra Energy)	Athletics	CCA
14	\$2,000.00	Academic Support	San Dieguito Academy Foundation	Math	SDA
15	*232.00	6-String Guitar, Guitar Stand, Guitar/Bass Tuner	Grace Veltman	Music	EWMS
	\$28,449.70	Monetary Donations			
	*232.00	*Value of Donated Items			
	\$28,681.70	TOTAL VALUE			

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: February 1, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: Rick Schmitt
Associate Superintendent/Educational Services

SUBMITTED BY: Ken Noah, Superintendent

SUBJECT: APPROVAL / RATIFICATION OF FIELD
TRIP REQUESTS

EXECUTIVE SUMMARY

The district administration is requesting approval / ratification of out-of-state, overnight, and / or out-of-county field trips, as shown on the attached reports.

RECOMMENDATION:

The administration recommends that the Board approve / ratify the field trips, as shown on the attached supplement.

FUNDING SOURCE:

As listed on the attached supplement.

FIELD TRIP REQUESTS
SDUHSD BOARD MEETING
February 7, 2013

ITEM 11B

Date	Sponsor, Last Name	First Name	School Team/Club	Total # Students	Total # Chaperones	Event Description / Name of Conference	City	State	Loss of Class Time	\$ Cost
03/22/13	Rector	Casey	LCC Girls Lacrosse	50	4	Lacrosse Games	Los Alamitos	CA	0	LCC Foundation
04/06/13 - 04/11/13	Kingsbury	Rebecca	CCA Girls Lacrosse	20	5	Lacrosse Games	Denver	CO	0	CCA Foundation
03/20/13 - 03/24/13	Berend Stimson	Jason George	SDA ROP Engineering Design & Development	45	10	FIRST Robotics Competition	Sacramento	CA	3 Days	SDA Foundation
04/23/13 - 04/28/13	Berend Stimson	Jason George	SDA ROP Engineering Design & Development	30	7	FIRST Robotics Championship	St. Louis	MO	4 Days	SDA Foundation
03/16/13	Zissi	Jon	TPHS Boys Lacrosse	35	5	Lacrosse Game	Pasadena	CA	0	TPHS Foundation
04/18/13 - 04/21/13	Gerstin	Ed	CCA SMART Team Club	8	1	National Scientific Conference Team Presentation	Boston	MA	2	CCA Foundation
03/15/13 - 03/16/13	Raley	Sue	LCC Theatre	30	3	Theatre Competition & Festival	Fullerton	CA	1	LCC Foundation

* Dollar amounts are listed only when District/site funds are being spent.
 Other activities are paid for by student fees or ASB funds.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 29, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: Torrie Norton
Associate Superintendent/Human Resources

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: APPROVAL OF CERTIFICATED and / or
CLASSIFIED PERSONNEL

EXECUTIVE SUMMARY

Please find the following Personnel actions attached for Board Approval:

Certificated

None submitted

Classified

Resignation

RECOMMENDATION:

It is recommended that the Board approve the attached Personnel actions.

FUNDING SOURCE:

General Fund

PERSONNEL LIST

CLASSIFIED PERSONNEL

Resignation

1. **Mach, Aurora**, Nutrition Services Assistant I, resignation for the purpose of retirement effective 06/14/13
2. **Trester, Ellen**, Instructional Assistant SpEd, resignation for the purpose of retirement, effective 06/14/13
3. **Tyler, Jeffery**, Instructional Assistant SpEd, resignation for the purpose of retirement, effective 02/08/13

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 25, 2013

BOARD MEETING DATE: February 7, 2013

PREARED BY: Chuck Adams, Director of Special Education
Rick Schmitt, Deputy Superintendent,
Educational Services

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: APPROVAL/RATIFICATION OF AGREEMENTS

EXECUTIVE SUMMARY

The attached Special Education Agreements report summarizes one agreement.

RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contract as shown on the attached Special Education Agreements report.

FUNDING SOURCE:

As noted on the attached report.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 31, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: Christina M. Bennett, Director of Purchasing/Risk Mgt
Eric R. Dill, Associate Superintendent/Business

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: APPROVAL/RATIFICATION OF
PROFESSIONAL SERVICES CONTRACTS/
BUSINESS

EXECUTIVE SUMMARY

The attached Professional Services Report/Business summarizes seven contracts.

Of note, two of the agreements are with Lionakis, one of the four architectural firms awarded a contract for master planning and preconstruction services by the Board at their March 17, 2011 board meeting. At that time, District Staff presented the results and recommendations from an architectural request for qualifications (RFQ) with this goal in mind. Lionakis was one of twenty-five (25) firms responding to that request. The preconstruction services performed by Lionakis were outstanding and therefore it is staff's recommendation that the firm continue its work in developing the master plans for Canyon Crest Academy and Middle School #5 as we enter into the next phase of the district wide Long Range Facilities Master Plan.

RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contracts, as shown in the attached Professional Services Report.

FUNDING SOURCE:

As noted on attached report.

ITEM 15A

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**BUSINESS - PROFESSIONAL SERVICES REPORT****Date: 02-07-13**

<u>Contract Effective Dates</u>	<u>Consultant/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
02/11/13 – 02/10/14	MSDSpro, LLC	Provide software maintenance support for Web Inventory Manager	General Fund 03-00	\$1,710.00
02/18/13 – 05/17/13	Cathedral Catholic High School	Lease of facilities for the Torrey Pines High School Swim Team	Torrey Pines High School Foundation	\$6,144.00
02/08/13 through project completion	Geocon, Inc.	Provide geotechnical testing and reporting services for Diegueno Middle School's two new buildings, expansion of existing building, redesign of traffic pattern in the parking lot, and building of a new ramp between the existing basketball courts and track field	Mello-Roos Funds as well as subject to availability of GO Bond Funds	\$18,500.00
02/08/13 through project completion	Geocon, Inc.	Provide geotechnical testing and reporting services for Oak Crest Middle School's new building, new ADA ramp, new multi-purpose building, expansion of Crest Hall structure, and new science building	Mello-Roos Funds as well as subject to availability of GO Bond Funds	\$18,500.00
01/20/13 – 01/19/14	San Diego Fire-Rescue Department	Provide automatic external defibrillators program maintenance	General Fund 03-00	\$425.00
02/08/13 through project completion	Lionakis	Provide architectural/engineering services at Canyon Crest Academy	Capital Facilities Fund 25-19, Mello-Roos Funds, GO Bond proceeds	\$1,055,139.00
02/08/13 through project completion	Lionakis	Provide architectural/engineering services at Middle School #5	Capital Facilities Fund 25-19, Mello-Roos Funds, GO Bond proceeds	\$1,825,000.00

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 30, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: Christina M. Bennett, Director of Purchasing/Risk Mgt
Eric R. Dill, Associate Superintendent/Business

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: APPROVAL/RATIFICATION OF
AMENDMENTS TO AGREEMENTS

EXECUTIVE SUMMARY

The attached Amendment to Agreements Report summarizes two amendments to agreements.

RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the amendment to agreements, as shown in the attached Amendment Report.

FUNDING SOURCE:

As noted on attached list

ITEM 15B

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**BUSINESS SERVICES - AMENDMENT TO AGREEMENTS REPORT****Date: 02-07-13**

<u>Contract Effective Dates</u>	<u>Consultant/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
02/01/13 – 01/31/14	Classic School Portraits by Gerardy Photography	Extending district wide underclassmen portrait photography services, with no increase in pricing	N/A	N/A
02/01/13 – 01/31/14	Keane Studios, LLC	Extending district wide senior portrait photography services, with a change in consideration from contractor to district to in-kind donations and direct contributions to the schools, as well as a 25% reduction in price of entry level prints and packages	N/A	N/A

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 28, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: Eric R. Dill
Associate Superintendent, Business

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: APPROVAL OF BUSINESS REPORTS

EXECUTIVE SUMMARY

Please find the following business reports submitted for your approval:

1. Purchase Orders
2. Membership Listing
3. Replacement Warrants

RECOMMENDATION:

It is recommended that the Board approve the following business reports: 1) Purchase Orders, 2) Membership Listings, and 3) Replacement Warrants.

FUNDING SOURCE:

Not applicable

PO/BOARD/REPORT

SAN DIEGUITO UNION HIGH
FROM 01/08/13 THRU 01/28/131
ITEM 15F

PO NBR	DATE	FUND	VENDOR	LOC`	DESCRIPTION	AMOUNT
231616	01/08/13	03	AMAZON.COM	014	MATERIALS AND SUPPLI	\$9.15
231617	01/08/13	03	SAN JOAQUIN COUNTY O	023	ADVERTISING	\$1,495.63
231618	01/08/13	03	LYNDA.COM INC	035	COMPUTER TRAINING	\$375.00
231619	01/08/13	03	ONE STOP TONER AND I	003	DUPLICATING SUPPLIES	\$129.58
231620	01/08/13	03	ONE STOP TONER AND I	035	MATERIALS AND SUPPLI	\$107.99
231621	01/08/13	03	SOUTHWEST SCHOOL/OFF	012	MATERIALS AND SUPPLI	\$102.54
231622	01/08/13	03	ONE STOP TONER AND I	035	MATERIALS AND SUPPLI	\$205.19
231623	01/08/13	03	ONE STOP TONER AND I	035	MATERIALS AND SUPPLI	\$205.19
231624	01/08/13	03	ONE STOP TONER AND I	005	MATERIALS AND SUPPLI	\$254.82
231625	01/08/13	03	SOUTHWEST SCHOOL/OFF	005	MATERIALS AND SUPPLI	\$139.32
231626	01/08/13	03	SEHI-PROCOMP COMPUTE	035	NON-CAPITALIZED TECH	\$560.56
231627	01/08/13	03	SEHI-PROCOMP COMPUTE	035	NON-CAPITALIZED TECH	\$560.56
231628	01/08/13	03	ONE STOP TONER AND I	005	MATERIALS AND SUPPLI	\$53.99
231629	01/09/13	06	MISSION FEDERAL CRED	005	NON CAPITALIZED EQUI	\$618.91
231630	01/09/13	03	AMAZON.COM	014	MATERIALS AND SUPPLI	\$38.72
231631	01/09/13	06	SIMPLEX -GRINNELL L	028	OTHER TRANSPORT.SUPP	\$2,355.94
231632	01/09/13	03	URBAN TREE CARE, INC	025	OTHER SERV.& OPER.EX	\$908.00
231633	01/09/13	03	SEHI-PROCOMP COMPUTE	035	NON-CAPITALIZED TECH	\$2,991.24
231634	01/10/13	03	STAPLES ADVANTAGE	012	MATERIALS AND SUPPLI	\$1,666.22
231635	01/10/13	03	VIRCO MANUFACTURING	012	MATERIALS AND SUPPLI	\$3,112.34
231636	01/10/13	03	AMAZON.COM	012	MATERIALS AND SUPPLI	\$14.98
231637	01/10/13	03	AMAZON.COM	012	MATERIALS AND SUPPLI	\$223.53
231638	01/10/13	03	ROYAL BUSINESS GROUP	023	MATERIALS AND SUPPLI	\$46.48
231639	01/10/13	03	STAPLES ADVANTAGE	004	MATERIALS AND SUPPLI	\$443.89
231640	01/10/13	03	SUPPLY MASTER INC	013	MATERIALS AND SUPPLI	\$58.32
231641	01/10/13	06	GOPHER SPORT	013	MATERIALS AND SUPPLI	\$1,322.49
231642	01/10/13	03	AMAZON.COM	013	MATERIALS AND SUPPLI	\$129.58
231643	01/10/13	03	CULVER NEWLIN INC	013	NON CAPITALIZED EQUI	\$1,328.98
231644	01/10/13	03	G S T INC	010	NON-CAPITALIZED TECH	\$556.26
231645	01/10/13	03	SOUTHWEST SCHOOL/OFF	012	MATERIALS AND SUPPLI	\$35.69
231646	01/10/13	21-09	AREY JONES EDUCATION	035	MATERIALS AND SUPPLI	\$1,471.20
231647	01/11/13	03	SOCIAL THINKING	012	MATERIALS AND SUPPLI	\$40.86
231648	01/11/13	03	SOCIAL THINKING	012	MATERIALS AND SUPPLI	\$166.02
231649	01/11/13	25-19	U-T SAN DIEGO NCT (N	036	ADVERTISING	\$200.40
231650	01/11/13	03	LINGUISYSTEMS INC	012	MATERIALS AND SUPPLI	\$237.11
231651	01/11/13	03	CREATIVE THERAPY STO	012	MATERIALS AND SUPPLI	\$58.95
231652	01/11/13	03	SOUTHWEST SCHOOL/OFF	013	MATERIALS AND SUPPLI	\$35.61
231653	01/11/13	03	AMAZON.COM	012	MATERIALS AND SUPPLI	\$29.57
231654	01/11/13	06	MULVANIA, LARRY	013	MATERIALS AND SUPPLI	\$972.00
231655	01/11/13	03	SAN DIEGO FITNESS SE	005	REPAIRS BY VENDORS	\$300.00
231656	01/11/13	25-19	UNION TRIBUNE PUBLIS	036	ADVERTISING	\$190.38
231657	01/11/13	06	POWER SYSTEMS INC	013	MATERIALS AND SUPPLI	\$226.75
231658	01/11/13	06	SUBMAN	024	REFRESHMENTS	\$93.96
231659	01/14/13	03	CAROLINA BIOLOGICAL	013	MATERIALS AND SUPPLI	\$676.38
231660	01/14/13	03	AMAZON.COM	012	MATERIALS AND SUPPLI	\$44.56
231661	01/14/13	03	CENTER FOR EXCELLENC	005	FEES - ADMISSIONS, T	\$75.00
231662	01/15/13	21-09	BARRETT ROBINSON INC	025	NON-CAPITALIZED IMPR	\$5,970.00
231663	01/15/13	03	G S T INC	010	MATERIALS AND SUPPLI	\$386.64
231664	01/15/13	03	AMAZON.COM	035	MATERIALS AND SUPPLI	\$207.00
231665	01/15/13	03	FLINN SCIENTIFIC INC	008	MATERIALS AND SUPPLI	\$89.21
231666	01/15/13	03	ROYAL BUSINESS GROUP	022	OFFICE SUPPLIES	\$58.00
231667	01/16/13	03	PROCURETECH	035	COMPUTER SUPPLIES	\$3,201.12
231668	01/16/13	03	PROCURETECH	035	MATERIALS AND SUPPLI	\$343.44
231669	01/16/13	03	K ALLIANCE, LLC.	035	COMPUTER TRAINING	\$1,500.00
231670	01/16/13	03	LIGHTSPEED SYSTEMS,	035	COMPUTER LICENSING	\$16,400.00

PO/BOARD/REPORT

SAN DIEGUITO UNION HIGH
FROM 01/08/13 THRU 01/28/132
ITEM 15F

PO NBR	DATE	FUND	VENDOR	LOC	DESCRIPTION	AMOUNT
231671	01/16/13	06	APPLE COMPUTER INC	005	MATERIALS AND SUPPLI	\$170.64
231672	01/16/13	06	SUPPLY MASTER INC	030	MATERIALS AND SUPPLI	\$336.91
231673	01/16/13	13	F S E INC	031	MATERIALS AND SUPPLI	\$1,939.68
231674	01/16/13	13	S N A / SCHOOL NUTRI	031	DUES AND MEMBERSHIPS	\$31.75
231675	01/16/13	67-30	CHAMBERS, JOHN	037	OTHER SERV.& OPER.EX	\$387.56
231676	01/16/13	03	ROYAL BUSINESS GROUP	008	MATERIALS AND SUPPLI	\$19.44
231677	01/16/13	03	DIGITAL NETWORKS GRO	008	MATERIALS AND SUPPLI	\$52.71
231678	01/16/13	03	ADVANCED TOOLWARE, L	035	COMPUTER LICENSING	\$2,146.00
231679	01/16/13	03	SOUTHWEST SCHOOL/OFF	013	MATERIALS AND SUPPLI	\$124.46
231680	01/16/13	03	SUPPLY MASTER INC	013	MATERIALS AND SUPPLI	\$64.80
231681	01/16/13	06	PAXTON/PATTERSON	004	MATERIALS AND SUPPLI	\$3,879.88
231682	01/16/13	06	NORTH COUNTY TRANSIT	030	FEES - ADMISSIONS, T	\$1,000.00
231683	01/16/13	06	VERDUGO TESTING CO.,	028	REPAIRS BY VENDORS	\$3,680.86
231684	01/17/13	03	COSTCO CARLSBAD	025	NON CAPITALIZED EQUI	\$539.99
231685	01/17/13	03	A C T	014	MATERIALS AND SUPPLI	\$2,722.50
231686	01/17/13	03	COLLEGE BOARD	005	DUES AND MEMBERSHIPS	\$325.00
231687	01/17/13	03	STAPLES ADVANTAGE	003	OFFICE SUPPLIES	\$128.74
231688	01/17/13	03	STAPLES ADVANTAGE	003	MATERIALS AND SUPPLI	\$77.19
231689	01/17/13	03	DIVINE LIGHTING, LLC	005	MATERIALS AND SUPPLI	\$79.42
231690	01/17/13	03	AREY JONES EDUCATION	035	NON-CAPITALIZED TECH	\$2,535.20
231691	01/17/13	03	B&H PHOTO-VIDEO-PRO	010	MATERIALS AND SUPPLI	\$376.79
231692	01/17/13	03	GOPHER SPORT	008	MATERIALS AND SUPPLI	\$479.52
231693	01/17/13	03	NEED DECALS.COM	013	MATERIALS AND SUPPLI	\$97.50
231694	01/17/13	03	MISSION FEDERAL CRED	020	MATERIALS AND SUPPLI	\$36.76
231695	01/17/13	03	EAGLE SOFTWARE	035	COMPUTER LICENSING	\$25,500.00
231696	01/17/13	21-09	FREDRICKS ELECTRIC I	035	NON-CAPITALIZED IMPR	\$9,485.00
231697	01/17/13	03	SCHOOL SERVICES OF C	021	PROF/CONSULT./OPER E	\$2,460.00
231698	01/17/13	03	D A D ASPHALT	025	REPAIRS BY VENDORS	\$2,141.45
231699	01/17/13	03	EN POINTE TECHNOLOGI	035	COMPUTER LICENSING	\$59,639.29
231700	01/18/13	13	EARL WARREN MIDDLE S	031	OTHER SERV.& OPER.EX	\$1,500.00
231701	01/18/13	03	FISHER SCIENTIFIC EM	005	MATERIALS AND SUPPLI	\$475.74
231702	01/18/13	03	CAROLINA BIOLOGICAL	005	MATERIALS AND SUPPLI	\$719.29
231703	01/18/13	03	SUPPLY MASTER INC	010	MATERIALS AND SUPPLI	\$197.64
231704	01/18/13	03	EDUCATIONAL TESTING	033	TEST SCORING	\$6,138.00
231705	01/18/13	03	AMAZON.COM	003	MATERIALS AND SUPPLI	\$84.25
231706	01/22/13	06	MARASCO, CHRISTINE	030	OTHER SERV.& OPER.EX	\$510.00
231707	01/22/13	06	NEWS-2-YOU	030	COMPUTER LICENSING	\$429.00
231708	01/22/13	06	PLASMACAM INC	013	NON CAPITALIZED EQUI	\$12,264.55
231709	01/22/13	06	PROVO CANYON SCHOOL	030	SUB/ROOM & BOARD	\$132,570.00
231710	01/22/13	06	PROVO CANYON SCHOOL	030	SUB/ROOM & BOARD	\$132,570.00
231711	01/22/13	03	NATIONAL SCHOOL FORM	013	OFFICE SUPPLIES	\$164.06
231712	01/22/13	03	APPLE COMPUTER INC	013	NON-CAPITALIZED TECH	\$2,943.84
231713	01/22/13	13	FREDRICKS ELECTRIC I	031	OTHER SERV.& OPER.EX	\$548.00
231714	01/22/13	13	FREDRICKS ELECTRIC I	031	OTHER SERV.& OPER.EX	\$854.00
231715	01/22/13	13	FREDRICKS ELECTRIC I	031	OTHER SERV.& OPER.EX	\$8,548.00
231716	01/22/13	03	FREDRICKS ELECTRIC I	035	NON-CAPITALIZED IMPR	\$8,825.00
231717	01/22/13	03	FREDRICKS ELECTRIC I	035	OTHER SERV.& OPER.EX	\$975.00
231718	01/22/13	03	VIRCO MANUFACTURING	013	MATERIALS AND SUPPLI	\$5,035.39
231719	01/22/13	06	PAXTON/PATTERSON	004	MATERIALS AND SUPPLI	\$187.81
231720	01/22/13	06	RADIO SHACK	004	MATERIALS AND SUPPLI	\$155.35
231721	01/22/13	06	STAPLES ADVANTAGE	004	MATERIALS AND SUPPLI	\$49.68
231722	01/22/13	06	TROXELL COMMUNICATIO	035	MATERIALS AND SUPPLI	\$485.99
231723	01/22/13	25-18	AREY JONES EDUCATION	035	LAND IMPROVEMENTS	\$2,232.30
231724	01/22/13	06	STAPLES ADVANTAGE	004	MATERIALS AND SUPPLI	\$30.29
231725	01/22/13	13	AMAZON.COM	031	OFFICE SUPPLIES	\$178.14

PO/BOARD/REPORT

SAN DIEGUITO UNION HIGH
FROM 01/08/13 THRU 01/28/133
ITEM 15F

PO NBR	DATE	FUND	VENDOR	LOC	DESCRIPTION	AMOUNT
231726	01/22/13	25-18	PROCURETECH	035	LAND IMPROVEMENTS	\$271.07
231727	01/22/13	03	NOVEMBER LEARNING	024	MATERIALS AND SUPPLI	\$78.44
231728	01/22/13	03	SIMPLEX -GRINNELL	L 025	REPAIRS BY VENDORS	\$847.03
231729	01/22/13	13	MISSION FEDERAL CRED	031	MATERIALS AND SUPPLI	\$214.92
231730	01/16/13	06	ONE STOP TONER AND I	030	MATERIALS AND SUPPLI	\$150.10
231731	01/23/13	06	MISSION FEDERAL CRED	033	REFRESHMENTS	\$237.75
231732	01/23/13	06	SCHOOL SPECIALTY, IN	040	MATERIALS AND SUPPLI	\$72.61
231733	01/23/13	03	STAPLES STORES	004	MATERIALS AND SUPPLI	\$221.39
231734	01/23/13	03	BIO CORPORATION	012	MATERIALS AND SUPPLI	\$80.51
231735	01/23/13	06	MOFFAT, MICHELLE	030	PAY IN LIEU OF TRANS	\$1,800.00
231736	01/23/13	06	LEWIS, ALAN	030	PAY IN LIEU OF TRANS	\$1,700.00
231737	01/23/13	06	PENNINGTON, KATHY	030	PAY IN LIEU OF TRANS	\$1,250.00
231738	01/23/13	25-19	DIVISION OF STATE AR	036	NEW CONSTRUCTION	\$500.00
231739	01/23/13	03	NATL ASSC OF SCHOOL	030	DUES AND MEMBERSHIPS	\$210.00
231740	01/23/13	06	A E F C T - AUTISM E	030	OTHER CONTR-N.P.A.	\$480.00
231741	01/23/13	03	SCHOOLDUDE.COM	035	COMPUTER LICENSING	\$10,701.00
231742	01/23/13	06	PSYCHOLOGICAL & EDUC	030	PROF/CONSULT./OPER E	\$5,000.00
231743	01/23/13	06	STAPLES ADVANTAGE	030	PRINTING	\$29.75
231744	01/23/13	13	STAPLES ADVANTAGE	031	OFFICE SUPPLIES	\$171.32
231745	01/23/13	03	AMERICAN CHEMICAL &	010	MATERIALS AND SUPPLI	\$388.80
231746	01/23/13	03	NICK RAIL MUSIC	004	MATERIALS AND SUPPLI	\$334.80
231747	01/23/13	03	B&H PHOTO-VIDEO-PRO	004	MATERIALS AND SUPPLI	\$32.39
231748	01/23/13	03	QUALITY FLOORS BY GE	025	MATERIALS AND SUPPLI	\$880.00
231749	01/23/13	03	BLICK, DICK (DICK BL	004	MATERIALS AND SUPPLI	\$48.64
231750	01/23/13	03	STAPLES ADVANTAGE	004	MATERIALS AND SUPPLI	\$443.89
231751	01/23/13	03	STATE OF CALIFORNIA	025	FEES - ADMISSIONS, T	\$225.00
231752	01/23/13	03	STATE OF CALIFORNIA	025	FEES - ADMISSIONS, T	\$675.00
231753	01/24/13	03	XEROX CORPORATION	005	DUPLICATING SUPPLIES	\$589.68
231754	01/24/13	03	PROCURETECH	035	MATERIALS AND SUPPLI	\$48.18
231755	01/24/13	03	AREY JONES EDUCATION	035	MATERIALS AND SUPPLI	\$372.05
231756	01/24/13	06	STATE BOARD OF EQUAL	028	FEES - ADMISSIONS, T	\$2,198.08
231757	01/24/13	06	STATE BOARD OF EQUAL	028	FEES - ADMISSIONS, T	\$215.64
231758	01/24/13	21-09	MISSION FEDERAL CRED	025	NON-CAPITALIZED IMPR	\$958.45
231759	01/24/13	03/06	SWEETWATER SOUND	033	NON-CAPITALIZED TECH	\$8,046.00
231760	01/24/13	06	KUYPERS, LEAH	030	BOOKS OTHER THAN TEX	\$48.86
231761	01/24/13	03	ONE STOP TONER AND I	012	MATERIALS AND SUPPLI	\$86.38
231762	01/24/13	06	A Z BUS SALES INC	028	MATERIALS-VEHICLE PA	\$4,006.35
231763	01/25/13	03	GOPHER SPORT	012	MATERIALS AND SUPPLI	\$248.84
231764	01/25/13	03	ROYAL BUSINESS GROUP	022	OFFICE SUPPLIES	\$12.64
231765	01/25/13	03	SUPPLY MASTER INC	008	MATERIALS AND SUPPLI	\$196.56
231766	01/25/13	03	OFFICE DEPOT	003	MATERIALS AND SUPPLI	\$163.30
231767	01/25/13	03	STAPLES ADVANTAGE	003	MATERIALS AND SUPPLI	\$611.28
231768	01/25/13	06	T E R I INC	030	OTHER CONTR-N.P.S.	\$463.32
231769	01/25/13	06	STATE WATER RESOURCE	028	FEES - ADMISSIONS, T	\$1,359.00
231770	01/25/13	03	PROCURETECH	014	MATERIALS AND SUPPLI	\$343.44
231771	01/25/13	06	CAREER KIDS, LLC	030	BOOKS OTHER THAN TEX	\$333.40
231772	01/25/13	03/06	PEARSON & AGS ASSESS	030	MATERIALS AND SUPPLI	\$150.75
231773	01/25/13	06	SAN DIEGO COFFEE TEA	030	MATERIALS AND SUPPLI	\$119.07
231774	01/25/13	06	NIMCO, INC.	030	BOOKS OTHER THAN TEX	\$1,272.67
231775	01/25/13	03	MISSION FEDERAL CRED	012	MATERIALS AND SUPPLI	\$29.16
231776	01/25/13	03	BARNES & NOBLE BOOKS	035	MATERIALS AND SUPPLI	\$300.00
231777	01/25/13	03	BARNES & NOBLE BOOKS	035	MATERIALS AND SUPPLI	\$1,000.00
231778	01/25/13	03	PALOS SPORTS, INC.	012	MATERIALS AND SUPPLI	\$1,171.20
231779	01/25/13	06	AMAZON.COM	030	MATERIALS AND SUPPLI	\$49.14
231780	01/28/13	13	AMAZON.COM	031	MATERIALS AND SUPPLI	\$58.30

PO/BOARD/REPORT

SAN DIEGUITO UNION HIGH
FROM 01/08/13 THRU 01/28/134
ITEM 15F

PO NBR	DATE	FUND	VENDOR	LOC	DESCRIPTION	AMOUNT
231781	01/28/13	03	ALPHA GRAPHICS	013	PRINTING	\$2,002.89
231782	01/28/13	03	GOODLITE COMPANY	030	OFFICE SUPPLIES	\$86.60
231784	01/28/13	03	STAPLES ADVANTAGE	008	MATERIALS AND SUPPLI	\$79.22
231786	01/28/13	06	LASERED PICS	030	MATERIALS AND SUPPLI	\$29.11
231787	01/28/13	03	AMAZON.COM	013	MATERIALS AND SUPPLI	\$986.58
231789	01/28/13	06	PROED CO	030	MATERIALS AND SUPPLI	\$139.24
231790	01/28/13	06	AMAZON.COM	030	MATERIALS AND SUPPLI	\$9.14
231791	01/28/13	03	STAPLES ADVANTAGE	004	MATERIALS AND SUPPLI	\$11.87
231792	01/28/13	03	OFFICE DEPOT	004	MATERIALS AND SUPPLI	\$240.99
231793	01/28/13	03	APPERSON EDUCATION P	004	MATERIALS AND SUPPLI	\$60.21
231795	01/28/13	03	STAPLES ADVANTAGE	004	MATERIALS AND SUPPLI	\$67.81
231796	01/28/13	11	NAVAIE, NOUSHA	009	MATERIALS AND SUPPLI	\$1,200.00
231797	01/28/13	03	APPERSON EDUCATION P	004	MATERIALS AND SUPPLI	\$60.21
231798	01/28/13	06	SCRIPPS HEALTH	013	MATERIALS AND SUPPLI	\$22.00
730024	01/23/13	03	DIAMOND ENVIRONMENTA	025	RENTS & LEASES	\$2,191.12
730025	01/24/13	03	SIGLER WHOLESALE DIS	025	BLDG. -REPAIR MATERIA	\$2,880.68
830038	01/09/13	03	C A S B O	022	CONFERENCE, WORKSHOP,	\$885.00
830039	01/17/13	03	C A S B O	022	CONFERENCE, WORKSHOP,	\$295.00
830040	01/23/13	03	SAN DIEGO COUNTY OFF	022	CONFERENCE, WORKSHOP,	\$15.00
REPORT TOTAL						\$554,914.43

ITEM 15F

Individual Membership Listings
For the Period of January 8, 2013 through January 28, 2013

<u>Staff Member Name</u>	<u>Organization Name</u>	<u>Amount</u>
Cindy Welch	School Nutrition Association	\$31.75
Maryanne Dittman	National Association of School Nurses	\$210.00

San Diego County Office of Education

PETITION FOR ISSUANCE OF NEW WARRANT IN LIEU OF VOID WARRANT
(Government Code Section 29802, Warrants
Becoming Void After September 20, 1963)

1. TO THE BOARD OF EDUCATION OF THE San Dieguito Union High School District: I, the undersigned, declare that I am the payee of original warrant number 10-097768 dated 3/29/2012, in the amount of Sixty-Four And 00/100 dollars (\$ 64.00) attached hereto and presented to your Board pursuant to Section 29802 of the Government Code. I hereby request that you adopt an order instructing the County Auditor to draw a new warrant in favor of me for the same amount as the original warrant.

Executed at ENCINITAS, CA on JANUARY 17 20 13.

I certify under penalty of perjury that the foregoing is true and correct.

ALLISON H LOVEJOY
Name of Payee

Allison Lovejoy
Signature of Payee

265 Sierra Ridge Dr. Encinitas, CA 92024
Address of Payee

2. ORDER OF THE BOARD OF San Dieguito Union High TO DRAW WARRANT:

It is ORDERED by the Board of Education of the San Dieguito Union High School District that the County Auditor of the County of San Diego draw a new warrant in favor of the same payee and in the same amount of the above described warrant.

Secretary
~~XXXX~~ of the Board

Date _____ 20 ____ By _____ Deputy

3. DISTRICTS REISSUE OF PAYROLL WARRANT:

On _____ 20____, the district issued commercial warrant number _____ to ALLISON H LOVEJOY, payee, for Sixty-Four And 00/100 dollars to replace void warrant number 10-097768 described above.

San Diego County Office of Education

PETITION FOR ISSUANCE OF NEW WARRANT IN LIEU OF VOID WARRANT
(Government Code Section 29802, Warrants
Becoming Void After September 20, 1963)

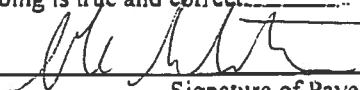
1. TO THE BOARD OF EDUCATION OF THE San Dieguito Union High School District: I, the undersigned, declare that I am the payee of original warrant number 10-117764 dated 5/31/2012, in the amount of Two Hundred Thirty-One And 16/100 dollars (\$ 231.16) attached hereto and presented to your Board pursuant to Section 29802 of the Government Code. I hereby request that you adopt an order instructing the County Auditor to draw a new warrant in favor of me for the same amount as the original warrant.

Executed at Eucalyptus on January 24 2013.

I certify under penalty of perjury that the foregoing is true and correct.

SETH A MALMSTROM

Name of Payee


Signature of Payee

13096 Calle de los Niños San Diego CA 92129
Address of Payee

2. ORDER OF THE BOARD OF ~~San Dieguito Union High~~ TO DRAW WARRANT:

It is ORDERED by the Board of Education of the San Dieguito Union High School District that the County Auditor of the County of San Diego draw a new warrant in favor of the same payee and in the same amount of the above described warrant.

Secretary
~~Chair~~ of the Board

Date _____ 20____ By _____ Deputy

3. DISTRICT'S REISSUE OF PAYROLL WARRANT:

On _____ 20____, the district issued commercial warrant number _____ to **SETH A MALMSTROM**, payee, for Two Hundred Thirty-One And 16/100 dollars to replace void warrant number 10-117764 described above.

San Diego County Office of Education

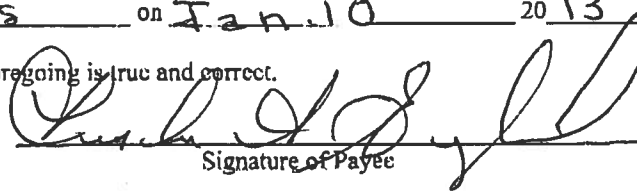
PETITION FOR ISSUANCE OF NEW WARRANT IN LIEU OF VOID WARRANT
(Government Code Section 29802, Warrants
Becoming Void After September 20, 1963)

- 1. TO THE BOARD OF EDUCATION OF THE San Dieguito Union High School District: I, the undersigned, declare that I am the payee of original warrant number 10-987439 dated 4/29/2011, in the amount of Two Thousand Three Hundred Twenty-Six And 28/100 dollars (\$2,326.28) attached hereto and presented to your Board pursuant to Section 29802 of the Government Code. I hereby request that you adopt an order instructing the County Auditor to draw a new warrant in favor of me for the same amount as the original warrant.

Executed at Encinitas on Jan 10 20 13

I certify under penalty of perjury that the foregoing is true and correct.

LESLIE A ENGLAND
Name of Payee


Signature of Payee

729 Herder Ln Enc, Ca 92024
Address of Payee

- 2. ORDER OF THE BOARD OF San Dieguito Union High TO DRAW WARRANT:

It is ORDERED by the Board of Education of the San Dieguito Union High School District that the County Auditor of the County of San Diego draw a new warrant in favor of the same payee and in the same amount of the above described warrant.

Secretary
~~XXXX~~ of the Board

Date _____ 20____ By _____ Deputy

- 3. DISTRICT'S REISSUE OF PAYROLL WARRANT:

On _____ 20____, the district issued commercial warrant number _____ to **LESLIE A ENGLAND**, payee, for Two Thousand Three Hundred Twenty-Six And 28/100 dollars to replace void warrant number 10-987439 described above.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 30, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: Rick Ayala,
Director, Pupil Services

SUBMITTED BY: Ken Noah, Superintendent

SUBJECT: BOARD POLICY REVISION
PROPOSAL #5131, (BP) ***“CONDUCT”***

EXECUTIVE SUMMARY

These revisions address student conduct as well as Seth’s Law (AB-9), which mandates that public school districts adopt a policy to prohibit discrimination, harassment, intimidation and bullying based on actual or perceived characteristics. Reviewed by Stutz, Artiano, Shinoff & Holtz (District attorneys), a recommendation was made to include language in District Board Policy No. 5131 as an example of “prohibited conduct”.

RECOMMENDATION:

This policy was presented for first read on January 17, 2013, and is now being submitted for board action.

FUNDING SOURCE:

Not applicable.

STUDENTS

5131 ITEM 16

CONDUCT

The Board of Trustees believes that all students have the right to be educated in a positive learning environment free from disruptions. To maintain such an environment, students, parents/guardians, staff and the Board all must understand and fulfill their responsibilities related to student conduct.

STUDENT RESPONSIBILITIES

The Board believes that it is important for students to understand that they have a choice to make regarding their actions and that appropriate conduct benefits both themselves and others. Students are encouraged to freely express their individuality as long as this expression does not infringe upon the rights of others or interfere with the instructional program. Behavior is considered appropriate when students are diligent in study, neat and clean, careful with school property, respectful towards their teachers, and courteous to other students, staff and volunteers. Students are expected to be punctual and regular in attendance and to remain on school premises in accordance with school rules. They are further expected to refrain from profane, vulgar or abusive language.

Students shall receive regular instruction in district and school rules and regulations related to conduct. Students who violate these rules and regulations may be subject to discipline, suspension, exclusion, expulsion or transfer to alternative programs.

Students who violate district or school rules and regulations may be subject to discipline including, but not limited to, suspension, expulsion, transfer to alternative programs, or denial of the privilege of participation in extracurricular or co-curricular activities in accordance with Board policy and administrative regulation. The Superintendent or designee shall notify local law enforcement as appropriate.

PARENT/GUARDIAN RESPONSIBILITIES

Parents/guardians are expected to comply with laws governing the conduct and education of their student's and to cooperate with school authorities regarding their student's behavior.

California law holds parents/guardians liable for any willful student misconduct which results in the death or injury of any student or persons employed by or volunteering for the district. Parents/guardians are also liable for any defacement, injury or loss of property belonging to the district or to a school employee.

The Superintendent or designee shall ensure that parents/guardians are annually informed of their liability for death, personal injury or district property damage resulting from willful student misconduct.

Parents/guardians shall also be informed that the district will not be responsible for damage caused by any student to any item of personal property which another student brings to school.

DISTRICT RESPONSIBILITIES

The Board is responsible for prescribing behavioral and disciplinary guidelines for students. The Board shall give certificated staff all reasonable support with respect to student conduct and discipline.

The Superintendent or designee shall establish procedures necessary to enforce the Board's conduct

STUDENTS

5131 ITEM 16

and discipline policies and shall notify parents/guardians of the availability of these policies and procedures at the beginning of each school year.

The Superintendent or designee shall ensure that each school site develops standards of conduct and discipline consistent with district policies and administrative regulations. Students and parents/guardians shall be notified of district and school rules related to conduct.

The school principal shall establish and enforce school rules that conform with district procedures and that foster safety and good citizenship. He/she shall ensure that students are informed of these rules when they enroll and at the beginning of each school year.

Teachers shall establish and enforce classroom rules that facilitate safety and effective learning. They shall cooperate with other certificated staff in enforcing general school rules and helping students to understand the benefits of choosing behaviors that show respect for other people and property.

Prohibited student conduct includes, but is not limited to:

1. Conduct that endangers students, staff, or others
2. Conduct that disrupts the orderly classroom or school environment
3. **Discrimination, harassment, intimidation, and bullying based on actual or perceived characteristics of disability, gender, gender identity, gender expression, nationality, race or ethnicity, religion, sexual orientation, association with a person or group with one or more of these actual or perceived characteristics, or any other characteristic that is contained in the definition of hate crimes.**
- ~~3~~.4. Harassment or bullying of students or staff, including, but not limited to, cyberbullying, intimidation, hazing or initiation activity, extortion, or any other verbal, written, or physical conduct that causes or threatens to cause violence, bodily harm, or substantial disruption, in accordance with the section entitled "Bullying/Cyberbullying" below:

Cyberbullying includes the transmission of communications, posting of harassing messages, direct threats, or other harmful texts, sounds, or images on the Internet, social networking sites, or other digital technologies using a telephone, computer, or any wireless communication device. Cyberbullying also includes breaking into another person's electronic account and assuming that person's identity in order to damage that person's reputation.
- ~~4~~.5. Damage to or theft of property belonging to students, staff, or the district
- ~~5~~.6. Possession or use of a laser pointer, unless used for a valid instructional or other school-related purpose, including employment (Penal Code 417.27)
- ~~6~~.7. Use of profane, vulgar, or abusive language
- ~~7~~.8. Plagiarism or dishonesty on school work or tests
- ~~8~~.9. Inappropriate attire
- ~~9~~.10. Tardiness or unexcused absence from school
- ~~10~~.11. Failure to remain on school premises in accordance with school rules
- ~~11~~.12. Possession, use, or being under the influence of tobacco, alcohol, or other prohibited drugs

STUDENTS

5131 ITEM 16

Students may possess or use on school campus personal electronic signaling devices including, but not limited to, pagers and cellular/digital telephones, as well as other mobile communications devices including, but not limited to, digital media players, personal digital assistants (PDAs), compact disc players, portable game consoles, cameras, digital scanners, and laptop computers, provided that such devices do not disrupt the educational program or school activity and are not used for illegal or unethical activities such as cheating on assignments or tests.

If a disruption occurs or a student uses any mobile communications device for improper activities, a school employee shall direct the student to turn off the device and/or shall confiscate it. If the school employee finds it necessary to confiscate the device, he/she shall return it at the end of the class period or school day.

In accordance with BP/AR 5145.12 - Search and Seizure, a school official may search a student's mobile communications device, including, but not limited to, reviewing messages or viewing pictures.

Students shall not use mobile communications devices, even in hands-free mode, while driving on school grounds or to and from a school-related activity.

A student who violates this policy may be prohibited from possessing a mobile communications device at school or school-related events and/or may be subject to further discipline in accordance with Board policy and administrative regulation.

BULLYING/CYBERBULLYING

The Board desires to prevent bullying by establishing a positive, collaborative school climate and clear rules for student conduct.

Discrimination, harassment, intimidation, and bullying based on actual or perceived characteristics of disability, gender, gender identity, gender expression, nationality, race or ethnicity, religion, sexual orientation, association with a person or group with one or more of these actual or perceived characteristics, or any other characteristic that is contained in the definition of hate crimes is prohibited.

This policy applies to all acts related to school activity or school attendance occurring within a school under the jurisdiction of the superintendent of the school district.

The district may provide students with instruction, in the classroom or other educational settings, that promotes communication, social skills, and assertiveness skills and educates students about appropriate online behavior and strategies to prevent and respond to bullying and cyberbullying.

School staff shall receive related professional development, including information about early warning signs of harassing/intimidating behaviors and effective prevention and intervention strategies. Parents/guardians, students, and community members also may be provided with similar information.

If school personnel witness an act of discrimination, harassment, intimidation, or bullying, he or she shall take immediate steps to intervene when safe to do so.

Students may submit a verbal or written complaint of conduct they consider to be bullying to a teacher or administrator. Complaints of bullying shall be investigated and resolved in accordance with site-level grievance procedures specified in AR 5145.7 - Sexual Harassment.

STUDENTS**5131** ITEM 16

Should the complainant disagree with the resolution of the complaint of discrimination, harassment, intimidation, or bullying made pursuant to the procedures specified in AR 5145.7 – Sexual Harassment, the complainant may appeal the decision, in writing, to the Assistant Superintendent/Human Resources, or in writing to the Superintendent if the Assistant Superintendent/Human Resources has already evaluated and resolved the complaint to his or her satisfaction.

When a student is suspected of or reported to be using electronic or digital communications to engage in cyberbullying against other students or staff, or to threaten district property, the investigation shall include documentation of the activity, identification of the source, and specific facts or circumstances that explain the impact or potential impact on school activity, school attendance, or the targeted student's educational performance.

Students shall be encouraged to save and print any messages sent to them that they feel constitute cyberbullying and to notify a teacher, the principal, or other employee so that the matter may be investigated.

Any student who engages in cyberbullying on school premises, or off campus in a manner that causes or is likely to cause a substantial disruption of a school activity or school attendance, shall be subject to discipline in accordance with district policies and regulations. If the student is using a social networking site or service that has terms of use that prohibit posting of harmful material, the Superintendent or designee also may file a complaint with the Internet site or service to have the material removed.

LEGAL REFERENCE**CALIFORNIA EDUCATION CODE**

35181	Governing board policy on responsibilities of students
35291	Rules
200-262.4	Prohibition of discrimination
32261	Bullying
35291-35291.5	Rules
44807	Duty concerning conduct of students
48900-48925	Suspension or expulsion
48908	Duties of pupils
48980-48981	Notification of parent or guardian
51512	Prohibition against electronic listening or recording device in classroom without permission

PENAL CODE

288.2	Harmful matter with intent to seduce
313	Harmful matter
417.25-417.27	Laser scope
647	Use of camera or other instrument to invade person's privacy; misdemeanor
647.7	Use of camera or other instrument to invade person's privacy; punishment
653.2	Electronic communication devices, threats to safety

STUDENTS

5131 ITEM 16

VEHICLE CODE

23124 Use of cellular phones provisional license holders

CIVIL CODE

1714.1 Liability of parents and guardians for willful misconduct of minor

CODE OF REGULATIONS, TITLE 5

300-307 Duties of pupils

UNITED STATES CODE, TITLE 42

2000h-2 et seq. Title IX, 1972 Education Act Amendments

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 25, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: John Addleman, Director of Planning and
Financial Management
Eric Dill, Assoc. Supt. of Business Services

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: COMMUNITY FACILITIES DISTRICT 94-2
No. 3 / ANNEXATION OF PROPERTY /
LA COSTA TOWN SQUARE / A 63-UNIT
FAMILY SUBDIVISION / DEVELOPMENT
SOLUTIONS 2LAC, LLC

EXECUTIVE SUMMARY

Staff has been working with Development Solutions 2LAC, LLC in order to provide adequate school facilities for their residential project. Development Solutions will be constructing a 63-unit subdivision in Carlsbad. The project will be located near the intersection of La Costa Avenue and Rancho Santa Fe Road and will be in the Diegueño Middle School/La Costa Canyon High School attendance area.

The first step in the annexation process is to adopt the attached Resolution of Intention to annex certain territory into the community facilities district as shown on the attached map.

At a future board meeting, we will be presenting the necessary documents to proceed with the annexation of territory, which will require the Board to hold a public hearing regarding the annexation, adopt the resolution to annex the property into the community facilities district and call an election.

ITEM 17

RECOMMENDATION:

It is recommended that the Board adopt the attached Resolution of Intention to Annex Territory to the San Dieguito Union High School District Community Facilities District No. 94-2, Authorizing the Levy of a Special Tax and Calling an Election.

FUNDING SOURCE:

Not applicable

Encl: Calendar, Map, and Owners List

**RESOLUTION OF INTENTION
TO ANNEX TERRITORY TO
THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 94-2
AUTHORIZING THE LEVY OF A SPECIAL TAX
AND CALLING AN ELECTION**

WHEREAS, the Board of Trustees (the “Board”) of the San Dieguito Union High School District (the “School District”) has heretofore established Community Facilities District No. 94-2 (the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, consisting of Sections 53311, et seq., of the California Government Code (the “Act”); and

WHEREAS, the Board has heretofore annexed certain Territory to the District as specified in a Resolution adopted by the Board on July 17, 1997; and

WHEREAS, the Board, acting as the legislative body of the District, intends to annex certain territory to the District pursuant to Article 3.5 of the Act; and

WHEREAS, the Board intends the Annexed Territory (as defined below) to be treated the same as all other land within the District as specified in the Resolution of Formation of the Board of Trustees of the San Dieguito Union High School District Establishing Community Facilities District No. 94-2 adopted by the Board on September 22, 1994 (the “Resolution of Formation”), and in a Resolution adopted by the Board on April 17, 2008.

NOW THEREFORE, THE BOARD OF TRUSTEES OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The name of the existing community facilities district is “Community Facilities District No. 94-2 of the San Dieguito Union High School District.”

Section 2. The boundaries of the existing District include all land shown on the map approved by the Board in the Resolution of Formation and recorded with the Recorder of the County of San Diego (the “County”) at book 28 page 29, and book 31 page 15, and book 41 page 95 in the Book of Maps of Assessment and Community Facilities Districts. The territory proposed to be annexed (the “Annexed Territory”) is all land shown on the map designated as “Amended Map of Boundaries of Community Facilities District No. 94-2, Annexation No. 3, San Dieguito Union High School District” (the “Annexed Territory Map”) on file in the office of Secretary of the Board by this reference incorporated herein. The Annexed Territory Map, showing the new properties to be subject to a special tax levied within the District, is hereby approved and adopted. The Secretary of the Board is hereby directed to file a copy of the map with the correct and proper endorsements thereon with the Recorder of the County within 10 days

after the adoption of this Resolution, as provided for in Section 3113 of the California Streets and Highways Code.

Section 3. The types of public facilities (the “Facilities”) to be provided within the existing District are described in Exhibit A attached hereto and hereby incorporated by reference. The Facilities will also be provided within the Annexed Territory. The District and the Annexed Territory will share the Facilities based on the long-term master plans prepared by the School District from time to time. The Facilities are necessary to meet increased demand imposed upon the School District and all public agencies as a result of development occurring within the Annexed Territory and the District.

Section 4. The Board seeks to incur bonded indebtedness and to levy or cause to be levied annually, on property lying within the Annexed Territory, a special tax for the purpose of constructing, acquiring and/or leasing the Facilities in accordance with the Resolution of Formation and with the rate and method of apportionment described in detail in Exhibit B to the Resolution of Formation and incorporated herein by this reference.

Section 5. Except where funds are otherwise available to acquire, lease and/or construct the Facilities, it is the intention of the Board to levy or cause to be levied annually, on property lying within the Annexed Territory and the District, a special tax sufficient to pay for the cost of acquiring, leasing and/or construction of the Facilities and to pay for the principal of and interest on the bonds proposed to be issued to finance the Facilities and all Incidental Expenses (as defined in the Act), including but not limited to replenishment of a reserve fund and remarketing, credit enhancement, liquidity facility fees, the costs of administering the levy and collection of the special tax and all other administrative costs of the tax levy and bond issue. Upon recordation of notice of a special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all non-exempt real property in the Annexed Territory. The lien shall continue in force and effect until the special tax is prepaid and permanently satisfied and the lien canceled in accordance with the law or until collection of the tax by the legislative body ceases. The rate and method of apportionment of the special tax is described in detail in Exhibit B to the Resolution of Formation. The special tax is based on the projected demand for Facilities and the general benefit received from the Facilities by property within the Annexed Territory and the District. The special tax is apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act and such special tax is not on or based upon the ownership of real property. The special tax shall be collected in the same manner as ordinary ad valorem taxes are collected; provided, however, that the special tax may be collected at a different time or in a different manner if necessary to meet the financial obligations of the School District and the District.

The office responsible for preparing annually a current roll of special levy obligations and responsible for estimating further special tax levies will be:

Superintendent
San Dieguito Union High School District
710 Encinitas Blvd.
Encinitas CA 92024
Telephone (760) 753-6491

Section 6. The amount of the annual special tax will be set on or before each August 1. In accordance with Section 53340 of the Act, properties or entities of the state, federal, or other local governments shall be exempt from the levy of the special tax. No other properties or entities are exempt from the levy of the special tax except to the extent provided in Exhibit B to the Resolution of Formation. Any land within the boundaries of the Annexed Territory devoted primarily to agriculture, timber or livestock uses and being used for the commercial production of agricultural, timber or livestock products is contiguous to other land which is included within the boundaries of the Annexed Territory and will benefit from construction or acquisition of the Facilities.

Section 7. The Board shall submit a proposition to establish or change the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the District to the qualified electors of the Annexed Territory. The proposition establishing or changing the appropriations limit shall become effective if approved by two-thirds of the qualified electors voting on the proposition and shall be adjusted for changes in the cost of living and changes in populations, as defined by subdivisions (b) and (c) of Section 7901 of the California Government Code, except that the change in population may be estimated by the legislative body in the absence of an estimate by the Department of Finance, and in accordance with Section 1 of Article XIII B of the California Constitution. For purposes of adjusting for changes in population, the population of the District shall be deemed to be at least one person during each calendar year.

Section 8. The Board deems it necessary to incur bonded indebtedness for the purposes set forth in Section 4 hereof, and has determined that the whole of the District, including the Annexed Territory, will pay for the bonded indebtedness. The maximum aggregate principal amount of debt to be authorized and incurred will be \$50,000,000. The maximum interest rate on the bonds shall be 12%, or such greater interest rate permitted by law, which interest will be payable annually or semiannually or in any other manner as permitted by law. The bonds may be issued in one or more series with each series issued for a term not to exceed thirty-five years. The proposition regarding incurring bonded indebtedness shall be submitted to the voters at an election to be conducted by mail ballot as set forth in Section 16 of this Resolution.

Section 9. A public hearing on the annexation of the proposed territory into the District, the levying of the special tax, the proposed bond issue, the type of facilities financed by the District and all other matters set forth in this Resolution (the "Hearing") shall be held at 6:30 o'clock p.m. or as soon thereafter as practicable, on March 21, 2013, at the San Dieguito Union High School District Office Board Room, 710 Encinitas Boulevard, Encinitas, California.

Section 10. At the time and place set forth in this Resolution for the Hearing, any interested persons for or against the annexation of territory, including taxpayers, property owners and registered voters, may appear and be heard, and the testimony of all interested persons for or against the annexation of the Annexed Territory to the District, the levying of the special taxes within the Annexed Territory, the furnishing of the Facilities or the necessity of incurring bonded indebtedness will be heard and considered. Any protests may be made orally or in writing. However, any protests pertaining to the regularity or

ITEM 17

sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the Secretary of the Board on or before the time fixed for the Hearing. Written protests may be withdrawn in writing at any time before the conclusion of the Hearing.

If 50 percent or more of the registered voters, or six registered voters, whichever is more, residing within the District or if 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the territory proposed for annexation, or if the owners of one-half or more of the area of land in the territory included in the District, or if the owners of one-half or more of the area of land in the territory proposed to be annexed, file written protests against the proposed annexation of territory to the District, and protests are not withdrawn so as to reduce the protests to less than a majority, no further proceedings shall be undertaken for a period of one year from the date of decision of the Board on the issues discussed at the Hearing.

Section 11. The Secretary of the Board is hereby directed to publish a notice (the "Notice") of the Hearing pursuant to Section 53322 of the California Government Code in a newspaper of general circulation published in the area of the Annexed Territory, being the San Diego Union-Tribune. Such publication shall be completed at least seven days prior to the date of the Hearing.

Section 12. The Secretary of the Board is hereby directed to transmit a copy of this Resolution to the City Council of the City of Encinitas and to the Board of Supervisors of the County of San Diego.

Section 13. A special election (the "Election") is hereby called for the Annexed Territory and the Associate Superintendent of Business of the School District is hereby authorized to conduct the Election (the "Election Official") as a mail ballot election on the propositions of levying a special tax on property within the Annexed Territory, incurring bonded indebtedness for the District in a maximum aggregate principal amount of \$50,000,000 and establishing an appropriations limit for the District. The proposed propositions relative to incurring indebtedness in the maximum aggregate principal amount of \$50,000,000, the rate and method of apportionment of the special tax and establishing an appropriations limit for the District shall be combined into one ballot proposition pursuant to Section 53353.5 of the Act. The ballot proposition is attached hereto as Exhibit C and hereby incorporated by reference. The members of the Board and their authorized representatives are, including the Election Official, and each of them acting alone is, hereby authorized to approve any changes in the ballot and any other informational materials submitted to the voters.

Section 14. The Election shall be held on April 23, 2013, to the extent that the time limit applicable to the Election is waived with the unanimous consent of the qualified electors of the proposed district and the concurrence of the Election Official conducting the Election or if such consent is not obtained or otherwise such other date determined by this Board pursuant to a subsequent resolution. The Secretary of the Board is hereby directed to provide to the Election Official within three days of the adoption of this Resolution the following: (i) a copy of this Resolution, (ii) a certified map of sufficient scale and clarity to show the boundaries of the Annexed Territory, (iii) a sufficient description to allow the Election Official to determine the boundaries of the

ITEM 17

Annexed Territory and (iv) if requested by the Election Official, assessor's parcel numbers for the land within the Annexed Territory.

Section 15. Pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Annexed Territory and each landowner who is the owner of record at the close of the Hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the Annexed Territory. An owner of record shall be the owner of land on the last equalized assessment roll or otherwise known to be the owner of the land by the School District. The number of votes to be voted by a particular landowner shall be specified on the ballot provided to that landowner.

Section 16. The ballots for the Election shall be distributed to the landowners within the Annexed Territory either by mail with return postage prepaid or by personal service by the Election Official. The Election Official may certify the proper mailing of ballots by an affidavit, which shall constitute conclusive proof of mailing in the absence of fraud. The voted ballots shall be returned to the Election Official not later than 5:00 p.m. on the day of the Election.

Section 17. Notice of the Election shall be given as required by applicable law. The Secretary of the Board is directed to give notice of the Election by publishing a copy of this Resolution (without exhibits), as it may be amended or a summary of this Resolution one time, pursuant to Section 53352 of the California Government Code, in a newspaper or newspapers of general circulation published in the area of the District, being The San Diego Union-Tribune. Except as otherwise provided in the Act, the Election shall be called, held and conducted pursuant to the provisions of law regulating elections of the District. To the extent waived by the unanimous consent of all the landowners, there shall not be prepared and included in the ballot material provided to each voter an impartial analysis pursuant to Section 9500 of the California Elections Code, arguments and rebuttals, pursuant to Sections 7465, 9501 to 9507 inclusive, and 9509 of the California Elections Code or other applicable law. The Superintendent of the School District, or his designee, and each of them acting alone, is hereby authorized to provide to the Election Official the statement in compliance with Sections 9400 to 9405 of the California Elections Code and any other voter information required by the Election Official.

Section 18. The District shall constitute a single election precinct for the purpose of holding the Election unless the Election Official determines otherwise.

Section 19. The Election Official is hereby requested to take any and all steps necessary for the holding of the Election. The Election Official shall perform and render all services and proceedings incidental to and connected with the Election of the District with the cooperation and assistance of the Secretary of the Board. These services shall include, but not be limited to, the following activities as are appropriate to the Election:

1. Prepare and furnish to the election officers necessary election supplies for the conduct of the Election.
2. Cause to be printed the requisite number of official ballots, tally sheets and other necessary forms.
3. Furnish and address to mail official ballots to the qualified electors of the Annexed Territory.

ITEM 17

4. Cause the official ballots to be mailed, as required by law.
5. Receive the returns of the Election and supplies.
6. Sort and assemble the election material and supplies in preparation for the canvassing of the returns.
7. Canvass the returns of the Election.
8. Furnish a tabulation of the number of votes given in the Election.
9. Make all arrangements and take the necessary steps to pay all costs of the Election incurred as a result of services performed for the Annexed Territory and pay costs and expenses of all election officials.
10. Conduct and handle all other matters relating to the proceedings and conduct of the Election in the manner and form as required by law.

Section 20. The members of the Board and their authorized representatives are, and each of them acting alone is, hereby authorized to execute any and all documents and agreements 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 purposes.

ADOPTED, SIGNED AND APPROVED, this 7th day of February, 2013.

BOARD OF TRUSTEES OF THE SAN
DIEGUITO UNION HIGH SCHOOL
DISTRICT ACTING AS THE
LEGISLATIVE BODY OF COMMUNITY
FACILITIES DISTRICT NO. 94-2

By: _____

Title: President

ATTEST:

By: _____

Title: Recording Secretary

EXHIBIT A

DESCRIPTION OF FACILITIES

Purchase, construction, expansion, improvement or rehabilitation of facilities and land with an estimated useful life of five (5) years or longer, and planning and design work directly related thereto, for Oak Crest Junior High School, Diegueno Junior High School, a new junior high school in south Carlsbad, San Dieguito High School, a new high school in south Carlsbad, Sunset High School, Adult Education facilities and Continuation High School facilities.

EXHIBIT B

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
FOR COMMUNITY FACILITIES DISTRICT NO. 94-2
OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

EXHIBIT B

Community Facilities District No. 94-2

Rate and Method of Apportionment of the Special Tax

EXHIBIT B
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
FOR COMMUNITY FACILITIES DISTRICT NO. 94-2
OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

An Annual Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 94-2 of the San Dieguito Union High School District ("CFD No. 94-2") shall be levied and collected each Fiscal Year in an amount determined by the Board of Trustees (the "Board") of the San Dieguito Union High School District (the "District") acting in its capacity as the legislative body of CFD No. 94-2 through the application of the appropriate amount or rate of Annual Special Tax for Developed Property and Undeveloped Property as described below. All of the property in CFD No. 94-2, as depicted on the map of the boundaries thereof on file with the Secretary of the Board, unless exempted by law or by the provisions of Section V. hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

I. Definitions

"Administrative Expenses" means reasonable expenses incurred by the District on behalf of CFD No. 94-2 related to the determination of the amount of the levy of Annual Special Taxes; the collection of the Annual Special Taxes, including the expenses of collecting delinquencies; the administration of the bonds of CFD No. 94-2, including the payment of salaries and benefits of any employee of the District whose employment duties directly relate to the administration of community facilities districts of the District; and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 94-2.

"Alternate Prepayment Tax" means the method for reducing the Maximum Special Tax for an Assessor's Parcel as provided for in Section III. D.

"Annual Special Tax" means the annual special tax to be levied in each Fiscal Year pursuant to Section IV. on each Assessor's Parcel classified as Developed Property and Undeveloped Property to pay, as applicable, the Bond Requirements, and to pay for the cost of constructing, leasing, and/or acquiring the Facilities.

"Assessor's Parcel" means a parcel of Residential Property designated on a map of the San Diego County Assessor's Office within the jurisdictional boundaries of the District which has been assigned a discrete identifying number.

"Bond Requirements" means the amount necessary in any Fiscal Year: (i) to fund reasonable anticipated delinquencies that may arise from Developed Property in the applicable Fiscal Year, (ii) to pay principal of and interest on the Site

Acquisition Bonds and Other Bonds outstanding in CFD No. 94-2, (iii) to make any deposits required to replenish the reserve fund due to delinquencies on such bonds or obligations, and (iv) to pay for Administrative Expenses.

"City" means the City of Carlsbad.

"Consumer Price Index" means the index for the San Diego Metropolitan Statistical Area, published monthly by the U.S. Department of Labor, Bureau of Labor Statistics or, if such index shall cease to be available, such other index as selected by the District that reasonably tracks fluctuations in consumer prices within the San Diego area.

"County" means the County of San Diego.

"Developed Property" means any Assessor's Parcel in CFD No. 94-2 for which a building permit has been issued by the City or County as of June 30 of the previous Fiscal Year in which the Annual Special Tax is being levied.

"Exempt Property" means any Assessor's Parcel within the boundaries of CFD No. 94-2 which: (i) is property of the State, federal or other local government or public agency, except as otherwise provided by Section 53317.3 of the Act, (ii) has been zoned, authorized or designated for a non-residential use on the applicable general plan, specific plan or community plan for which the City or the County utilizes and relies upon for land use planning purposes and for the approval of the development of real property, (iii) is "common area" of a common interest development as those terms are used and defined in Section 1351 of the California Civil Code or any similar subsequent legislation, or (iv) is property which meets the definition herein of Senior Citizen Housing. For purposes of interpreting Sections 53317.3 and 53317.5 of the Act, any Assessor's Parcel acquired by a public entity shall be deemed Exempt Property to the extent it is Undeveloped Property at the time of its acquisition.

"Facilities" means those school facilities (including land) and other facilities which CFD No. 94-2 is authorized by law to construct, lease, acquire, own or operate.

"Fiscal Year" means the period from July 1st of any calendar year through June 30th of the following calendar year.

"Gross Acre" means the area of an Assessor's Parcel of Undeveloped Property as shown on the latest map of the San Diego County Assessor's Office, or if the area of an Assessor's Parcel is not shown on such map, the area shall be as determined by the District or its representative.

"Legally Available Funds" means any funds except Alternate Prepayment Taxes, legally available to CFD No. 94-2 to pay Bond Requirements, including, but not limited to, collections of delinquencies and excess special tax collections for anticipated delinquencies in the prior Fiscal Year, net foreclosure proceeds, bond reserve earnings and other interest earnings, not subject to arbitrage.

"Maximum Special Tax" means the maximum annual special tax, determined in accordance with Section III. that can be levied by the Board in any Fiscal Year on Developed Property and Undeveloped Property.

"Multi-Family" means a Residential Property having a density of more than fifteen (15) residential units per Gross Acre.

"Other Bonds" means the issuance of bonds of CFD No. 94-2, certificates of participation or other indebtedness that may be issued to fund or refund (i) the Site Acquisition costs and any other Facilities, or (ii) any of the Facilities exclusive of Site Acquisition Costs previously funded through Site Acquisition Bonds.

"Residential Property" means any land located within the boundaries of CFD No. 94-2 at any time during which it is Zoned for residential purposes.

"Senior Citizen Housing" means any senior citizen housing, residential care facilities for the elderly, or multi-level facilities which would be subject to the limitations on school fees set forth in Government Code Section 65995.1 on July 1 of any Fiscal Year during which Annual Special Taxes are levied.

"Single-Family" means a Residential Property having a density of fifteen (15) or less residential units per Gross Acre.

"Site Acquisition" means the purchase of any Assessor's Parcel(s) or parts thereof in Tax Rate Zone A by the District for the use as a school site and for the construction of school facilities.

"Site Acquisition Bonds" means the issuance of bonds of CFD No. 94-2, certificates of participation or other indebtedness solely for the purposes of Site Acquisition.

"Tax Rate Zone A" means the area within the boundaries of CFD No. 94-2 identified as Tax Rate Zone A in Exhibit "A" that is classified as Undeveloped Property in any Fiscal Year.

"Undeveloped Property" means all Residential Property within CFD No. 94-2 not classified as Developed Property, and not exempt from the Annual Special Tax pursuant to law or Section V. hereof.

"Zoned" means any land used, zoned, allowed or designated for a specific purpose on the applicable general plan, specific plan or community plan for which the City or the County utilizes and relies upon for planning purposes and for the approval of development of real property.

II. Classification of Property

On or before July 1 of each Fiscal Year, beginning July 1, 1994, the District shall classify all Residential Property on the following basis: Developed Property, Undeveloped Property and/or Exempt Property.

III. Maximum Special Tax

A Maximum Special Tax may be levied up to the amounts specified in this Section III. on (i) Developed Property to the extent necessary to pay the Bond Requirements and to provide for the cost of constructing, leasing, and/or acquiring the Facilities pursuant to Section III. A. and Section IV. below, and (ii) on Undeveloped Property to the extent necessary to pay the Bond Requirements pursuant to Sections III. B., III. C. and Section IV. below.

A. Developed Property: Maximum Special Tax

Beginning with the Fiscal Year commencing July 1, 1994, and each Fiscal Year thereafter, all Developed Property (except as otherwise provided in Section III. D.) shall be subject to an Annual Special Tax in each Fiscal Year up to and including an amount equal to the Maximum Special Tax for each such Developed Property type listed in Table 1 below.

Table 1

<u>Developed Property Type</u>	<u>Maximum Special Tax</u>
Single-Family	\$800
Multi-Family	\$218

B. Undeveloped Property: Maximum Special Tax

In the event that on July 1 of any Fiscal Year, in which Other Bonds are outstanding, the maximum projected revenues that can be generated from

the levy of the Annual Special Tax for such Fiscal Year on all Developed Property together with all other Legally Available Funds of CFD No. 94-2 available to pay the Bond Requirements, shall be insufficient to pay the Bond Requirements for such Fiscal Year, then all Undeveloped Property shall be subject to an Annual Special Tax, for such Fiscal Year only, up to an amount not to exceed, per Gross Acre of Undeveloped Property (or a proportionate amount thereof for any portion of such Gross Acre), the lesser of (i) \$500 or (ii) the aggregate amount of the actual delinquencies in the payment of Annual Special Taxes for Developed Property for the prior Fiscal Year, divided by the total number of Gross Acres of Undeveloped Property in CFD No. 94-2.

C. Undeveloped Property (Tax Rate Zone A): Maximum Special Tax

In the event that on July 1 of any Fiscal Year in which Site Acquisition Bonds are outstanding and each Fiscal Year thereafter until the issuance of Other Bonds, the maximum projected revenues that can be generated from the levy of the Annual Special Tax for such Fiscal Year on all Developed Property together with all other Legally Available Funds of CFD No. 94-2 available to pay the Bond Requirements, shall be insufficient to pay the Bond Requirements for such Fiscal Year, then all Undeveloped Property within Tax Rate Zone A shall be subject to an Annual Special Tax for such Fiscal Year only, up to an amount not to exceed, per Gross Acre of Undeveloped Property (or a proportionate amount thereof for any portion of such Gross Acre), the lesser of (i) \$1,290 or (ii) the aggregate amount of the projected shortfall between the Bond Requirements for such Fiscal Year minus the maximum projected revenues generated from the levy of the Annual Special Tax for such Fiscal Year on all Developed Property plus all Legally Available Funds of CFD No. 94-2 available to pay the Bond Requirements, divided by the total number of Gross Acres of Undeveloped Property within Tax Rate Zone A.

In every Fiscal Year in which Site Acquisition Bonds are outstanding until the issuance of Other Bonds, the amount of Administrative Expenses included within the determination of Bond Requirements shall not exceed \$75,000 per year, as adjusted by the Consumer Price Index, commencing July 1, 1995 and for each Fiscal Year thereafter; however, in the event the amount of Administrative Expenses included within the determination of Bond Requirements in any Fiscal Year is less than the maximum limit described above, the District may carry over such unused amount in subsequent Fiscal Years by adding such unused amount to the maximum limit in the applicable Fiscal Year.

D. **Alternate Prepayment Tax for reducing the Maximum Special Tax**

The owner of any Assessor's Parcel of Developed Property may elect to prepay fifty percent of the aggregate Maximum Special Tax obligation attributable to an Assessor's Parcel (the "Alternate Prepayment Tax") within five (5) business days from the time of issuance of the initial building permit with respect to such Assessor's Parcel. The Alternate Prepayment Tax for each type of Developed Property is listed in Table 2 below.

Table 2

<u>Developed Property Type</u>	<u>Alternate Prepayment Tax</u>
Single-Family	\$4,955
Multi-Family	\$1,350

Following payment of an Alternate Prepayment Tax with respect to any Assessor's Parcel, such Assessor's Parcel shall thereafter be subject to (i) a Maximum Special Tax equal to fifty percent of the tax rate for the corresponding Developed Property type set forth in Table 1, and (ii) an Annual Special Tax in each Fiscal Year equal to fifty percent of the Annual Special Tax levied in such Fiscal Year with respect to the corresponding Developed Property type assuming no Alternate Prepayment Tax has been paid, as determined pursuant to Sections III.A and IV. Alternate Prepayment Taxes collected pursuant to this Section III.D may be used for any legal purposes of CFD No. 94-2.

Beginning with Fiscal Year commencing July 1, 1994 and each Fiscal Year thereafter, the Board acting as the legislative body of CFD No. 94-2, shall determine the Alternate Prepayment Taxes to be collected in CFD No. 94-2 for such Fiscal Year. In no event shall the Alternate Prepayment Tax for Single Family Residential Property be levied in excess of the following amounts in the following years:

<u>Fiscal Year</u>	<u>Alternate Prepayment Tax</u>
1994-95	\$3,250
1995-96	\$3,415
1996-97	\$3,585
1997-98	\$3,760
1998-99	\$3,950

Commencing in Fiscal Year 1999-2000, the Board acting as the legislative body of CFD No. 94-2, shall levy an Alternate Prepayment Tax with respect to Single Family Residential Property an amount which is the lesser of (i) the amount it views as necessary in order to provide School Facilities when and as needed, taking into consideration such factors as the actual and projected costs of School Facilities and of financing arrangements, or (ii) the amount specified in Table 2 of Section III. D. above.

IV. Annual Apportionment of the Annual Special Tax to Developed Property, Undeveloped Property, and Fieldstone Property

Beginning with the Fiscal Year commencing July 1, 1994, and each Fiscal Year thereafter, the Board, acting as the legislative body of CFD No. 94-2, shall determine the Annual Special Tax to be collected in CFD No. 94-2 from all Developed Property and Undeveloped Property. The Board shall levy the Annual Special Tax in the following priority:

- First: From Assessor's Parcels of Developed Property by levying up to the Maximum Special Tax in Table 1 of Section III. hereof to meet the Bond Requirements.
- Second: If additional moneys are needed to meet the Bond Requirements, the District shall use Legally Available Funds.
- Third: If Site Acquisition Bonds are currently outstanding, Other Bonds have not been issued and additional moneys are needed to meet the Bond Requirements, the Annual Special Tax may be levied on Assessor's Parcels of Undeveloped Property of Tax Rate Zone A pursuant to Section III. C. hereof.
- Fourth: If Other Bonds are outstanding and additional moneys are needed to meet the Bond Requirements, the Annual Special Tax may be levied on Assessor's Parcels of Undeveloped Property pursuant to Section III. B.
- Fifth: To the extent additional moneys are needed to pay for the cost of constructing, leasing, and/or acquiring the Facilities, the Annual Special Tax may be levied on Assessor Parcels of Developed Property up to the Maximum Special Tax in Table 1 of Section III. hereof.

V. Limitations

The Board shall not impose any Annual Special Tax on any Exempt Property. Under no circumstances will the Annual Special Tax levied against any Assessor's Parcel of Developed Property be increased by more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Assessor's Parcel(s) within CFD No. 94-2.

The Annual Special Tax may be levied on any Assessor's Parcel for a period not to exceed 35 years commencing the first Fiscal Year in which the Annual Special Tax is levied on such Assessor's Parcel of Developed Property and ending at the close of the 35th Fiscal Year; provided, however that the expiration of such period shall not extinguish or otherwise effect the rights of the District or CFD No. 94-2 to collect any delinquent Annual Special Taxes or penalties or interest thereon.

VI. Appeals and Interpretation Procedure

Any taxpayer whose property is subject to the levy of the Annual Special Tax and who claims that the amount or application of the Annual Special Tax has not been properly computed may file a notice with the Board appealing the levy of the Annual Special Tax. The Superintendent of the District or his or her designee will promptly review the claim and, if necessary, meet with the claimant and decide the appeal. If the findings of the Superintendent or his or her designee support a determination that the amount of application of the Annual Special Tax should be modified or changed, the Annual Special Tax levy shall be so modified or changed and, if applicable, a refund of prior Annual Special Tax payment shall be granted and made from available funds of CFD No. 94-2. If a claimant disagrees with the findings and determination of the Superintendent or his or her designee, the claimant may appeal such determination to the Board and the decision of the Board shall be final.

Interpretation of this rate and method of apportionment may be made by the Board by resolution thereof for the purpose of clarifying any vagueness or ambiguity as it relates to the application of the Annual Special Tax, the application of the method of apportionment, the classification of any property, or any definition contained herein.

VII. Collection of Special Tax

The Annual Special Tax shall be levied and collected in the same manner as ordinary ad valorem property taxes are levied and collected by the County. Notwithstanding any provision to the contrary herein, CFD No. 94-2 may collect

ITEM 17

any Annual Special Tax at a different time and/or in a different manner if necessary to meet its financial obligations. All Annual Special Taxes shall be subject to the same penalties and lien priorities in the case of delinquency as is provided for ad valorem taxes; provided, however, CFD No. 94-2 may covenant for the benefit of bondholders to commence and diligently pursue to completion judicial foreclosure proceedings for the payment of delinquent installments of Annual Special Taxes.

EXHIBIT C

COMMUNITY FACILITIES DISTRICT NO. 94-2
OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
SPECIAL TAX AND BOND ELECTION
April 23, 2013

To vote, stamp a cross (+) in the voting square after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear or deface this ballot, return it to the Associate Superintendent of Business Services of the San Dieguito Union High School District to obtain another.

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition No. H: Shall Community Facilities District No. 94-2 of the San Dieguito Union High School District incur an indebtedness and issue bonds in the maximum aggregate principal amount of \$50,000,000, for a maximum term of not more than 35 years with interest not to exceed the maximum interest rate permitted by law, the proceeds of which will be used to pay for the cost of acquiring, leasing and/or constructing school facilities and equipment and other facilities to be used in conjunction with school facilities and for certain incidental expenses; shall a special tax as provided in the Resolution of Formation with respect to the District be levied to pay the principal of and interest on such bonds and to pay for leasing, construction and/or acquisition of the facilities and equipment described above; shall an appropriations limit be established for the District equal to the amount of all proceeds of the special tax collected annually as adjusted for changes in the cost of living and changes in population.

YES:

NO:

**THIS BALLOT HAS A VALUE OF 23 VOTES BASED
UPON 22.39 ACRES OF LAND OWNED BY THE VOTER WITHIN
THE COMMUNITY FACILITIES DISTRICT**

**COMMUNITY FACILITIES DISTRICT NO. 94-2
ANNEXATION NO. 3
La Costa Town Center**

ANNEXATION SCHEDULE

February 7, 2013 Board Meeting

Adopt Resolution of Intention

February 14, 2013

Deadline to record map

March 14, 2013*

Deadline to Publish Notice of Public Hearing

March 21, 2013 Board Meeting*

Public Hearing

Adopt Resolution of Annexation

April 23, 2013*

Special Election

May 2, 2013 Board Meeting*

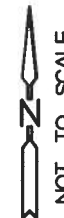
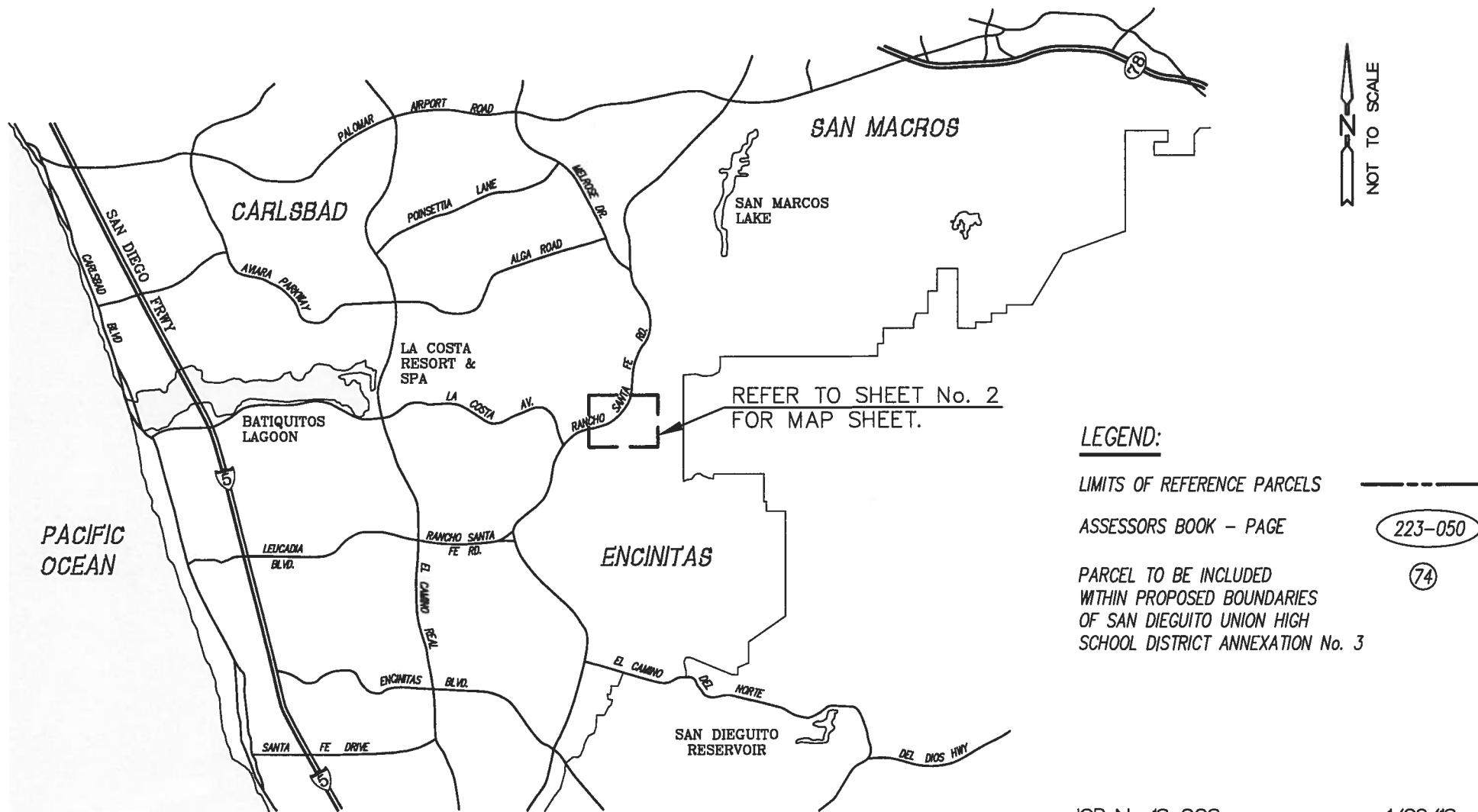
Certify Election Results

May 8, 2013

Deadline to record Notice of Special Tax Lien

*Dates specifically identified in the Resolution of Intention that would take additional Board action to change/amend.

AMENDED
MAP OF BOUNDARIES OF COMMUNITY FACILITIES
DISTRICT No. 94-2 ANNEXATION No. 3
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA

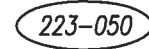


LEGEND:

LIMITS OF REFERENCE PARCELS



ASSESSORS BOOK - PAGE



PARCEL TO BE INCLUDED
WITHIN PROPOSED BOUNDARIES
OF SAN DIEGUITO UNION HIGH
SCHOOL DISTRICT ANNEXATION No. 3



JOB No. 13-003

1/28/13

SOWARDS & BROWN ENGINEERING

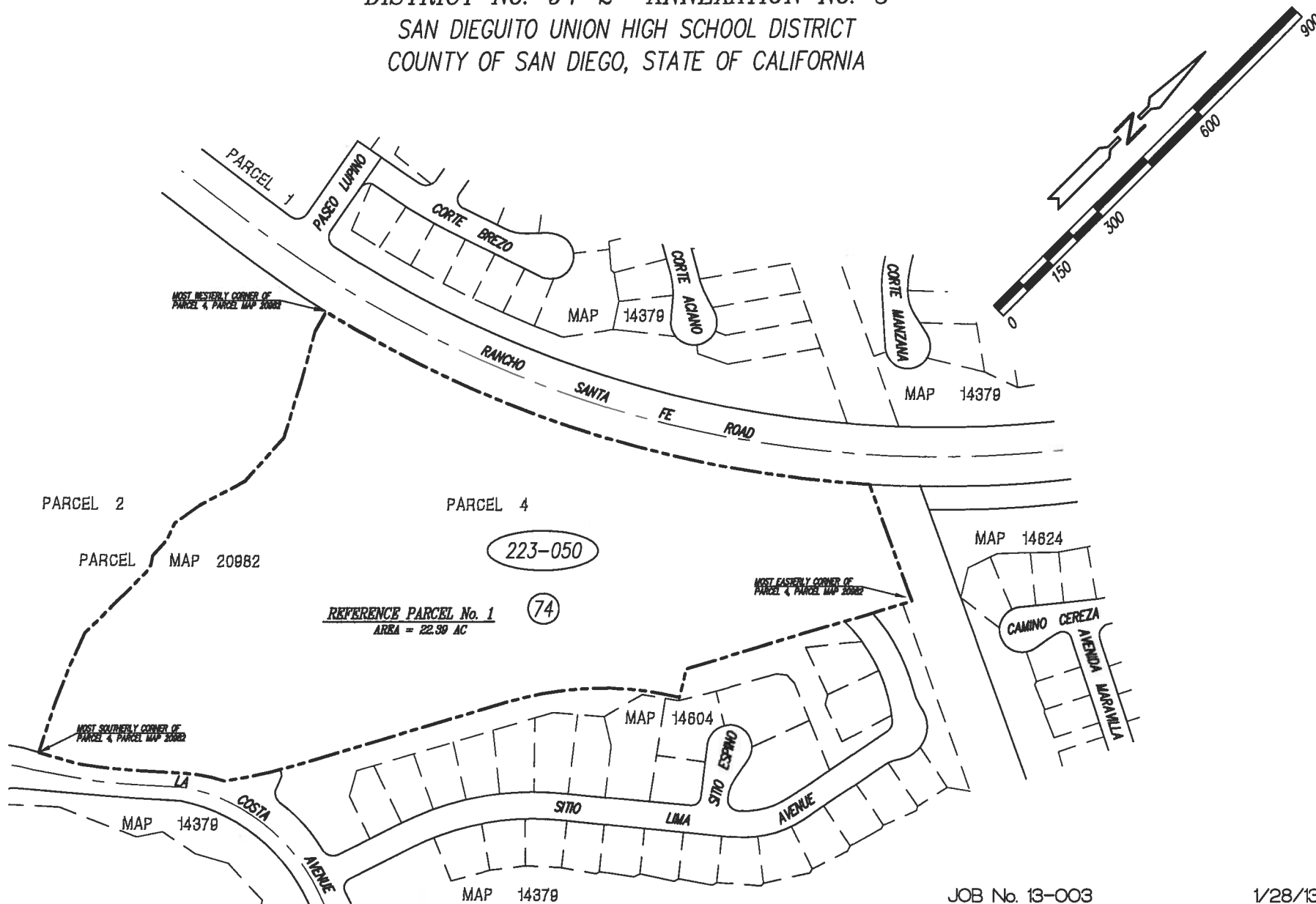
CONSULTING ENGINEERS
2187 NEWCASTLE AVENUE SUITE 103
CARDIFF BY THE SEA, CA., 92007

TEL. 760/438-8600

FAX 760/438-8603

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AMENDED
MAP OF BOUNDARIES OF COMMUNITY FACILITIES
DISTRICT No. 94-2 ANNEXATION No. 3
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA



JOB No. 13-003 1/28/13
SOWARDS & BROWN ENGINEERING
 CONSULTING ENGINEERS
 2187 NEWCASTLE AVENUE SUITE 103
 CARDIFF BY THE SEA, CA., 92007
 TEL. 760/436-8500 FAX 760/436-8603

P:\2013\13-003\15003\mxd\mxdwg

SOWARDS AND BROWN ENGINEERING

January 28, 2013

ITEM 17

OWNERS LIST
FOR
COMMUNITY FACILITIES DISTRICT NO. 94-2
ANNEXATION NO. 3
OF THE
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA

OWNERS & ADDRESS (REF. PARCEL NO.)	ASSESSORS PARCELS	ACREAGE (ACRES)	TOTAL VOTES
Development Solutions 2LAC, LLC 4600 Wells Fargo Center 90 South Seventh Street Minneapolis, MN 55402 <u>(REFERENCE PARCEL NO. 1)</u>	223-050-74	22.39	23
	TOTAL	22.39	23

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San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 29, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: John Addleman, Director of Planning and
Financial Management
Eric Dill, Assoc. Supt. of Business Services

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: **ADOPTION OF RESOLUTION TO ESTABLISH
A BUILDING FUND-PROPOSITION 39
(21-39) AND A DEBT SERVICE FUND**

EXECUTIVE SUMMARY

The voters of the San Dieguito Union High School District community passed a Proposition 39 general obligation bond measure to provide monies to finance the construction of school facilities.

The District is authorized by California Education Code section 15146 to establish a restricted fund known as the Building Fund (21-39) to be maintained by the County of San Diego through the office of Treasurer-Tax Collector to properly segregate and account for Proposition 39 funds separately from the District's other capital building funds.

In addition, pursuant to California Education Code 15100, a Debt Service Fund must also be established after issuing and selling the bonds.

RECOMMENDATION:

It is recommended that the Board adopt the attached Resolution to Establish a Building Fund-Proposition 39 (21-29) and a Debt Service Fund.

FUNDING SOURCE:

Not applicable.

RESOLUTION

San Dieguito Union High School District
Resolution to Establish a Building Fund-Proposition 39 (21-39)
And a Debt Service Fund

On motion of Member _____, Seconded by Member _____, the following resolution is adopted:

WHEREAS, San Dieguito Union High School District, County of San Diego, State of California (District) is duly authorized and existing under the law of said state; and

WHEREAS, the voters of the San Dieguito Union High School District community passed a general obligation bond measure pursuant to Chapter 1.5, Education Code sections 15264-15288, to provide monies to finance the construction of school facilities in accordance with applicable public contract codes. The general obligation bonds will be sold by the District’s bond underwriter, as set forth in the California Education Code 15100; and

WHEREAS, school districts are authorized by Education Code section 15146 to establish a restricted fund known as the Building Fund. In addition, pursuant to California Code 15100, a Debt Service Fund must also be established after issuing and selling the bonds.

THEREFORE, BE IT RESOLVED, that the San Dieguito Union High School District shall establish two new restricted funds with the San Diego County Auditor named Building Fund - Prop 39 for the purpose of receiving, holding, investing, and disbursing funds for the construction project; and a Debt Service Fund for receiving levied taxes with which bond payments will be made.

PASSED AND ADOPTED by the Governing Board on February 7, 2013, by the following vote:

AYES:

NOES:

ABSENT:

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN DIEGO)

I, Ken Noah, Secretary of the Governing Board, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by said Board at a regularly called and conducted meeting held on said date.

Secretary of the Governing Board

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 29, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: John Addleman, Director of Planning and
Financial Management
Eric Dill, Assoc. Supt. of Business Services

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: **ADOPTION OF RESOLUTION AUTHORIZING
THE ISSUANCE OF AND THE TERMS OF
SALE OF NOT TO EXCEED \$160,000,000 OF
BONDS OF SAN DIEGUITO UNION HIGH
SCHOOL DISTRICT BY A NEGOTIATED
SALE PURSUANT TO ONE OR MORE BOND
PURCHASE CONTRACTS, APPROVING
THE FORM OF AND AUTHORIZING THE
EXECUTION AND DELIVERY OF SUCH
BOND PURCHASE CONTRACTS, A PAYING
AGENT AGREEMENT AND AN OFFICIAL
STATEMENT FOR SAID BONDS, AND
AUTHORIZING THE EXECUTION OF
NECESSARY DOCUMENTS RELATING TO
SAID BONDS**

EXECUTIVE SUMMARY

On November 6, 2012, the voters of the San Dieguito Union High School District voted to approve Proposition AA to authorize the District to issue up to \$449 million of general obligation bonds to finance certain specified capital projects and facilities. On December 13, 2012, the Board adopted the Resolution Declaring Results of the School Bond Election declaring, in effect, that Proposition AA had gathered more than the required 55% affirmative vote under Proposition 39 to authorize the bonds.

ITEM 19

Based upon the current facilities expectations and plans of the District, staff proposes to fund approximately \$160 million for the construction and modernization of multiple facilities across the District, in addition to repayment of the 2010A Qualified School Construction Bonds (QSCB) and 2012A Torrey Pines High School Lease Revenue Bonds (Torrey Pines LRB).

Due to the taxable nature of the 2010A QSCBs, a taxable series of bonds, Series A-1, will be issued. The remaining projects will be funded with a tax-exempt series of bonds, Series A-2.

Projects to be funded under Series A-1 (taxable) and A-2 (tax-exempt)

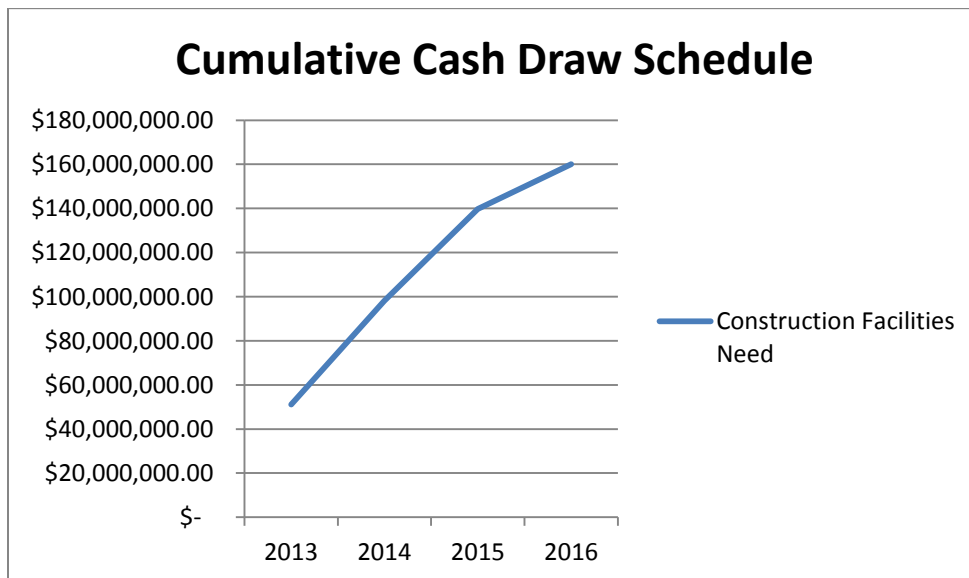
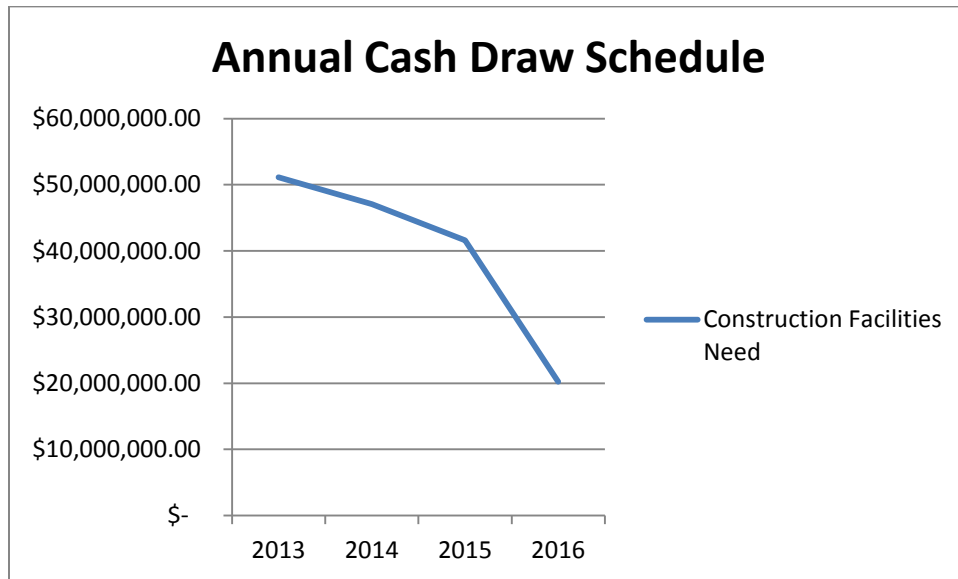
- Series A-1
 - 2010-A QSCB: \$10.8M

- Series A-2
 - 2012-A Torrey Pines LRB: \$1.8M
 - Carmel Valley Middle School*: \$0.5M
 - Planning for construction related to second bond draw in 2015
 - Diegueno Middle School: \$3.1M
 - Improvements to traffic circulation, parking lot/front entrance, and HVAC at selected buildings
 - Earl Warren Middle School*: \$1.7M
 - Planning for construction related to second bond draw in 2015
 - La Costa Valley school site: \$14.4M
 - Construction of multi-purpose room and development of athletic fields
 - Middle School #5: \$52.5M
 - New middle school site in Pacific Highlands Ranch to seat 500 students initially with core facilities to serve 1,000 students in the future
 - Oak Crest Middle School: \$4.0M
 - Redevelopment of the lower athletic field and HVAC at selected buildings
 - Canyon Crest Academy: \$20.0M
 - Development of stadium and athletic facilities
 - La Costa Canyon High School: \$13.4M
 - Low voltage infrastructure project, Remodel of Media Center, and planning for construction related to second bond draw in 2015
 - Torrey Pines High School: \$1.5M
 - Stadium Lights, Reconstruction of fire road, HVAC at Building E, Upgrade to low voltage systems in Building B
 - San Dieguito Academy: \$27.7M
 - Stadium reconstruction and installation of artificial turf field and

ITEM 19

- synthetic track, and construction of Math and Science Building
- Furnishing of New or Remodeled Facilities: \$2.7M
- District Wide Tech Infrastructure: \$5.9M
 - Phase 1 rollout of Voice over IP
 - Upgrade of video content delivery services

Projected Annual and Cumulative Construction Cash Draw Schedules



Proposed Financing

The Board will recall that at the February 2, 2012 meeting contracts were awarded to both the financial advisor and the bond underwriter following evaluations of responses

ITEM 19

to our Request For Proposals of those services. Staff reviewed proposals from seven (7) financial advisory service firms and four (4) bond underwriting firms.

Since awarding those contracts, staff has been working closely with the Dolinka Group LLC (Financial Advisor), DLA Piper LLP (Bond Counsel), Orrick, Herrington & Sutcliffe LLP (Disclosure Counsel), and E.J. De La Rosa & Co., Inc. (Underwriter), collectively the Finance Team, to develop a financing plan that maintains the long-term financing goals of limiting the tax rate to no more than \$25/\$100,000 of assessed value and to a term of 32 years as estimated to voters at the time of the election.

Further, the Finance Team has worked to exclude Capital Appreciation Bonds, and limit the payback ratio between both Series A-1 (taxable) and Series A-2 (tax-exempt) to 2.25.

BOND DEBT SERVICE

Without Multipurpose Allocation
2012 General Obligation Bonds

Period Ending	Principal	Interest	Debt Service
08/01/2014	10,800,000	9,677,627.05	20,477,627.05
08/01/2015	4,445,000	7,009,212.50	11,454,212.50
08/01/2016		6,875,862.50	6,875,862.50
08/01/2017		6,875,862.50	6,875,862.50
08/01/2018		6,875,862.50	6,875,862.50
08/01/2019		6,875,862.50	6,875,862.50
08/01/2020		6,875,862.50	6,875,862.50
08/01/2021		6,875,862.50	6,875,862.50
08/01/2022		6,875,862.50	6,875,862.50
08/01/2023		6,875,862.50	6,875,862.50
08/01/2024		6,875,862.50	6,875,862.50
08/01/2025		6,875,862.50	6,875,862.50
08/01/2026		6,875,862.50	6,875,862.50
08/01/2027		6,875,862.50	6,875,862.50
08/01/2028		6,875,862.50	6,875,862.50
08/01/2029		6,875,862.50	6,875,862.50
08/01/2030		6,875,862.50	6,875,862.50
08/01/2031		6,875,862.50	6,875,862.50
08/01/2032		6,875,862.50	6,875,862.50
08/01/2033		6,875,862.50	6,875,862.50
08/01/2034		6,875,862.50	6,875,862.50
08/01/2035		6,875,862.50	6,875,862.50
08/01/2036		6,875,862.50	6,875,862.50
08/01/2037	9,890,000	6,875,862.50	16,765,862.50
08/01/2038	11,195,000	6,406,087.50	17,601,087.50
08/01/2039	12,610,000	5,874,325.00	18,484,325.00
08/01/2040	14,135,000	5,275,350.00	19,410,350.00
08/01/2041	15,775,000	4,603,937.50	20,378,937.50
08/01/2042	17,540,000	3,854,625.00	21,394,625.00
08/01/2043	19,445,000	3,021,475.00	22,466,475.00
08/01/2044	21,490,000	2,097,837.50	23,587,837.50
08/01/2045	22,675,000	1,077,062.50	23,752,062.50
	160,000,000	200,166,514.55	360,166,514.55

ITEM 19

The bonds are expected to trade above its par value, creating a premium of approximately \$11M. Typically a bond will trade at premium when it offers a coupon rate that is higher than prevailing interest rates. This is because investors want a higher yield and will pay more for it. The \$11M gained by selling at premium will not be available for projects as it must be limited to the payment of capitalized interest and costs of issuance.

Estimate of Costs including Underwriter's Discount:

<u>Expense</u>	<u>Firm</u>	<u>Amount</u>	<u>% of Par</u>
Underwriter's Disc. (est.)	De La Rosa	\$800,000	0.500%
Bond Counsel (est.)	DLA Piper	\$135,000	0.084%
Disclosure Counsel	Orrick	\$ 45,000	0.028%
District Counsel	Laura Romano	\$ 5,000	0.003%
Underwriter's Counsel	Stradling	\$ 15,000	0.009%
Financial Advisor	Dolinka Group	\$ 65,000	0.041%
Rating Agency	Standard & Poor's	\$ 60,000	0.038%
Rating Agency	Moody's	\$ 80,000	0.050%
Election Costs (County)	SDUHSD	\$ 60,000	0.038%
Election Costs (Counsel)	Orrick	\$ 25,000	0.016%
Election Costs (Fin. Adv.)	Dolinka Group	\$ 20,000	0.013%
Paying Agent	San Diego County	\$ 1,500	0.001%
COI Custodian	US Bank	\$ 500	0.000%
Demographic Data	Cal Muni Data	\$ 1,500	0.001%
Printing	Royce Printing	\$ 2,500	0.002%
<u>Contingency</u>		<u>\$ 9,720</u>	<u>0.006%</u>
Total		\$1,325,720	0.829%

The overall cost to issue the transaction will be less than 1% of the \$160,000,000 par value.

Attached is the District resolution recommended for approval, as well as in form, the;

Paying Agent Agreement: An agreement between the District and County through the office of the Treasurer-Tax Collector to levy and collect the tax necessary to pay debt service on the bonds, as well as maintaining the bond proceeds held in Building Fund.

Bond Purchase Contract: A contract between the District and the Underwriter, for the purchase of bonds from the District by the Underwriter for reoffering to the public.

Preliminary Official Statement: Copies will be made available to persons who may be interested in purchasing the bonds. Exhibit A to the Preliminary Official Statement contains the Continuing Disclosure Certificate.

ITEM 19

Board of Supervisors Resolution: Authorizes the District, so long as the District has not received a qualified or negative certification, to sell bonds authorized by Proposition AA at a negotiated sale and without further action by the County. As well, the resolution requests the County to levy the necessary tax for the repayment of principal and interest on the bonds and to establish an annual reserve (not to exceed \$25/\$100,000 of assessed valuation) for the purpose of avoiding a fluctuating tax levy.

RECOMMENDATION:

It is recommended that the Board adopt the Resolution Authorizing the Issuance of and the Terms of Sale of Not to Exceed \$160,000,000 of Bonds of San Dieguito Union High School District by a Negotiated Sale Pursuant to One or More Bond Purchase Contracts, Approving the Form of and Authorizing the Execution and Delivery of Such Bond Purchase Contracts, a Paying Agent Agreement and an Official Statement for Said Bonds, and Authorizing the Execution of Necessary Documents Relating to Said Bonds, as shown in the attached supplements.

FUNDING SOURCE:

N/A

**RESOLUTION OF THE BOARD OF TRUSTEES
OF THE
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA**

RESOLUTION AUTHORIZING THE ISSUANCE OF AND THE TERMS OF SALE OF NOT TO EXCEED \$160,000,000 OF BONDS OF SAN DIEGUITO UNION HIGH SCHOOL DISTRICT BY A NEGOTIATED SALE PURSUANT TO ONE OR MORE BOND PURCHASE CONTRACTS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH BOND PURCHASE CONTRACTS, A PAYING AGENT AGREEMENT AND AN OFFICIAL STATEMENT FOR SAID BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS RELATING TO SAID BONDS

WHEREAS, an election was duly called and regularly held in the San Dieguito Union High School District, County of San Diego, California (herein called the "District"), on November 6, 2012, pursuant to Section 15100 and following of the Education Code of the State of California (the "State"), at which a bond proposition ("Proposition AA") summarized as follows was submitted to the electors of the District:

"To provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, constructing and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities, shall San Dieguito Union High School District issue \$449 million in bonds with independent oversight, no money for administrator salaries, and all money staying local?"; and

WHEREAS, passage of Proposition AA required a 55% affirmative vote of the votes cast therein, and at least 55% of the votes cast on said proposition were in favor of issuing said bonds; and

WHEREAS, the District may pay certain expenditures (the "Reimbursement Expenditures") in connection with the projects authorized by Proposition AA (the "Projects") prior to the issuance of the bonds authorized by Proposition AA and not yet issued for the purpose of financing costs associated with the Projects on a long-term basis; and

WHEREAS, Section 1.150-2 of the Treasury Regulations (the "Reimbursement Regulations") requires the District to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a subsequent borrowing; and

ITEM 19

WHEREAS, except as may otherwise be permitted by the Reimbursement Regulations, any such proceeds of the bonds will be allocated to Reimbursement Expenditures no later than 18 months after the later of (i) the date the cost is paid, or (ii) the date the project is placed in service or abandoned (but in no event more than three years after the cost is paid); and

WHEREAS, the Superintendent of Schools of the County of San Diego (the "County") has jurisdiction over the District; and

WHEREAS, this Board of Trustees of the District (the "Board of Trustees") deems it necessary and desirable that a portion of said bonds in one or more taxable or tax-exempt series designated the "San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series __", with appropriate series designation, in an aggregate principal amount not exceeding \$160,000,000 (collectively, the "2013 Bonds"), be issued according to the terms and in the manner hereinafter set forth; and

WHEREAS, a school district is authorized by Sections 53506 *et seq.* of the Government Code of the State (the "Government Code") to issue and sell its bonds at public or private sale; and

WHEREAS, Section 53508.7 of the Government Code provides that a private sale is limited to bonds sold pursuant to Sections 15140 or 15146 of the Education Code; and

WHEREAS, Section 15140(b) of the Education Code provides that the board of supervisors of a county may authorize a school district over which the county superintendent of schools has jurisdiction to issue and sell its own bonds without the further action of the board of supervisors or officers of the county if said school district has not received a qualified or negative certification in its most recent interim report; and

WHEREAS, this Board of Trustees recognizes that Dolinka Group LLC has been engaged to act as financial advisor (the "Financial Advisor") to the District, DLA Piper LLP (US) has been engaged as bond counsel ("Bond Counsel") and Orrick, Herrington & Sutcliffe LLP has been engaged as disclosure counsel ("Disclosure Counsel") to the District with respect to the 2013 Bonds; and

WHEREAS, this Board of Trustees further deems it necessary and desirable to authorize the sale of the 2013 Bonds by a negotiated sale to E. J. De La Rosa & Co., Inc., (the "Underwriter"), pursuant to a Bond Purchase Contract ("Bond Purchase Contract"), and pursuant to Section 15146 of the Education Code, has found and determined the following reasons therefor: (1) better ensure that the tax rate estimated to voters at the time of the election will be maintained, (2) provide more flexibility in the timing of the sale of the 2013 Bonds, (3) result in a lower overall cost of borrowing; (4) provide more flexibility in the debt structure; (5) allow the District to work with participants familiar with the District; and (6) increase the opportunity to pre-market the 2013 Bonds for sale to local residents and other investors; and

WHEREAS, in accordance with Section 15146 of the Education Code, estimates of the costs associated with the issuance of the 2013 Bonds (collectively, the "Issuance Costs") are attached hereto as Appendix A; and

ITEM 19

WHEREAS, there have been submitted and are on file with the Clerk of this Board of Trustees proposed forms of the Bond Purchase Contract, a Paying Agent Agreement, a preliminary official statement, and a Continuing Disclosure Certificate, all with respect to the proposed issuance of the 2013 Bonds;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Authority for Issuance; Designation of Bonds: The Bonds described herein are authorized to be issued pursuant to Article 4.5 of Chapter 3, of Part 1 of Division 2 of Title 5 of the Government Code, and other applicable provisions of law, including applicable provisions of the Education Code.

The bonds authorized to be issued and sold hereby shall be sold not later than July 1, 2013, by negotiated sale to the Underwriter, in an amount not to exceed \$160,000,000 aggregate principal amount of bonds of the San Dieguito Union High School District, in one or more taxable or tax-exempt series, and designated to be sold as the "San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series __," with appropriate series and other designations to be determined at time of sale (collectively herein called the "2013 Bonds" or the "Bonds"). The aggregate principal amount of the 2013 Bonds shall be specified in the Bond Purchase Contract.

Section 3. Paying Agent Agreement. The Paying Agent Agreement (the "Paying Agent Agreement"), by and between the District and the County through the office of the Treasurer-Tax Collector of the County (the "Treasurer-Tax Collector"), as paying agent (the "Paying Agent"), in substantially the form submitted to this Board of Trustees, is hereby approved with such changes, additions and corrections as the Superintendent of the District, the Associate Superintendent, Business Services of the District, the Director of Financial Services of the District or such other officer of the District designated for the purpose (each, an "Authorized District Representative") may hereafter approve (including, without limitation, the substitution of a financial institution selected by any Authorized District Representative as paying agent under such agreement in place of the County, in the event that such Authorized District Representative determines that such substitution is in the District's best interests). Any Authorized District Representative is hereby authorized to execute and deliver the Paying Agent Agreement in substantially said form, completed with the terms of the 2013 Bonds determined upon the sale thereof, and with such other changes thereto as such Authorized District Representative may require or approve, and the District's approval of the Paying Agent Agreement shall be conclusively evidenced by the execution and delivery thereof.

Section 4. Bond Purchase Contract; Sale of Bonds. The Bond Purchase Contract for the 2013 Bonds, in substantially the form submitted to this Board of Trustees, is hereby approved, and any Authorized District Representative is hereby authorized and directed on behalf of the District to execute and deliver one or more such Bond Purchase Contracts providing for the sale by the District and the purchase by the Underwriter of the 2013 Bonds at a

ITEM 19

purchase price to be set forth therein, determining thereby the redemption provisions, maturity schedule, interest rates, taxable or tax-exempt status and purchase price for each series of 2013 Bonds and providing for payment of costs of issuance for the Bonds; provided, that (i) the interest rate on each series of the 2013 Bonds shall not exceed 8% per annum, (ii) the true interest cost for each series of the 2013 Bonds shall not be in excess of 6%, (iii) the Underwriter's compensation (exclusive of costs of issuance and bond insurance premiums, if any) shall not exceed 0.50% of the aggregate principal amount of the 2013 Bonds; and (iv) the 2013 Bonds shall otherwise conform to the limitations specified herein; and provided further, that such execution and approval shall constitute conclusive evidence of the approval by the District of any changes or revisions therein from the form of Bond Purchase Contract submitted herewith. For purposes of this Section, the term "costs of issuance" shall include, but not be limited to, the following: (i) the fees and disbursements of Financial Advisor, Bond Counsel and Disclosure Counsel; (ii) the costs of the preparation and delivery of the 2013 Bonds; (iii) the fees for bond ratings, including all related travel; (iv) the costs of the printing and distribution of the Preliminary Official Statement and the Official Statement; (v) the fees of the paying agent and (vi) all other fees and expenses incident to the issuance and sale of the 2013 Bonds.

Section 5. Official Statement. The official statement relating to the 2013 Bonds (the "Official Statement"), in substantially the form submitted to this Board of Trustees, is hereby approved with such changes, additions and corrections as any Authorized District Representative may hereafter approve (including, without limitation, the issuance of separate Official Statements for each series of 2013 Bonds), and the Underwriter is hereby authorized to distribute copies of such Official Statement(s) in preliminary form to persons who may be interested in purchasing the Bonds. Any Authorized District Representative is hereby authorized to certify to the Underwriter, on behalf of the District, that the preliminary form of such Official Statement(s) is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by said Rule). Any Authorized District Representative is hereby authorized and directed to sign said Official Statement(s) in its final form or forms, including the final pricing information, and such execution and delivery shall constitute conclusive evidence of the approval by the District of any changes or revisions to the Official Statement(s) from the form thereof submitted herewith. The Underwriter is hereby authorized and directed to deliver copies of such Official Statement(s) in final form(s) to the purchasers of the 2013 Bonds.

Section 6. Investment of Funds. The proceeds of sale of the 2013 Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury to the credit of the building fund of the District and may be used for any authorized purpose, including, without limitation, the payment of Issuance Costs and the funding of any lease payments to be made by the District on, or the purchase of all or a portion of, the projects financed with the \$2,500,000 San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects) (the "2012 Bonds") and/or the \$13,015,000 San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2010A (Qualified School Construction Bonds – Direct Subsidy) (the "QSCB Bonds"), in each case pursuant to the terms and conditions hereof and of the Paying Agent Agreement and any escrow agreement. Any net premium and accrued interest received by the District from the sale of the Bonds shall be deposited upon receipt in the interest and sinking fund of the District within the County treasury.

ITEM 19

All funds held by the Treasurer-Tax Collector with respect to the Bonds shall be invested by the Treasurer-Tax Collector in the County Investment Pool, the Local Agency Investment Fund, any investment authorized by the Paying Agent Agreement or pursuant to Sections 53601 and 53635 of the Government Code, or in other investments, including guaranteed investment contracts, float contracts or other investment products (hereinafter collectively referred to as "Investments"); provided that such Investments comply with the requirements of the Tax Certificate, and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds. The Treasurer-Tax Collector shall assume no responsibility in the reporting, reconciling or monitoring in the investment of proceeds related to the Bonds and other bonds of the District payable from the interest and sinking fund of the District.

Any Authorized District Representative may request the Treasurer-Tax Collector, subject to his fiduciary responsibilities, to invest all or any portion of the funds held in the interest and sinking fund of the District and in the building fund of the District or otherwise under the Paying Agent Agreement or any escrow agreement in Investments, so as to effectively coordinate the Investments to the debt service payments on the Bonds and the construction program of the District, respectively, or for any other purposes in the District's discretion. Pursuant to Section 5922 of the Government Code, this Board of Trustees hereby finds and determines that in such event the Investments will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investments and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Bonds and funds held to pay the Bonds.

Section 7. Continuing Disclosure. Any Authorized District Representative is hereby authorized on behalf of the District to execute a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") in substantially the form included as an Appendix to the Official Statement on file with the Clerk of this Board of Trustees, with such changes thereto as deemed necessary in order to permit the Underwriters to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Agreement.

Section 8. Requests to County. The Board of Supervisors of the County is hereby requested to adopt a resolution authorizing the District to sell its bonds authorized by Proposition AA from time to time at a negotiated sale pursuant to Government Code Sections 53506 *et seq.* and Education Code Section 15140(b) without further action by the Board of Supervisors or officers of the County. In connection therewith, this Board of Trustees hereby represents and warrants to the Board of Supervisors of the County that it has not received a qualified or negative certification in its most recent interim report.

The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the 2013 Bonds in such year, and to pay from such taxes all amounts due on the 2013 Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to provide funds for the payment of the

ITEM 19

interest on the Bonds as it becomes due and to provide a sinking fund for the payment of the principal as and when the same becomes due, pursuant to the Paying Agent Agreement. To the extent permitted by law, the Board hereby agrees to reimburse the County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request.

The Board of Supervisors of the County is hereby further requested, in order to continue levying a tax rate determined by an Authorized District Representative (not to exceed \$25.00 per \$100,000 of assessed valuation) in each year to pay the 2013 Bonds, to establish an annual reserve for the purpose of avoiding a fluctuating tax levy in accordance with Section 15250 of the Education Code.

Section 9. Reimbursement. The District hereby declares its official intent to use proceeds of bonds, including the 2013 Bonds, to reimburse itself for any Reimbursement Expenditures.

Section 10. Approval of Actions. The President of this Board of Trustees, the Clerk of this Board of Trustees, the Superintendent of the District, any Authorized District Representative and any other officer of the District to whom authority is delegated by one of the named officers are hereby authorized and directed to execute and deliver any and all contracts and agreements, including agreements with bond insurers, commitment letters, depository agreements (including for the payment of Issuance Costs), escrow agreements, consultant contracts, printing contracts, and other contracts and agreements, and any and all certificates and representations, including signature certificates, no-litigation certificates, certificates concerning the contents of the Official Statement, representation letters to The Depository Trust Company, the Tax Certificate, and other certificates, which any of them deem necessary or desirable to accomplish the transactions authorized herein, including, without limitation, sale and issuance of the 2013 Bonds, investment of the proceeds thereof, compliance with the requirements of the Paying Agent Agreement, the Tax Certificate and any escrow agreement, funding of any lease payments to be made by the District on, or the purchase of all or a portion of, the projects financed with the 2012 Bonds and/or the QSCB Bonds.

Section 11. Notice to California Debt and Investment Advisory Commission. Bond Counsel to the District, on behalf of this Board of Trustees is hereby authorized and directed to cause notices of the proposed sale and final sale of the 2013 Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Section 8855 of the Government Code.

Section 12. Filing with Board of Supervisors. The Secretary of this Board of Trustees is hereby authorized and directed to file a certified copy of this Resolution with the Clerk of the Board of Supervisors of the County. Any Authorized District Representative is hereby authorized and directed to report to the Auditor-Controller of the County the final terms of sale of the 2013 Bonds, and to file with the Auditor-Controller and with the Treasurer-Tax Collector a copy of the executed Bond Purchase Contract(s), and the schedule of amortization of the principal of and payment of interest on the Bonds, and to file with the Treasurer-Tax Collector a proposed schedule of draws on the building fund of the District, and this Resolution shall serve as the request to the Auditor-Controller of the County and the Board of Supervisors of the

ITEM 19

County to propose and adopt in each year a tax rate applicable to all taxable property of the District for payment of the 2013 Bonds, pursuant to law, and to the other officers of the County to levy and collect said taxes for the payment of the 2013 Bonds and to pay in a timely manner to the Paying Agent on behalf of the Owners of the 2013 Bonds the principal, interest, and premium, if any, due on the Bonds in each year.

Section 13. Effective Date. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this day, February 7, 2013, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

Barbara Groth
President of the Board of Trustees of
The San Dieguito Union High School District

ATTEST:

Ken Noah
Secretary of the Board of Trustees of
the San Dieguito Union High School District

APPENDIX A**ESTIMATED COSTS OF ISSUANCE**

\$160,000,000*

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

(County of San Diego, State of California)

2013 GENERAL OBLIGATION BONDS (ELECTION OF 2012),

\$10,800,000* SERIES A-1 (TAXABLE)

\$149,200,000* SERIES A-2 (TAX-EXEMPT)

Estimated Principal Amount of Bonds: \$160,000,000.

Bond Counsel	\$135,000
Disclosure Counsel	70,000
Financial Advisor	85,000
Underwriter's Counsel	15,000
Paying Agent Fees	1,500
Cal Muni Data	1,500
Moody's Rating Fee	80,000
S&P Rating Fee	60,000
Printing	2,500
COI Custodian	500
District Counsel	5,000
Election Costs (County)	60,000
Contingency	9,720
TOTAL	\$525,720

*Preliminary; subject to change.

SECRETARY'S CERTIFICATE

I, Ken Noah, Secretary of the Board of Trustees of the San Dieguito Union High School District, County of San Diego, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District held at the regular meeting place thereof on February 7, 2013, and entered in the minutes thereof, of which meeting all of the members of said Board of Trustees had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 710 Encinitas Blvd., Encinitas, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

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

WITNESS my hand this ___ day of _____, 2013.

Ken Noah
Secretary of the Board of Trustees of
San Dieguito Union High School District

PAYING AGENT AGREEMENT

by and between

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

and

**COUNTY OF SAN DIEGO, CALIFORNIA,
OFFICE OF THE TREASURER-TAX COLLECTOR,
AS PAYING AGENT**

Dated as of April 1, 2013

Relating to

\$160,000,000*
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
(County of San Diego, State of California)
2013 GENERAL OBLIGATION BONDS (ELECTION OF 2012),
\$10,800,000* SERIES A-1 (TAXABLE)
\$149,200,000* SERIES A-2 (TAX-EXEMPT)

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
DEFINITIONS; EQUAL SECURITY	
Section 1.01.	Definitions..... 3
Section 1.02.	Equal Security..... 8
ARTICLE II	
THE BONDS	
Section 2.01.	Authorization of Bonds..... 9
Section 2.02.	Terms of Bonds..... 9
Section 2.03.	Execution of Bonds..... 10
Section 2.04.	Authentication of Bonds 10
Section 2.05.	Registration Books..... 10
Section 2.06.	Transfer and Exchange of Bonds 11
Section 2.07.	Book-Entry System..... 11
Section 2.08.	Bonds Mutilated, Lost, Destroyed or Stolen..... 13
Section 2.09.	Temporary Bonds..... 13
ARTICLE III	
ISSUANCE OF BONDS; APPLICATION OF PROCEEDS	
Section 3.01.	Issuance of Bonds 14
Section 3.02.	Application of Proceeds 14
Section 3.03.	Additional Series of Bonds 14
ARTICLE IV	
REDEMPTION OF BONDS	
Section 4.01.	Redemption of Bonds 14
Section 4.02.	Notice of Redemption..... 15
Section 4.03.	Rescission of Notice of Redemption..... 16
Section 4.04.	Selection of Bonds for Redemption..... 16
Section 4.05.	Partial Redemption of Bonds 16
Section 4.06.	Effect of Notice of Redemption 16
ARTICLE V	
FLOW OF FUNDS; INVESTMENTS	
Section 5.01.	Interest and Sinking Fund Accounts..... 17
Section 5.02.	Bond Payment Fund..... 17
Section 5.03.	Redemption Fund..... 17

TABLE OF CONTENTS

	<u>Page</u>
Section 5.04. Rebate Fund	17
Section 5.05. Investment of Moneys.....	18
ARTICLE VI COVENANTS	
Section 6.01. Levy of Taxes for Payment of Bonds; Sinking Fund Deposits	19
Section 6.02. Accounting Records and Financial Statements.....	19
Section 6.03. Tax Covenants	19
Section 6.04. Continuing Disclosure	20
Section 6.05. Further Assurances.....	20
ARTICLE VII PAYING AGENT	
Section 7.01. Duties and Liabilities of Paying Agent.....	21
Section 7.02. Merger or Consolidation.....	22
Section 7.03. Liability of Paying Agent.....	22
Section 7.04. Right to Rely on Documents.....	23
Section 7.05. Accounting Records and Reports; Preservation and Inspection of Documents	24
Section 7.06. Compensation and Indemnification	24
ARTICLE VIII MODIFICATION OR AMENDMENT	
Section 8.01. Modifications and Amendments Permitted	25
Section 8.02. Effect of Supplemental Paying Agent Agreement.....	25
Section 8.03. Endorsement of Bonds; Preparation of New Bonds	25
Section 8.04. Amendment of Particular Bonds.....	26
ARTICLE IX DEFEASANCE	
Section 9.01. Discharge of Payment Agent Agreement	27
Section 9.02. Bonds Deemed to Have Been Paid	27
Section 9.03. Unclaimed Moneys	28
ARTICLE X MISCELLANEOUS	
Section 10.01. Benefits of Paying Agent Agreement Limited to Parties.....	29
Section 10.02. Successor Deemed Included in all References to Predecessor	29

TABLE OF CONTENTS

	<u>Page</u>
Section 10.03. Execution of Documents by Owners	29
Section 10.04. Waiver of Personal Liability.....	29
Section 10.05. Acquisition of Bonds by District	30
Section 10.06. Disqualified Bonds.....	30
Section 10.07. Money Held for Particular Bonds	30
Section 10.08. Funds and Accounts	30
Section 10.09. Third-Party Beneficiaries.....	30
Section 10.10. Gender and References; Article and Section Headings	30
Section 10.11. Partial Invalidity.....	31
Section 10.12. California Law	31
Section 10.13. Notices	31
Section 10.14. Business Days	32
Section 10.15. Execution in Counterparts.....	32
EXHIBIT A-1 FORM OF TAXABLE 2013 BOND	
EXHIBIT A-2 FORM OF TAX-EXEMPT 2013 BOND	

PAYING AGENT AGREEMENT

THIS PAYING AGENT AGREEMENT (this "Paying Agent Agreement"), dated as of April 1, 2013, is by and between the SAN DIEGUITO UNION HIGH SCHOOL DISTRICT, a school district organized and existing under the laws of the State of California (the "District") and the COUNTY OF SAN DIEGO through the office of the TREASURER-TAX COLLECTOR OF THE COUNTY OF SAN DIEGO, as paying agent (the "Paying Agent").

WITNESSETH:

WHEREAS, an election was duly called and regularly held in the San Dieguito Union High School District, County of San Diego, California (herein called the "District"), on November 6, 2012, pursuant to Section 15100 and following of the Education Code of the State of California, at which a bond proposition summarized as follows was submitted to the electors of the District:

"To provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, constructing and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities, shall San Dieguito Union High School District issue \$449 million in bonds with independent oversight, no money for administrator salaries, and all money staying local?"

WHEREAS, at least 55% of the votes cast on said proposition were in favor of issuing said bonds; and

WHEREAS, the Board of Trustees has deemed it necessary and desirable that a portion of said authorized bonds, in an aggregate initial principal amount of not to exceed \$160,000,000, be issued and designated "San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series A-1 (Taxable)" (the "Taxable 2013 Bonds") and "San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series A-2 (Tax-Exempt)" (the "Tax-Exempt 2013 Bonds") and, collectively with the Taxable 2013 Bonds, the "2013 Bonds"; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to provide for the payment of the principal thereof, premium, if any, and interest thereon, the District and the County of San Diego (the "County") have authorized the execution and delivery of this Paying Agent Agreement; and

WHEREAS, all acts and proceedings required by law necessary to make the 2013 Bonds, when executed by the District, authenticated and delivered by the Paying Agent and duly issued, the valid, binding and legal obligations of the District, and to constitute this Paying Agent Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Paying Agent Agreement has been in all respects duly authorized;

ITEM 19

NOW, THEREFORE, THIS PAYING AGENT AGREEMENT WITNESSETH, that in order to provide for the payment of the principal of, premium, if any, and interest on all Bonds at any time issued and outstanding under this Paying Agent Agreement, according to their tenor, and to provide for the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the District does hereby covenant and agree with the Paying Agent, for the benefit of the respective owners from time to time of the Bonds, as follows:

DEFINITIONS; EQUAL SECURITY

Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Paying Agent Agreement and of any certificate, opinion or other document herein or therein mentioned, have the meanings herein specified.

“2012 Bonds” means the \$2,500,000 San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects).

“2012 Bonds Escrow Deposit Account” means the account by that name established and maintained by the County within the Building Fund.

“2012 Bonds Escrow Deposit Agreement” means that Escrow Deposit Agreement, dated as of the Closing Date, between the District and [_____]¹, as Escrow Deposit Agent.

“2013 Bonds” has the meaning set forth in the recitals hereto.

“Arbitrage Regulations” means Sections 1.148-1 to 1.148-11, 1.149(d)-1, 1.149(g)-1, and 1.150-1 to 1.150-2 of the Income Tax Regulations issued under the Code as applicable to the Bonds.

“Authorized Denomination” with respect to the Bonds, \$5,000 or any integral multiple thereof.

“Authorized Representative” means, with respect to the District, the Superintendent of the District, the Associate Superintendent, Business Services of the District, the Director of Financial Services of the District or such other officer of the District designated for the purpose, and any other Person designated as an Authorized Representative of the District in a Written Certificate of the District filed with the Paying Agent, and with respect to the County, the Treasurer or his designee and any other Person designated as an Authorized Representative of the County in a Written Certificate of the County filed with the Paying Agent.

“Beneficial Owners” means those individuals, partnerships, corporations or other entities for whom the Participants have caused DTC to hold Book-Entry Bonds.

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

“Board of Trustees” means the Board of Trustees of the District.

“Bond Issue Yield” means, with respect to an issue on any computation date, the discount rate that produces the same present value when used in computing:

(i) the present value of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the issue and amounts reasonably expected to be paid as fees for qualified guarantees on the issue; and

¹ Confirm appropriate escrow agent.

(ii) the present value of all of the issue prices of the bonds that are part of the issue.

Present value is computed as of the Issue Date. Bond Issue Yield shall be computed in accordance with Section 1.148-4(b) of the Arbitrage Regulations.

“Book-Entry Bonds” means the Bonds registered in the name of the nominee of DTC, or any successor securities depository for the Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.08 hereof.

“Bond Counsel” means a firm of nationally recognized bond counsel selected by the District.

“Bond Payment Fund” means the fund by that name established and held by the Paying Agent pursuant to Section 5.02.

“Bonds” means, collectively, the Taxable 2013 Bonds, the Tax-Exempt 2013 Bonds and any additional series of bonds issued pursuant to a supplement thereto.

“Building Fund” means the building fund of the District established and maintained by the Treasurer in the County treasury pursuant to law.

“Business Day” means a day which is not (a) a Saturday, Sunday or legal holiday in the State of California, (b) a day on which banking institutions in the State of California, or in any state in which the Office of the Paying Agent is located, are required or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.

“Call Date” means, with respect to the 2012 Bonds, March 1, 2014.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“Closing Date” means the date upon which a series of Bonds is delivered to the Underwriter, being March , 2013, for the 2013 Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate with respect to the 2013 Bonds and any other continuing disclosure agreement entered into in connection with the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“County” means the County of San Diego, a county and political subdivision of the State of California organized and existing under the laws of the State of California, and any successor thereto.

ITEM 19

“County Resolution” means the resolution of the Board of Supervisors of the County authorizing the issuance of the 2013 Bonds by the District pursuant to Section 15140(b) of the Education Code, adopted on [February 22], 2013.

“Defeasance Securities” means (i) direct, non-callable obligations of the United States Treasury; (ii) direct non-callable and non-prepayable obligations which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest; (iii) non-callable, non-prepayable coupons from the above securities which are stripped pursuant to United States Treasury programs; (iv) non-callable and non-prepayable (or irrevocably called to a specified redemption date) refunded municipal bonds that are backed by an escrow funded with obligations of or guaranteed by the United States of America; (v) Resolution Funding Corporation (REFCORP) securities consisting of interest components stripped by the Federal Reserve Bank of New York; (vi) non-callable, and non-prepayable fixed rate Israel Notes guaranteed as to principal and interest by the United States of America through the United Agency for International Development (provided that, such notes are “Aaa”-rated and mature at least four business days before funds are needed for refunded bond debt service payments); (vii) United States State and Local Government Securities (SLGS), to the extent available; (viii) the following non-callable, non-prepayable obligations of federal government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, Farm Credit System, Washington Metropolitan Area Transit Authority, United States Import-Export Bank, United States Department of Housing and Urban Development, Farmers Home Administration, General Services Administration and United States Maritime Administration (provided such entities maintain a rating of “Aaa”); and (ix) any non-callable, non-prepayable (or irrevocably called to a specific redemption date) municipal security rated “Aaa” that carries a fixed interest rate and matures on a date certain.

“Designated Banking Institution” means an investment banking institution of national standing which is a primary United States government securities dealer in the City of New York designated by the District (which may be an underwriter of any Bonds).

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Bonds, including any such successor appointed pursuant to Section 2.08 hereof.

“District” means the San Dieguito Union High School District, a school district organized and existing under the laws of the State of California, and any successor thereto.

“District Resolution” means the resolution of the Board of Trustees of the District authorizing the issuance of the 2013 Bonds pursuant to Section 53506 *et seq.* of the Government Code and Section 15140 *et seq.* of the Education Code, adopted on [February 7], 2013.

“Education Code” means the California Education Code.

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

“**Initial Bond Issue Yield**” means the Bond Issue Yield with respect to the Taxable 2013 Bonds, determined by using the Issue Date as the computation date.

“**Interest and Sinking Fund**” means the interest and sinking fund of the District established and maintained by the Treasurer in the County treasury pursuant to law.

“**Interest Payment Date**” means February 1 and August 1 of each year commencing on [_____] 1, 201____².

“**Investment Securities**” means:³

- i. Defeasance Securities;
- ii. the County of San Diego Investment Pool;
- iii. the Local Agency Investment Fund or similar pooled fund operated by or on behalf of the State of California and which is authorized to accept investments of moneys held in any of the funds or accounts established pursuant to this Paying Agent Agreement;
- iv. any investment agreement including guaranteed investment contracts, float contracts, repurchase agreements or other investment products, approved by the District and which does not cause the rating on the Bonds to be reduced or withdrawn;
- v. any investment authorized pursuant to Government Code Sections 16429.1 and 53601, or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Government Code Section 53635; and

any other investment approved by the District which does not cause the rating on the Bonds to be reduced or withdrawn.

“**Issue Date**” means _____, 2013.

“**Moody’s**” means Moody’s Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“**Office of the Paying Agent**” means the office of the Treasurer-Tax Collector in San Diego, California, or such other office as may be specified to the District by the Paying Agent in writing.

² Date of first interest payment to be determined.

³ Tax diligence in progress.

“Opinion of Counsel” means a written opinion of Bond Counsel.

“Outstanding” means, when used as of any particular time with reference to Bonds, subject to the provisions of Section 10.06, all Bonds theretofore, or thereupon being, authenticated and delivered by the Paying Agent under this Paying Agent Agreement except (a) Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation, (b) Bonds with respect to which all liability of the District shall have been discharged in accordance with Section 9.01, including Bonds (or portions of Bonds) disqualified under Section 10.06, and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Paying Agent pursuant to this Paying Agent Agreement.

“Owner” means with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

“Participant” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

“Paying Agent” means the County of San Diego through the office of the Treasurer-Tax Collector of the County, or any successor thereto as Paying Agent hereunder, appointed as provided herein.

“Paying Agent Agreement” means this Paying Agent Agreement, as originally executed and as it may be amended or supplemented from time to time by any Supplemental Paying Agent Agreement.

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

“Principal Amount” means with respect to Bonds the principal amount thereof.

“QSCB Bonds” means the \$13,015,000 San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2010A (Qualified School Construction Bonds – Direct Subsidy).

“Rebate Fund” means the fund by that name established and held by the Paying Agent pursuant to Section 5.04.

“Record Date” means (a) the 15th day of the calendar month preceding each Interest Payment Date, whether or not such day is a Business Day and (b) any date established by the Paying Agent pursuant to Article II hereof as a Record Date for the payment of defaulted interest on the Bonds, if any.

“Redemption Fund” means the fund by that name established and held by the Paying Agent pursuant to Section 5.03.

“Registration Books” means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.06.

ITEM 19

“Representation Letter” means the Letter of Representations from the District to DTC, or any successor securities depository for the Bonds, in which the District makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“Supplemental Paying Agent Agreement” means any agreement amendatory of or supplemental to this Paying Agent Agreement, but only if and to the extent that such Supplemental Paying Agent Agreement is specifically authorized hereunder.

“Tax Certificate” means the Tax Certificate executed by the District at the time of issuance of any series of Bonds concerning certain matters pertaining to the use of proceeds of such Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Taxable 2013 Bonds” has the meaning set forth in the recitals hereto.

“Taxable 2013 Bonds Account” means the account by that name established and maintained by the County within the Building Fund.

“Taxable 2013 Bonds Interest and Sinking Fund Account” means the account by that name established and maintained by the County within the Interest and Sinking Fund pursuant to Section 5.01.

“Tax-Exempt 2013 Bonds” has the meaning set forth in the recitals hereto.

“Tax-Exempt 2013 Bonds Account” means the account by that name established and maintained by the County within the Building Fund.

“Tax-Exempt 2013 Bonds Interest and Sinking Fund Account” means the account by that name established and maintained by the County within the Interest and Sinking Fund pursuant to Section 5.01.

“Tax-Exempt Bond” means any obligation the interest on which is excludable from gross income under Section 103 of the Code.

“Tax-Exempt Investment” means a Tax-Exempt Bond that is not a “specified private activity bond” within the meaning of Section 57(a)(5)(C) of the Code.

“Treasurer” means the Treasurer-Tax Collector of the County or any authorized deputy thereof.

ITEM 19

“**Underwriter**” means, with respect to the 2013 Bonds, E. J. De La Rosa & Co.

“**Verification Report**” means, with respect to the deemed payment of Bonds pursuant to clause (ii)(B) of Section 9.02(a), a report of a nationally recognized certified public accountant, or firm of such accountants, verifying, among other things, that the Defeasance Securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of clause (ii)(B) of Section 9.02(a).

“**Written Certificate**” and “**Written Request**” of the County or the District mean, respectively, a written certificate or written request signed in the name of the County or the District, as applicable, by an Authorized Representative thereof. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Paying Agent Agreement shall be deemed to be and shall constitute a contract between the District and the Paying Agent and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to provide for the full and final payment of the principal, premium, if any, and interest on all Bonds which may be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the District shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

THE BONDS

Authorization of Bonds. i. The District hereby authorizes the issuance of the Bonds under and subject to the terms of this Paying Agent Agreement, Education Code Section 15140 *et seq.*, Government Code 53506 *et seq.*, and other applicable laws of the State of California.

The Taxable 2013 Bonds shall be designated “San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series A-1 (Taxable).” The Taxable 2013 Bonds shall be issued as current interest bonds as provided in Section 2.02. The aggregate initial Principal Amount of Taxable 2013 Bonds that may be Outstanding under this Paying Agent Agreement shall not exceed [\$10,800,000*], except as may be otherwise provided in Section 2.09.

(c) The Tax-Exempt 2013 Bonds shall be designated “San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series A-2 (Tax-Exempt).” The Tax-Exempt 2013 Bonds shall be issued as current interest bonds as provided in Section 2.02. The aggregate initial Principal Amount of Tax-Exempt 2013 Bonds that may be Outstanding under this Paying Agent Agreement shall not exceed [\$149,200,000*], except as may be otherwise provided in Section 2.09.

Terms of 2013 Bonds. ii. The Taxable 2013 Bonds shall be issued in the form of fully registered 2013 Bonds in Authorized Denominations, shall be dated the date of their delivery, shall mature on August 1 in the years and in the Principal Amounts and shall bear interest (calculated on the basis of a 360-day year comprised of 12 months of 30 days each) at the rates per annum as follows:

Maturity Date (August 1)	Principal Amount	Interest Rate
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* Term Bonds

iii. The Tax-Exempt 2013 Bonds shall be issued in the form of fully registered 2013 Bonds in Authorized Denominations, shall be dated the date of their delivery, shall mature on

ITEM 19

August 1 in the years and in the Principal Amounts and shall bear interest (calculated on the basis of a 360-day year comprised of 12 months of 30 days each) at the rates per annum as follows:

Maturity Date (August 1)	Principal Amount	Interest Rate
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* Term Bonds

Interest on the 2013 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a 2013 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a 2013 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the dated date thereof, or (iii) interest on any 2013 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full, payable on each Interest Payment Date. Interest shall be paid in lawful money of the United States on each Interest Payment Date to the Persons in whose names the ownership of the 2013 Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest shall be paid by check of the Paying Agent mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of 2013 Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date, except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 of outstanding 2013 Bonds who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Payment Date.

The principal and premium, if any, of the 2013 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Paying Agent.

The 2013 Bonds shall be subject to redemption as provided in Article IV.

The Taxable 2013 Bonds shall be in substantially the form set forth in Exhibit A-1 hereto, with appropriate or necessary insertions, omissions and variations as permitted or required

ITEM 19

hereby. The Tax-Exempt 2013 Bonds shall be in substantially the form set forth in Exhibit A-2 hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Execution of Bonds. The Bonds shall be signed by the manual or facsimile signature of the Superintendent of the District, and shall be countersigned by the manual or facsimile signature of the Clerk of the Board of Trustees. The Bonds shall then be delivered to the Paying Agent for authentication by it. In case any of such officers who shall have signed or countersigned any of the Bonds shall cease to be such officers before the Bonds so signed or countersigned shall have been authenticated or delivered by the Paying Agent, or issued by the District, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the District as though those who signed and attested the same had continued to be such officers, and also any Bonds may be signed and countersigned on behalf of the District by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the District although at the nominal date of such Bonds any such Person shall not have been such officer of the District.

Authentication of Bonds. Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A-1 or A-2 hereto, manually executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Paying Agent Agreement, and such certificate of or on behalf of the Paying Agent shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Paying Agent Agreement.

Registration Books. The Paying Agent shall keep or cause to be kept, at the Office of the Paying Agent, sufficient records for the registration and transfer of ownership of the Bonds, which shall be open to inspection during regular business hours and upon reasonable notice by the District; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as provided herein.

Transfer and Exchange of Bonds. Any Bond of a maturity may, in accordance with its terms, be transferred, in whole but not in part, upon the Registration Books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Paying Agent. Whenever any Bond shall be surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and shall deliver a new Bond of the same series and maturity in a like Principal Amount and, if applicable, Maturity Amount. The Paying Agent shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Bonds may be exchanged at the Office of the Paying Agent for a like Principal Amount of Bonds of the same series and maturity of other Authorized Denominations. The Paying Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

ITEM 19

The Paying Agent shall not be obligated to make any transfer or exchange of Bonds pursuant to this Section during the period established by the Paying Agent for the selection of Bonds for redemption, or with respect to any Bonds selected for redemption.

Book-Entry System. iv. Except as provided in subsection (c) of this Section, the registered Owner of all of the Bonds shall be DTC and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Notwithstanding anything to the contrary contained in this Paying Agent Agreement, payment of interest with respect to any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the payment date for the Bonds at the address indicated on the Record Date for Cede & Co. in the Registration Books or as otherwise provided in the Representation Letter.

The Bonds shall be initially issued in the form of separate single fully registered Bonds in the amount of each separate stated maturity of each series of Bonds; provided, however, that if different CUSIP numbers are assigned to a Bond of a series or type of Bond within a series maturing in a single year or, if Bonds of a series or type of Bond maturing in a single year are issued with different interest rates, additional Bond certificates shall be prepared for each such maturity. Upon initial issuance, the ownership of such Bonds shall be registered in the Registration Books in the name of Cede & Co., as nominee of DTC. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive Owner of the Bonds registered in its name for the purposes of payment of the principal of, premium, if any, and interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Bonds under this Paying Agent Agreement, registering the transfer of Bonds, obtaining any consent or other action to be taken by Owners of Bonds and for all other purposes whatsoever, and the Paying Agent and the District shall not be affected by any notice to the contrary. The Paying Agent and the District shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal of, premium, if any, and interest on the Bonds; any notice which is permitted or required to be given to Owners of Bonds under this Paying Agent Agreement; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as Owner of Bonds. The Paying Agent shall pay all principal of, premium, if any, and interest on the Bonds, only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the County and the District's obligations with respect to the principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Except under the conditions of (c) of this Section, no person other than DTC shall receive an executed Bond for each separate stated maturity of each series of Bonds or, as provided herein, portion thereof. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this Paying Agent Agreement shall refer to such new nominee of DTC.

In the event (i) DTC, including any successor as securities depository for the Bonds, determines not to continue to act as securities depository for the Bonds; or (ii) the District

ITEM 19

determines that the incumbent securities depository shall no longer so act, and delivers a written certificate to the Paying Agent to that effect, then the District will discontinue the book-entry system with the incumbent securities depository for the Bonds. If the District determines to replace the incumbent securities depository for the Bonds with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate fully registered Bond for the aggregate Outstanding principal amount of Bonds of each maturity and series of Bonds or, as provided herein, portion thereof, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the District and the Paying Agent and the successor securities depository for the Bonds as are not inconsistent with the terms of this Paying Agent Agreement. If the District fails to identify another qualified successor securities depository of the Bonds to replace the incumbent securities depository, then the Bonds shall no longer be restricted to being registered in the Registration Books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for the Bonds, or its nominee, shall designate. In such event the Paying Agent shall authenticate and deliver a sufficient quantity of Bonds as to carry out the transfers and exchanges provided in Sections 2.07, 2.09 and 2.10 hereof. All such Bonds shall be in fully registered form in Authorized Denominations.

Notwithstanding any other provision of this Paying Agent Agreement to the contrary, so long as any Bond is registered in the name of DTC, or its nominee, all payments with respect to the 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.

In connection with any notice or other communication to be provided to Owners of Book-Entry Bonds pursuant to this Paying Agent Agreement by the District or the Paying Agent with respect to any consent or other action to be taken by Owners, the District or the Paying Agent, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence and indemnity satisfactory to the Paying Agent and the District shall be given, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Paying Agent may pay the same without surrender thereof). The District may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the District and the Paying Agent. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original

ITEM 19

additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Paying Agent Agreement with all other Bonds secured by this Paying Agent Agreement.

Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be in Authorized Denominations, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Paying Agent Agreement as may be appropriate. Every temporary Bond shall be executed by the District and authenticated by the Paying Agent upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it shall execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon each temporary Bond may be surrendered, for cancellation, at the Office of the Paying Agent and the Paying Agent shall authenticate and deliver in exchange for such temporary Bond a definitive Bond of the same maturity in a like Principal Amount and, if applicable, Maturity Amount. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Paying Agent Agreement as definitive Bonds authenticated and delivered hereunder.

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Issuance of Bonds. The District shall, on or before the applicable Closing Date, execute the Bonds and deliver the same to the Paying Agent. The Paying Agent shall, on the Closing Date, authenticate the Bonds and deliver the Bonds to the Underwriter upon receipt of a Written Request of the District and upon receipt by the District of the purchase price therefor.

Application of Proceeds. On the Closing Date for the 2013 Bonds, the proceeds of the sale of the 2013 Bonds received by the District, \$_____, shall be deposited by the District as follows:

The District shall deposit the amount of \$_____ in the Taxable 2013 Bonds Interest and Sinking Fund Account.

The District shall deposit the amount of \$_____ in the Taxable 2013 Bonds Account in the Building Fund. The parties hereby agree that such funds may be used to fund any lease payments to be made by the District on, or to purchase all or a portion of, the projects financed with the QSCB Bonds or for any other authorized purpose.

The District shall deposit the amount of \$_____ in the Tax-Exempt 2013 Bonds Interest and Sinking Fund Account.

The District shall deposit the amount of \$_____ in the Tax-Exempt 2013 Bonds Account in the Building Fund. The parties hereby agree that such funds may be used for any authorized purpose and shall not be used to fund any lease payments to be made by the District on, or to purchase all or a portion of, the projects financed with the QSCB Bonds.

(e) The District shall deposit the amount of \$_____ in the 2012 Bonds Escrow Deposit Account in the Building Fund⁴. The parties hereby agree that such funds shall be used [in the manner set forth in the 2012 Bonds Escrow Deposit Agreement] and shall not be used to fund any lease payments to be made by the District on, or to purchase all or a portion of, the projects financed with the QSCB Bonds.

Additional Series of Bonds. Additional series of Bonds may be issued by supplement hereto duly executed by the District and the Paying Agent.

REDEMPTION OF BONDS

Redemption of Bonds. v. The 2013 Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The 2013 Bonds maturing on and after August 1, 20__, shall be subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole

⁴ Confirm if there are any unspent reserves relating to the COPs that should also fund part of the escrow.

ITEM 19

or in part on any date on or after August 1, 20___, at a redemption price equal to 100% of the principal amount called for redemption, together with interest accrued thereon to the date of redemption, [without premium.]⁵

The \$_____ term 2013 Bond maturing on August 1, 20___, shall also be subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective Principal Amounts as set forth in the following schedule, at a redemption price equal to 100% of the Principal Amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

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

† Maturity.

Unless otherwise specified in writing by the District, the Principal Amount to be redeemed in each year shown above shall be reduced proportionately, in integral multiples of \$5,000, by any portion of such term 2013 Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Notice of Redemption. The Paying Agent on behalf and at the expense of the District shall mail postage prepaid not less than 20 nor more than 60 days prior to the redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate. Such notice shall state the date of the notice, the redemption date and the redemption price, and shall designate the CUSIP numbers, if any, the series, issue date, Bond numbers and maturities or portions of the principal amount of the 2013 Bonds to be redeemed (except in the event of redemption of all of the 2013 Bonds of such maturity or maturities in whole), and shall require that such Bonds be then surrendered at the Office of the Paying Agent, or at such other place or places designated by the Paying Agent, for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

Any notice of optional redemption of 2013 Bonds delivered in accordance with this Section 4.02 may be conditional, and if any condition stated in such notice of redemption shall not have been satisfied on or prior to the redemption date: (i) said notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall not be made and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons in the

⁵ Confirm whether any premium will be due.

manner in which the conditional notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

Rescission of Notice of Redemption. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Selection of Bonds for Redemption. Whenever provision is made in this Paying Agent Agreement for the redemption of less than all of the 2013 Bonds of any series, the Paying Agent shall select the 2013 Bonds of such series to be redeemed from all such 2013 Bonds not previously called for redemption with respect to any optional redemption of such 2013 Bonds, among maturities of such 2013 Bonds as directed in a Written Certificate of the District. Whenever less than all of the 2013 Bonds of any one maturity of any series are designated for redemption, the Paying Agent shall select the 2013 Bonds to be redeemed by lot among such 2013 Bonds with the same maturity in any manner which the Paying Agent in its sole discretion shall deem appropriate and fair. The Paying Agent shall promptly notify the District in writing of the numbers of the 2013 Bonds so selected for redemption on such date. For purposes of such selection, any 2013 Bond may be redeemed in part in Authorized Denominations.

Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond of the same series in a Principal Amount equal to the unredeemed portion of the Bond surrendered.

Effect of Notice of Redemption. Whenever notice of redemption has been given in accordance with this Article IV, and the amounts necessary for the payment of principal of and premium, if any, shall be set aside for such purpose, the 2013 Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof, and upon presentation and surrender of said Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at said redemption price out of the money provided therefor, and interest shall cease to accrue on such Bonds called for redemption after the redemption date specified in such notice, and the registered owners of said Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the premium thereon only to such money provided therefor.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and destroyed.

FLOW OF FUNDS; INVESTMENTS

Interest and Sinking Fund Accounts. vi. The Paying Agent shall establish and maintain a separate account designated as the “Taxable 2013 Bonds Interest and Sinking Fund Account” within the Interest and Sinking Fund of the District for payment of the Taxable 2013 Bonds.

The Paying Agent shall establish and maintain a separate account designated as the “Tax-Exempt 2013 Bonds Interest and Sinking Fund Account” within the Interest and Sinking Fund of the District for payment of the Tax-Exempt 2013 Bonds.

All taxes levied to pay Bonds shall be deposited in the applicable account of the Interest and Sinking Fund as required by law. On or prior to the Business Day preceding each Interest Payment Date or Bond maturity date, the District shall transfer to the Paying Agent for deposit into the Bond Payment Fund amounts on deposit in the applicable account of the Interest and Sinking Fund sufficient to pay the principal and interest to become due on all Bonds Outstanding on such date (taking into consideration amounts, if any, transferred on such date by the Paying Agent pursuant to clause (i) of this subsection).

Bond Payment Fund. The Paying Agent shall establish and maintain a separate fund designated the “Bond Payment Fund.” When the Paying Agent is required to transfer amounts to pay debt service on the Bonds, the Paying Agent shall deposit such amounts in the Bond Payment Fund.

On each Interest Payment Date or Bond maturity date, the Paying Agent shall withdraw from the Bond Payment Fund for payment to the Owners of the Bonds the principal of and interest on the Bonds then due and payable.

Redemption Fund. The Paying Agent shall establish and maintain a special fund designated the “Redemption Fund.” The Paying Agent shall deposit in the Redemption Fund amounts received from the District with respect to the optional redemption of Bonds pursuant to Article IV.

Amounts in the Redemption Fund shall be disbursed therefrom for the payment of the Redemption Price of Bonds redeemed pursuant to the optional redemption provisions set forth in Article IV.

Rebate Fund. vii. The Paying Agent shall establish and maintain a special fund designated the “Rebate Fund.” There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate, as specified in a Written Request of the District. All money at any time deposited in the Rebate Fund shall be held by the Paying Agent in trust, to the extent required to satisfy any rebate requirements as described in the Tax Certificate, for payment to the United States of America. Notwithstanding defeasance of any Bonds pursuant to Article IX hereof or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate. The Paying Agent shall be deemed conclusively to have

ITEM 19

complied with such provisions if it follows the written directions of the District, and shall have no liability or responsibility to enforce compliance by the District with the terms of the Tax Certificate. The Paying Agent may conclusively rely upon the determinations, calculations and certifications of the District required by the Tax Certificate. The Paying Agent shall have no responsibility to independently make any calculation or determination or to review the calculations of the District.

Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and after payment to the United States of all amounts payable in respect of the rebate requirements set forth in the Tax Certificate with respect to the Bonds, shall, upon receipt by the Paying Agent of a Written Request of the District, be withdrawn by the Paying Agent and remitted to the District.

Investment of Moneys. Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Paying Agent Agreement and held by the Paying Agent shall be invested by the Paying Agent solely in Investment Securities, as directed in writing by the District two Business Days prior to the making of such investment. Moneys in all funds and accounts held by the Paying Agent shall be invested in Investment Securities maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Paying Agent Agreement. Absent timely written direction from the District, the Paying Agent shall invest any funds held by it in Investment Securities described in clause (i), (ii) or (iii) of the definition thereof; provided, however, that any such investment shall be made with due regard for the Paying Agent's obligations and responsibilities as a fiduciary hereunder.

Without limiting the foregoing, the Authorized District Representative hereby requests the Treasurer-Tax Collector to invest funds held in the Taxable 2013 Bonds Interest and Sinking Fund Account and the Taxable 2013 Bonds Account in a yield not in excess of the Initial Bond Issue Yield with respect to the Taxable 2013 Bonds or in Tax-Exempt Investments, except as may be otherwise permitted under Section 1.148-5(c) of the Arbitrage Regulations.

All interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Paying Agent Agreement shall be retained therein.

Investment Securities acquired as an investment of moneys in any fund or account established under this Paying Agent Agreement shall be credited to such fund or account. For the purpose of determining the amount in any fund or account, all Investment Securities credited to such fund shall be valued by the Paying Agent at the market value thereof, such valuation to be performed not less frequently than semiannually on or before each February 1 and August 1.

The Paying Agent may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the District, the Paying Agent shall sell or present for redemption any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Investment Securities is credited, and the Paying Agent shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section. For purposes of investment, the Paying Agent may commingle moneys in any of the funds and accounts established hereunder.

ITEM 19

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Paying Agent shall furnish the District periodic cash transaction statements which include detail for all investment transactions made by the Paying Agent hereunder.

COVENANTS

Levy of Taxes for Payment of Bonds; Sinking Fund Deposits. viii. Pursuant to the District Resolution, County Resolution and this Paying Agent Agreement, the money for the payment of the principal of, premium, if any, and interest on Outstanding Bonds shall be raised by *ad valorem* taxation without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) upon all taxable property in the District, and provision shall be made by the County for the levy and collection, and deposit into the applicable account of the Interest and Sinking Fund, of such taxes in the manner provided by law. The County shall cause amounts on deposit in the Interest and Sinking Fund to be transferred to the Paying Agent for payment of the principal of, premium, if any, and interest on Outstanding Bonds when due as provided herein.

Accounting Records and Financial Statements. The Paying Agent shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with prudent corporate trust industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established by it pursuant to this Paying Agent Agreement. Such books of record and account shall be available for inspection by the District, during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Paying Agent.

Tax Covenants. The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on Tax-Exempt 2013 Bonds, 2012 Bonds or QSCB Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate to be executed by the District on the date of issuance of the 2013 Bonds. This covenant shall survive payment in full or defeasance of any 2013 Bonds.

In the event that at any time the District is of the opinion that for purposes of this Section, or for any other purposes in the District's discretion, it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Paying Agent in any of the funds or accounts established hereunder or held by the Treasurer on behalf of the District in accordance herewith, the District shall so instruct the Paying Agent or request the Treasurer in writing, and the Paying Agent or the Treasurer, as applicable, shall take such action as may be necessary in accordance with such instructions or requests.

Notwithstanding any provisions of this Section, if the District shall provide to the Paying Agent an Opinion of Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on Tax-Exempt 2013 Bonds, 2012 Bonds or QSCB Bonds under Section 103 of the Code, the Paying Agent may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

ITEM 19

Continuing Disclosure. The District shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Paying Agent Agreement, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder; provided, however, that any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section.

Further Assurances. The District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Paying Agent Agreement and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Paying Agent Agreement.

PAYING AGENT

Duties and Liabilities of Paying Agent. ix. The Paying Agent shall be the paying agent, registrar and transfer agent for the Bonds and shall perform such functions in accordance with the provisions hereof. The Paying Agent shall perform such duties and only such duties as are expressly and specifically set forth in this Paying Agent Agreement.

The District may, by an instrument in writing, remove the Paying Agent initially a party hereto and any successor thereto, and shall remove the Paying Agent initially a party hereto and any successor thereto if at any time (i) requested to do so by an instrument or concurrent instruments in writing signed by the Owners of a majority of the aggregate Principal Amount of the Bonds at the time Outstanding (or their attorneys duly authorized in writing), or (ii) the Paying Agent shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Paying Agent or its property shall be appointed, or any public officer shall take control or charge of the Paying Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Paying Agent and thereupon shall appoint a successor Paying Agent by an instrument in writing.

The Paying Agent may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the District, and to the Owners at the respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing.

Any removal or resignation of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent; provided, however, that under any circumstances the successor Paying Agent shall be qualified as provided in subsection (e) of this Section. If no qualified successor Paying Agent shall have been appointed and have accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Paying Agent or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Paying Agent, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Paying Agent. Any successor Paying Agent appointed under this Paying Agent Agreement shall signify its acceptance of such appointment by executing and delivering to the District and to its predecessor Paying Agent a written acceptance thereof, and thereupon such successor Paying Agent, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Paying Agent, with like effect as if originally named Paying Agent herein; but, nevertheless at the written request of the District or the successor Paying Agent, such predecessor Paying Agent shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Paying Agent all the right, title and interest of such predecessor Paying Agent in and to any property held by it under this Paying Agent Agreement and shall pay over, transfer, assign and deliver to the successor Paying Agent any money or other property subject to the conditions herein set forth. Upon acceptance

ITEM 19

of appointment by a successor Paying Agent as provided in this subsection, the District shall mail or cause the successor Paying Agent to mail, by first class mail postage prepaid, a notice of the succession of such Paying Agent hereunder to the Owners at the addresses shown on the Registration Books. If the District fails to mail such notice within 15 days after acceptance of appointment by the successor Paying Agent, the successor Paying Agent shall cause such notice to be mailed at the expense of the District.

The Paying Agent, if not the Treasurer, shall be a bank, national banking association or trust company having trust powers incorporated or organized under the laws of the United States of America or any state thereof, having (or if such bank, national banking association or trust company is a member of a bank holding company system, its parent bank holding company shall have) a combined capital and surplus of at least \$75,000,000, in good standing and subject to supervision or examination by federal or state agency. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

In case at any time the Paying Agent shall cease to be eligible in accordance with the provisions of this subsection (e), the Paying Agent shall resign immediately in the manner and with the effect specified in this Section.

Merger or Consolidation. Any bank, national banking association or trust company into which the Paying Agent may be merged or converted or with which it may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under Section 7.01(e) shall be the successor to such Paying Agent, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Liability of Paying Agent. x. The recitals of facts herein and in the Bonds contained shall be taken as statements of the District, and the Paying Agent shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Paying Agent Agreement or of the Bonds or shall incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Paying Agent shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Paying Agent makes no representations as to the validity or sufficiency of this Paying Agent Agreement or of any Bonds, or in respect of the security afforded by this Paying Agent Agreement and the Paying Agent shall incur no responsibility in respect thereof. The Paying Agent shall be under no responsibility or duty with respect to (i) the issuance of the Bonds for value, (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Paying Agent, or (iii) the application of any moneys paid to the District or others in accordance with this Paying Agent Agreement except as the application of

ITEM 19

any moneys paid to it in its capacity as Paying Agent. The Paying Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Paying Agent shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Paying Agent Agreement. The Paying Agent and its officers and employees may become the Owner of Bonds with the same rights it would have if it were not Paying Agent, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in aggregate Principal Amount of the Bonds then Outstanding.

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

No provision of this Paying Agent Agreement shall require the Paying Agent to risk or expend its own funds in the performance of its rights and duties hereunder.

The immunities and protections extended to the Paying Agent also extend to its directors, officers, employees and agents.

The Paying Agent may execute any of its powers or duties hereunder through attorneys, agents or receivers and shall not be answerable for the actions of such attorneys, agents or receivers if selected by it with due care.

Right to Rely on Documents. The Paying Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document 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 be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith; provided, however, the Paying Agent shall in no event delay any payment with respect to the Bonds in anticipation of any such opinion.

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

Accounting Records and Reports; Preservation and Inspection of Documents. The Paying Agent shall keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts,

ITEM 19

disbursements, allocation and application of all money on deposit in the accounts and funds established hereunder, which such books shall (i) be available for inspection by the District at reasonable hours and under reasonable conditions (ii) comply with the applicable recordkeeping requirements set forth in the Tax Certificate.

All documents received by the Paying Agent under the provisions of this Paying Agent Agreement shall be retained in its possession and shall be subject during business hours and upon reasonable notice to the inspection of the District, the Owners and their agents and representatives duly authorized in writing.

Compensation and Indemnification. The District shall pay to the Paying Agent from time to time all reasonable compensation pursuant to a pre-approved fee letter for all services rendered under this Paying Agent Agreement, and also all reasonable expenses, charges, legal and consulting fees pursuant to a pre-approved fee letter and other disbursements pursuant to a pre-approved fee letter and those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Paying Agent Agreement. The District further agrees, to the extent permitted by law, to indemnify, defend and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or its willful misconduct. The duty of the District to indemnify and compensate the Paying Agent shall survive the termination and discharge of this Paying Agent Agreement and the resignation or removal of the Paying Agent.

MODIFICATION OR AMENDMENT

Modifications and Amendments Permitted. xi. This Paying Agent Agreement and the rights and obligations of the District, the Paying Agent and the Owners hereunder may be modified or amended at any time by a Supplemental Paying Agent Agreement, executed by the District and the Paying Agent, with the consent of a majority of the Owners of the Bonds impacted by any proposed modification or amendment, unless otherwise permitted without the consent of the Owners pursuant to subsection (b) below; provided no such modification or amendment shall extend the fixed maturity of any Bond, reduce the amount of principal thereof or the rate of interest, or alter the redemption provisions with respect thereto, without the consent of the Owner of each Bond so affected.

This Paying Agent Agreement and the rights and obligations of the District, the Paying Agent and the Owners hereunder may also be modified or amended from time to time and at any time by a Supplemental Paying Agent Agreement, which the District and the Paying Agent may enter into without the consent of any Owners for any one or more of the following purposes:

to add to the covenants and agreements of the District contained in this Paying Agent Agreement, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the District;

to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Paying Agent Agreement;

to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect; and

for any other reason, including the issuance of additional bonds.

Effect of Supplemental Paying Agent Agreement. Upon the execution and delivery of any Supplemental Paying Agent Agreement entered into pursuant to Section 8.01, this Paying Agent Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Paying Agent Agreement of the District, the Paying Agent and the Owners shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Paying Agent Agreement shall be deemed to be part of the terms and conditions of this Paying Agent Agreement for any and all purposes.

Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the effective date of any Supplemental Paying Agent Agreement pursuant to this Article may and, if the District so determines, shall bear a notation by endorsement or otherwise in form approved by the District and the Paying Agent as to any modification or amendment provided for in such Supplemental Paying Agent Agreement, and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date and presentation of such Bond for such purpose at the Office of the Paying Agent a suitable notation shall be made on such Bonds. If

ITEM 19

the Supplemental Paying Agent Agreement shall so provide, new Bonds so modified as to conform, in the opinion of the District and the Paying Agent, to any modification or amendment contained in such Supplemental Paying Agent Agreement, shall be prepared and executed by the District and authenticated by the Paying Agent and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date, and presentation of such Bond for such purpose at the Office of the Paying Agent, such a new Bond in equal Principal Amount of the same interest rate and maturity shall be exchanged for such Owner's Bond so surrendered.

Amendment of Particular Bonds. The provisions of this Article shall not prevent any Owner from accepting any amendment or modification as to any particular Bond owned by it, provided that due notation thereof is made on such Bond.

DEFEASANCE

Discharge of Payment Agent Agreement. xii. If (i) the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the premium, if any, and interest thereon at the times and in the manner stipulated herein and therein, and (ii) all other amounts due and payable hereunder shall have been paid, then all agreements, covenants and other obligations of the District hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agent shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Paying Agent shall pay over or deliver to the District all money or securities held by it pursuant hereto which are not required for the payment of the principal of, premium, if any, and interest on the Bonds.

Subject to the provisions of subsection (a) of this Section, when any Bond shall have been paid and if, at the time of such payment, the District shall have kept, performed and observed all of the covenants and promises in such Bonds and in this Paying Agent Agreement required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then this Paying Agent Agreement shall be considered to have been discharged in respect of such Bond, and all agreements, covenants and other obligations of the District hereunder shall cease, terminate, become void and be completely discharged and satisfied as to such Bond.

Notwithstanding the discharge and satisfaction of this Paying Agent Agreement or the discharge and satisfaction of this Paying Agent Agreement in respect of any Bond, those provisions of this Paying Agent Agreement relating to payment of the Bonds, transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Paying Agent in connection with all of the foregoing, shall remain in effect and shall be binding upon the Paying Agent and the Owners, and the Paying Agent shall continue to be obligated to hold in trust any moneys or investments then held by the Paying Agent for the payment of the principal of, premium, if any, and interest on the Bonds, to pay to the Owners of the Bonds the funds so held by the Paying Agent as and when such payment becomes due. Notwithstanding the discharge and satisfaction of this Paying Agent Agreement, the provisions of Section 7.06 relating to the compensation of the Paying Agent shall remain in effect and shall be binding upon the District and the Paying Agent.

(d) Notwithstanding anything in this Section 9.01 or otherwise in this Paying Agent Agreement to the contrary, no Taxable 2013 Bonds shall be subject to defeasance prior to maturity.

Bonds Deemed to Have Been Paid. xiii. If moneys shall have been set aside and held by the Paying Agent for the payment or redemption of any Bond, such Bond shall be deemed to have been paid within the meaning and with the effect provided in Section 9.01. Any Outstanding Bond shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 9.01 if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the District shall have

ITEM 19

given to the Paying Agent in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.03, notice of redemption of such Bond on said redemption date, said notice to be given in accordance with Section 4.03, (ii) there shall have been deposited with the Paying Agent either (A) money in an amount which shall be sufficient, or (B) Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which shall be sufficient to pay when due the principal of, premium, if any, and interest on such Bond, and (iii) in the event such Bond is not by its terms subject to redemption within the next succeeding 60 days, the District shall have given the Paying Agent in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owners of such Bond that the deposit required by clause (ii) above has been made with the Paying Agent and that such Bond is deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of, premium, if any, and interest on such Bond. Neither the money nor the Defeasance Securities deposited with the Paying Agent pursuant to this subsection in connection with the deemed payment of Bonds, nor principal or interest payments on any such Defeasance Securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for and pledged to, the payment of the principal of, premium, if any, and interest on such Bonds.

No Bond shall be deemed to have been paid pursuant to clause (ii) of subsection (a) of this Section unless the District shall have caused to be delivered (i) an executed copy of a Verification Report with respect to such deemed payment, addressed to the District and the Paying Agent, in form and in substance acceptable to the District and the Paying Agent, (ii) an Opinion of Counsel relating to the exclusion from federal income tax of interest, if applicable, and (iii) a copy of the escrow agreement entered into in connection with the deposit pursuant to clause (ii)(B) of subsection (a) of this Section resulting in such deemed payment, which escrow agreement shall provide that no substitution of Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new Verification Report, and no reinvestment of Defeasance Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report.

Unclaimed Moneys. Any moneys held by the Paying Agent in trust for the payment and discharge of the principal of, or premium or interest on, any Bonds which remain unclaimed for two years after the date when such principal, premium or interest has become payable, if such moneys were held by the Paying Agent at such date, or for two years after the date of deposit of such moneys if deposited with the Paying Agent after the date when such principal, premium or interest become payable, shall, at the Written Request of the District, be repaid by the Paying Agent to the District as its absolute property free from trust to be applied to the payment of any outstanding general obligation bonds of the District, or, if no such general obligation bonds of the District are at such time outstanding, to be transferred to the general fund of the District as provided and permitted by law, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Owners of such Bonds shall look only to the District for the payment of such principal, premium or interest.

MISCELLANEOUS

Benefits of Paying Agent Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any Person other than the District, the Paying Agent and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term required herein to be observed or performed by or on behalf of the District shall be for the sole and exclusive benefit of the Paying Agent and the Owners.

Successor Deemed Included in all References to Predecessor. Whenever the District or the Paying Agent, or any officer thereof, is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Paying Agent, or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the District or the Paying Agent, or any officer thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or its attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which such notary public or other officer purports to act that the Person signing such declaration, request or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Paying Agent may accept which it may deem sufficient.

The ownership of any Bond and the amount, payment date, number and date of owning the same may be proved by the Registration Books.

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

Waiver of Personal Liability. Notwithstanding anything contained herein to the contrary, no member, officer or employee of the District shall be individually or personally liable for the payment of any moneys, including without limitation, the principal of, premium, if any, or interest on the Bonds, but nothing contained herein shall relieve any member, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Acquisition of Bonds by District. All Bonds acquired by the District, whether by purchase or gift or otherwise, shall be surrendered to the Paying Agent for cancellation.

Disqualified Bonds. In determining whether the Owners of the requisite aggregate Principal Amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Paying Agent Agreement, Bonds which are known by the Paying Agent to be owned or held by or for the account of the District, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Paying Agent the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District. In case of a dispute as to such right, any decision by the Paying Agent taken upon the advice of counsel shall be full protection to the Paying Agent.

Money Held for Particular Bonds. The money held by the Paying Agent for the payment of the principal of, premium, if any, and interest on particular Bonds due on any date (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 9.03, but without any liability for interest thereon.

Funds and Accounts. Any fund or account required to be established and maintained pursuant hereto by the Paying Agent may be established and maintained in the accounting records of the Paying Agent either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund, but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners. The Paying Agent may establish such funds and accounts as it deems necessary to perform its obligations hereunder.

The Paying Agent may commingle any of the moneys held by it hereunder for investment purposes only; provided, however, that the Paying Agent shall account separately for the moneys in each fund or account established pursuant to this Paying Agent Agreement.

Third-Party Beneficiaries. The Owners are third-party beneficiaries of this Paying Agent Agreement.

Gender and References; Article and Section Headings. The singular form of any word used herein, including the terms defined in Section 1.01, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders. The headings or titles of the several Articles and Sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. Unless the context otherwise clearly requires, all references herein to "Articles," "Sections," subsections or clauses are to the corresponding Articles, Sections, subsections or clauses hereof, and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar

ITEM 19

import refer to this Paying Agent Agreement as a whole and not to any particular Article, Section, subsection or clause hereof.

Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the District or the Paying Agent shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void to the extent contrary to law and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them under any applicable provisions of law. The District and the Paying Agent hereby declare that they would have executed this Paying Agent Agreement, and each and every Article, Section, paragraph, subsection, sentence, clause and phrase hereof and would have authorized the execution, authentication, issuance and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more Articles, Sections, paragraphs, subsections, sentences, clauses or phrases hereof or the application thereof to any Person or circumstance may be held to be unconstitutional, unenforceable or invalid.

California Law. This Paying Agent Agreement and the Bonds shall be construed and governed in accordance with the laws of the State of California.

Notices. All written notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the District: San Dieguito Union High School District
710 Encinitas Blvd., Suite 103
Encinitas, CA 92024
Attention: Superintendent

If to the Paying Agent: County of San Diego
1600 Pacific Highway, Room 152
San Diego, California 92101
Attention: Treasurer-Tax Collector

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by telecopier or electronic mail, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, or (d) if given by any other means, upon delivery at the address specified in this Section.

Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Paying Agent Agreement shall not be a Business Day, such payment may be made or act performed or right exercised on the next

ITEM 19

succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Paying Agent Agreement and, unless otherwise specifically provided in this Paying Agent Agreement, no interest shall accrue for the period from and after such nominal date.

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

ITEM 19

IN WITNESS WHEREOF, the District has caused this Paying Agent Agreement to be signed in its name by its representative thereunto duly authorized, and the Paying Agent has caused this Paying Agent Agreement to be signed in its name by its officer thereunto duly authorized, all as of the day and year first above written.

**SAN DIEGUITO UNION HIGH
SCHOOL DISTRICT**

By: _____
Authorized Representative

**COUNTY OF SAN DIEGO, OFFICE OF
THE TREASURER-TAX COLLECTOR
OF THE COUNTY OF SAN DIEGO,
CALIFORNIA, as Paying Agent**

By: _____
Authorized Officer

EXHIBIT A-1

FORM OF TAXABLE 2013 BOND

Number R-__	UNITED STATES OF AMERICA STATE OF CALIFORNIA COUNTY OF SAN DIEGO	Amount \$ _____
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SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
2013 GENERAL OBLIGATION BONDS (ELECTION OF 2012), SERIES A-1 (TAXABLE)

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated as of</u>	<u>CUSIP NO.</u>
August 1, 20__	____%	March __, 2013	_____

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

San Dieguito Union High School District, County of San Diego, State of California (herein called the "District"), hereby acknowledges itself obligated to and promises to pay, but only from taxes collected by the County for such purpose pursuant to Section 15250 of the California Education Code, to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date set forth above or upon prior redemption hereof, the Principal Amount specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this bond (unless this bond is authenticated on or before an interest payment date and after the close of business on the preceding Record Date (as defined herein), in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before July 15, 2013, in which event interest thereon shall be payable from the date hereof) at the interest rate per annum stated above, payable commencing on _____ 1, 201__, and thereafter on February 1 and August 1 in each year, until payment of the Principal Amount.

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the office of the paying agent/registrar and transfer agent of the District (herein called the "Paying Agent"), initially the County of San Diego, Office of the Treasurer-Tax Collector of the County of San Diego. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the Registered Owner hereof as of the close of business on the 15th day of the calendar month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check mailed to such Registered Owner at the Registered Owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the Registered Owner of Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid by

ITEM 19

wire transfer of immediately available funds to an account maintained in the United States as specified by the Registered Owner in such request. So long as Cede & Co. or its registered assigns shall be the Registered Owner of this bond, payment shall be made by wire transfer of immediately available funds as provided in the Paying Agent Agreement hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$ _____, and designated as "San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series A-1 (Taxable)" (the "Bonds"). The Bonds are part of an authorization of \$449,000,000 approved by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 6, 2012. The Bonds are issued and sold by the Board of Trustees of the District pursuant to and in strict conformity with the provisions of the Constitution and laws of the State and the Paying Agent Agreement, dated as of March 1, 2013 (the "Paying Agent Agreement"), by and between the District and the Paying Agent. Reference is hereby made to the Paying Agent Agreement and any and all amendments thereof for a description of the terms on which the Bonds are issued, for the rights of the Owners of the Bonds, for the provisions for payment of the Bonds, and for the amendment of the Paying Agent Agreement (with or without consent of the Owners of the Bonds); and all the terms of the Paying Agent Agreement are hereby incorporated herein and constitute a contract between the District and the Registered Owner of this Bond, to all the provisions of which the Registered Owner of this Bond, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the Paying Agent Agreement.

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

This bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the designated corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Paying Agent Agreement, and upon surrender and cancellation of this bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations of the same series, tenor, interest payment mode and same aggregate principal amount will be issued to the transferee in exchange therefor.

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

The Bonds are subject to redemption on the dates, at the Redemption Prices and pursuant to the terms set forth in the Paying Agent Agreement. Notice of redemption of any Bonds or any portions thereof shall be given as set forth in the Paying Agent Agreement. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

ITEM 19

The Bonds represent an obligation payable out of the interest and sinking fund of the District, and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

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

IN WITNESS WHEREOF the SAN DIEGUITO UNION HIGH SCHOOL DISTRICT has caused this SAN DIEGUITO UNION HIGH SCHOOL DISTRICT 2013 GENERAL OBLIGATION BOND (ELECTION OF 2012), SERIES A-1 (TAXABLE), to be executed by the manual or facsimile signature of the Superintendent of the District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Trustees of the District, as of the date set forth above.

By: _____
Superintendent of the San Dieguito Union
High School District

Countersigned:

Clerk of the Board of Trustees of the
San Dieguito Union High School
District

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This is one of the Taxable 2013 Bonds described in the within-mentioned Paying Agent Agreement and authenticated and registered on _____.

County of San Diego, Office of the
Treasurer-Tax Collector of the County of
San Diego, as Paying Agent/Registrar and
Transfer Agent

By: _____
Authorized Officer

DTC LEGEND

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

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

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

Dated: _____

Signature Guarantee: _____
Notice: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT A-2

FORM OF TAX-EXEMPT 2013 BOND

Number	UNITED STATES OF AMERICA	Amount
R-__	STATE OF CALIFORNIA	\$ _____
	COUNTY OF SAN DIEGO	

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
2013 GENERAL OBLIGATION BONDS (ELECTION OF 2012), SERIES A-2 (TAX-EXEMPT)

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated as of</u>	<u>CUSIP NO.</u>
August 1, 20__	____%	March __, 2013	_____

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

San Dieguito Union High School District, County of San Diego, State of California (herein called the "District"), hereby acknowledges itself obligated to and promises to pay, but only from taxes collected by the County for such purpose pursuant to Section 15250 of the California Education Code, to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date set forth above or upon prior redemption hereof, the Principal Amount specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this bond (unless this bond is authenticated on or before an interest payment date and after the close of business on the preceding Record Date (as defined herein), in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before July 15, 2013, in which event interest thereon shall be payable from the date hereof) at the interest rate per annum stated above, payable commencing on [____ 1, 201_], and thereafter on February 1 and August 1 in each year, until payment of the Principal Amount.

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the office of the paying agent/registrar and transfer agent of the District (herein called the "Paying Agent"), initially the County of San Diego, Office of the Treasurer-Tax Collector of the County of San Diego. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the Registered Owner hereof as of the close of business on the 15th day of the calendar month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check mailed to such Registered Owner at the Registered Owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record

ITEM 19

Date immediately preceding an interest payment date, of the Registered Owner of Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid by wire transfer of immediately available funds to an account maintained in the United States as specified by the Registered Owner in such request. So long as Cede & Co. or its registered assigns shall be the Registered Owner of this bond, payment shall be made by wire transfer of immediately available funds as provided in the Paying Agent Agreement hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$_____, and designated as "San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series A-2 (Tax-Exempt)" (the "Bonds"). The Bonds are part of an authorization of \$449,000,000 approved by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 6, 2012. The Bonds are issued and sold by the Board of Trustees of the District pursuant to and in strict conformity with the provisions of the Constitution and laws of the State and the Paying Agent Agreement, dated as of March 1, 2013 (the "Paying Agent Agreement"), by and between the District and the Paying Agent. Reference is hereby made to the Paying Agent Agreement and any and all amendments thereof for a description of the terms on which the Bonds are issued, for the rights of the Owners of the Bonds, for the provisions for payment of the Bonds, and for the amendment of the Paying Agent Agreement (with or without consent of the Owners of the Bonds); and all the terms of the Paying Agent Agreement are hereby incorporated herein and constitute a contract between the District and the Registered Owner of this Bond, to all the provisions of which the Registered Owner of this Bond, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the Paying Agent Agreement.

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

This bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the designated corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Paying Agent Agreement, and upon surrender and cancellation of this bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations of the same series, tenor, interest payment mode and same aggregate principal amount will be issued to the transferee in exchange therefor.

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

The Bonds are subject to redemption on the dates, at the Redemption Prices and pursuant to the terms set forth in the Paying Agent Agreement. Notice of redemption of any Bonds or any portions thereof shall be given as set forth in the Paying Agent Agreement. If this bond is called for

ITEM 19

redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Bonds represent an obligation payable out of the interest and sinking fund of the District, and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

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

IN WITNESS WHEREOF the SAN DIEGUITO UNION HIGH SCHOOL DISTRICT has caused this SAN DIEGUITO UNION HIGH SCHOOL DISTRICT 2013 GENERAL OBLIGATION BOND (ELECTION OF 2012), SERIES A-2 (TAX-EXEMPT), to be executed by the manual or facsimile signature of the Superintendent of the District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Trustees of the District, as of the date set forth above.

By: _____
Superintendent of the San Dieguito Union
High School District

Countersigned:

Clerk of the Board of Trustees of the
San Dieguito Union High School
District

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This is one of the Tax-Exempt 2013 Bonds described in the within-mentioned Paying Agent Agreement and authenticated and registered on _____.

County of San Diego, Office of the
Treasurer-Tax Collector of the County of
San Diego, as Paying Agent/Registrar and
Transfer Agent

By: _____
Authorized Officer

DTC LEGEND

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

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

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

Dated: _____

Signature Guarantee: _____
Notice: Signature must be guaranteed by an eligible guarantor institution.

\$ _____
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
(County Of San Diego, State of California)
GENERAL OBLIGATION BONDS (ELECTION OF 2012),
\$ _____ **SERIES A-1 (TAXABLE)**
\$ _____ **SERIES A-2 (TAX-EXEMPT)**

BOND PURCHASE CONTRACT

March __, 2013

Board of Trustees
San Dieguito Union High School District
710 Encinitas Boulevard
Encinitas, California 92024

Ladies and Gentlemen:

The undersigned (the "Underwriter"), acting on its own behalf and not as a fiduciary or agent for any other party, offers to enter into this Bond Purchase Contract (the "Purchase Contract") with the San Dieguito Union High School District (the "District"), which, upon your acceptance hereof, will be binding upon both the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Paying Agent Agreement (defined below).

1. **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 \$_____ in aggregate principal amount of the above captioned General Obligation Bonds (Election of 2012), Series A-1 (Taxable) and Series A-2 (Tax-Exempt) (collectively, the "Bonds"). The Bonds shall bear interest at the rates, and 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 Bonds shall be dated the date of delivery (the "Date of Delivery") thereof and shall be payable as to interest on each February 1 and August 1, commencing February 1, 2014.

The Underwriter shall purchase the Bonds at a price of \$_____ (which is equal to the principal amount of the Bonds of \$_____, less net original issue discount of \$_____, less Underwriter's discount of \$_____, and less \$_____ of original issue premium retained by the Underwriter for the payment of costs of issuance pursuant to Section 12 hereof).

The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection therewith and with the discussion, undertakings and procedures

ITEM 19

leading up to the consummation of such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of or a financial advisor to the District, (iii) the Underwriter has not assumed (individually or collectively) an advisory or fiduciary responsibility in favor of the District with respect to (x) the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the District on other matters) or (y) any other obligation to the District except the obligations expressly set forth in this Purchase Contract and (iv) the District has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB").

2. **The Bonds.** The Bonds shall be dated their date of delivery and shall be issued and secured pursuant to the provisions of the Resolution of the Board of Trustees of the District adopted on February 7, 2013, (the "District Resolution"), the Paying Agent Agreement, dated as of April 1, 2013, by and between the District and the County of San Diego (the "County") through the office of the Treasurer-Tax Collector of the County, as paying agent for the Bonds (in such capacity, the "Paying Agent") and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable law (the "Act"). The Bonds shall mature on the dates shown in Exhibit A hereto, and shall otherwise be as described in the Official Statement (as defined herein).

The District has been authorized to issue the Bonds on its own behalf pursuant to a resolution of the Board of Supervisors of the County adopted on February 22, 2013 (the "County Resolution" and, together with the District Resolution, the "Resolutions") and Section 15140(b) of the California Education Code.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract, the Paying Agent Agreement and the District 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"); and initially be in authorized denominations of Five Thousand Dollars (\$5,000) principal amount or any integral multiple thereof.

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Contract, the Preliminary Official Statement and Official Statement (defined below), the District 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 issuance and offering of the Bonds (except as such documents otherwise provide).

4. **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 inside cover page of the Official Statement and on Exhibit A hereto. 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. The Bonds may be offered and sold to certain securities dealers at prices lower than such initial public offering prices.

ITEM 19

5. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated February __, 2013 (the "Preliminary Official Statement"). The District represents that it has deemed 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 and maturity value, principal amount and maturity value 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 Exchange Act of 1934, as amended ("Rule 15c2-12").

The Underwriter agrees that prior to the time the final Official Statement (the "Official Statement") relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Underwriter hereby represents that it will provide, consistent with the requirements of MSRB Rule G-32, for the delivery of a copy of the Official Statement to each customer who purchases any Bonds within twenty-five (25) days of the Closing (defined herein), and deliver a copy of the Official Statement to a repository recognized by the MSRB on or before the Closing, and that it will otherwise comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and 17 CFR Section 240.15c2-12, promulgated by the Securities and Exchange Commission.

References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto.

6. **Closing.** At 9:00 A.M., California Time, on April __, 2013 or at such other time or on such other date as shall have been mutually agreed upon by and between the District and the Underwriter (the "Closing"), the District will cause to be delivered to the Underwriter (except as otherwise provided in the District Resolution) through the facilities of DTC utilizing DTC's FAST delivery system, or at such other place as we may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of DLA Piper LLP ("Bond Counsel"), in San Francisco, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by check, draft or wire transfer to or upon the order of the District.

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

(a) Due Organization of the District. The District is a school district duly established and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

ITEM 19

(b) Due Authorization. (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 full legal right, power and authority to enter into this Purchase Contract and the Paying Agent Agreement, to adopt the District Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement and to carry out and effectuate the transactions contemplated by this Purchase Contract, the Official Statement, the Paying Agent Agreement and the District Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the District Resolution, the Paying Agent Agreement and this Purchase Contract have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract constitutes a valid and legally binding obligation of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

(c) Consents. Except for the actions of the parties hereto, 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, the execution and delivery of this Purchase Contract and the Paying Agent Agreement, the adoption of the District Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, which have not been taken or obtained, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request; 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) Internal Revenue Code. The District has complied with the Internal Revenue Code of 1986, as amended, with respect to the Bonds.

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of the Purchase Contract, the Paying Agent Agreement, the District Resolution, and the Bonds, and the compliance with the provisions hereof and thereof 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) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, 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 titles of the officials of the District who are required to execute any contracts, certificates, or official statements in connection with the delivery of the Bonds to their respective offices, or the powers of those offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, the levy or collection of *ad valorem* property taxes by the County on behalf of the District required to be collected and applied to pay the principal of and interest on the Bonds, or the application of

ITEM 19

the proceeds thereof, or, the levy of any taxes contemplated by the District Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract, the Paying Agent Agreement, or the District Resolution or contesting the powers of the District or its authority with respect to the Bonds, the District Resolution, the Paying Agent Agreement or this Purchase Contract; or (iii) in which a final adverse decision could (A) materially adversely affect the operations of the District or the consummation of the transactions consummated by this Purchase Contract, or the District Resolution, (B) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (C) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest paid on the Bonds from California personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District directly, nor any person 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) Levy of Tax. The District hereby agrees to take any and all actions as may be required by the County or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide to the County Treasurer-Tax Collector a copy of the District Resolution and the Paying Agent Agreement, a copy of Exhibit A hereto, and the full debt service schedule for the Bonds, in accordance with Education Code Section 15140(c) and policies and procedures of the County.

(i) Certificates. 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.

(j) Continuing Disclosure. In accordance with the requirements of Rule 15c2-12, at or prior to the Closing, the District shall have duly authorized, executed and delivered a continuing disclosure certificate (the "Continuing Disclosure Certificate") on behalf of each obligated person for which financial and/or operating data is presented in the Official Statement. The Continuing Disclosure Certificate shall comply with the provisions of Rule 15c2-12 and be substantially in the form attached to the Official Statement as Appendix D. [Other than as described in the Official Statement,] the District has not within the last five years failed to comply in any material respect with any undertaking to provide annual reports or notices of certain events pursuant to Rule 15c2-12.

(k) Interim Financial Report. The District has not designated its most recent interim financial report as qualified or negative, nor has such interim financial report received a qualified or negative certification or designation from the County Superintendent of Schools.

(l) Official Statement Accurate and Complete. The Preliminary Official Statement (except for information regarding DTC and its book-entry only system, and information regarding the investment portfolio, policies, practices and valuation procedures

ITEM 19

of the County Treasurer-Tax Collector), at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the final Official Statement (except for information regarding DTC and its book-entry only system, and information regarding the investment portfolio, policies, practices and valuation procedures of the County Treasurer-Tax Collector) does not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

8. **Covenants of the District.** The District covenants and agrees with the Underwriter that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the District Resolution and the Paying Agent Agreement;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date the Purchase Contract is signed, and in sufficient time to accompany any confirmation that requests payment from any customer, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto being herein called the "Official Statement") in such quantities as may be requested by the Underwriter, in order to permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the MSRB. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale;

(e) References. References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto; and

ITEM 19

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (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, at its own expense, 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 Agreement, the "End of the Underwriting Period" is used as defined in Rule 15c2-12 and shall occur on the later of (x) the date of Closing or (y) 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.

9. Representations and Agreements of the Underwriter. The Underwriter represents to and agrees with the District that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute this Purchase Contract and to take any action under the Purchase Contract required to be taken by it.

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

(c) The Underwriter has, and has had, no financial advisory relationship with the District with respect to the Bonds, as such term is defined in California Government Code Section 53590(c) or MSRB Rule G-23, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

10. Conditions to Closing. The Underwriter has entered into the Purchase Contract in reliance upon the representations and warranties of the District contained herein and the performance by the District of their obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under the Purchase Contract are and shall be subject, at the option of the Underwriter, to the following further conditions at the Closing:

ITEM 19

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, 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 it in this Purchase Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Contract, the Paying Agent Agreement, the Continuing Disclosure Certificate and the District 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 their obligations required under or specified in the District Resolution, this Purchase Contract, the Paying Agent Agreement, the Continuing Disclosure Certificate or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of the Purchase Contract (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) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, of the Bonds shall not have been materially adversely affected in the judgment of the Underwriter (evidenced by a written notice to 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 or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or an order, ruling, 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, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; 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

ITEM 19

the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(ii) legislation enacted by the legislature of the State of California (the “State”), or a decision rendered by a court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof, or

(iii) the formal declaration of war by Congress or a new major engagement in or escalation of military hostilities by order of the President of the United States, or the occurrence of any other declared national emergency that interrupts or causes disorder to the operation of the financial markets in the United States;

(iv) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(v) 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, the Underwriter;

(vi) an order, decree or injunction of any court of competent jurisdiction, or order, filing, 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;

(vii) the withdrawal, review, downgrading or placement on credit watch of any underlying rating of any of the District’s outstanding indebtedness by a national rating agency;

(viii) 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 contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading and, in either such event, the District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the

ITEM 19

Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;
or

(ix) the suspension by the SEC of trading in the outstanding securities of the District.

(e) Delivery of Documents. At or prior to the date of the Closing, Bond Counsel shall deliver sufficient copies of each of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(i) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the District in substantially the form set forth in the Preliminary Official Statement and the Official Statement as Appendix C;

(ii) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the opinion described in (e)(1) above;

(iii) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriter, dated the Closing Date and addressed to the District and the Underwriter, to the effect that:

(A) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions "INTRODUCTION," "THE BONDS," "TAX MATTERS," and "OTHER LEGAL MATTERS," to the extent they purport to summarize certain provisions of the District Resolution, the Paying Agent Agreement, the Continuing Disclosure Certificate, and California law or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical data, information concerning the Depository Trust Company or related to its book-entry only system contained therein;

(B) the Paying Agent Agreement, this Purchase Contract, and the Continuing Disclosure Certificate have each been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the District and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the state of California; and

ITEM 19

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Paying Agent Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(iv) Disclosure Counsel Opinion. The opinion of Orrick, Herrington & Sutcliffe LLP, Disclosure Counsel to the District (“Disclosure Counsel”), dated the Closing Date and addressed to the District and the Underwriter, to the effect that based on such counsel’s participation in conferences with representatives of the District, the Underwriter, the Paying Agent, their respective counsels, the Financial Advisor, and others, during which conferences the contents of the Preliminary Official Statement and Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District and the Underwriter that, during the course of its engagement as disclosure counsel no facts came to the attention of such counsel’s attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Preliminary Official Statement, as of its date, and the Official Statement as of its date and as of the Closing (in each case, except for any CUSIP numbers, financial, accounting, statistical, economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information regarding DTC or its book-entry system, the Underwriter, and Appendices B, C, E and F, included or referred to therein, as to which such counsel need express no opinion or view) contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(v) District Certificate. A certificate signed by appropriate officials of the District to the effect that (A) such officials are authorized to execute this Purchase Contract, (B) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (C) the District has complied with all the terms of the District Resolution, the Paying Agent Agreement, and this Purchase Contract, which are necessary to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (D) such District officials have reviewed the Preliminary Official Statement and the Official Statement and on such basis certify that the Preliminary Official Statement and the Official Statement as of its date and as of the Closing Date (excluding therefrom information regarding DTC and its book-entry only system, and information regarding the investment portfolio, policies, practices and valuation procedures of the County Treasurer-Tax Collector, as to which no view need be expressed) does not contain any untrue statement of a material fact nor omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (E) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the Paying Agent Agreement;

ITEM 19

(vi) Tax Certificate. A non-arbitrage certificate of the District in form satisfactory to Bond Counsel;

(vii) Rating. Evidence satisfactory to the Underwriter that (A) the Bonds shall have been rated “___” by Moody’s Investors Service (“Moody’s”) and “___” by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”), (or such other equivalent ratings as such rating agencies may give), and (B) that any such ratings have not been revoked or downgraded;

(viii) District Resolution. A certificate, together with fully executed copies of the District Resolution and the Paying Agent Agreement, of the Secretary to the District Board of Trustees to the effect that:

(A) such copies are true and correct copies of the District Resolution and Paying Agent Agreement; and

(B) that the District 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.

(ix) Official Statement. A certificate of the appropriate official of the District evidencing his or her determinations respecting the Preliminary Official Statement in accordance with Rule 15c2-12;

(x) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate, substantially in the form presented in the Official Statement as Appendix D thereto.

(xi) Underwriter’s Counsel Opinion. The opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter.

(xii) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance (A) by the District with legal requirements, (B) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (C) 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) Termination. 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 as provided in Section 6 hereof, 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 14 hereof.

ITEM 19

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be canceled 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 telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

11. **Conditions to Obligations of the District.** The performance by the District of its obligations is conditioned upon (a) the performance by the Underwriter of its obligations hereunder; and (b) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the District.

12. **Costs of Issuance; Expenses.**

(a) The Underwriter shall pay (or shall cause to be paid) costs of issuance of the Bonds up to the amount of \$_____, including but not limited to the following: (i) the cost of the preparation and reproduction of the District Resolution and the Paying Agent Agreement; (ii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for bond ratings, including all necessary travel expenses; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the fees of the Paying Agent; (vii) the fees and expenses of Dolinka Group, LLC, as financial advisor to the District; (viii) the fees of any fiscal agent of the Underwriter retained for the purpose of disbursing amounts in respect of such expenses; (ix) the fees and disbursements of counsel to the Underwriter; and (x) all other fees and expenses incident to the issuance and sale of the Bonds. At the time that all costs of issuance are paid, the Underwriter shall provide the District with a complete accounting of such payments. In the event the amount retained by the Underwriter is insufficient to pay costs of issuance, any such remaining costs of issuance shall be paid by the District. [In the event that following payment of the expenses set forth above, there is any portion of the amount retained with the Underwriter remaining for such purpose, the Underwriter _____.]

(b) Notwithstanding any of the foregoing, the Underwriter shall pay all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, travel and other expenses (except those expressly provided above).

13. **Notices.** Any notice or other communication to be given under this Purchase Contract (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 Superintendent of the San Dieguito Union High School District, 710 Encinitas Boulevard, Encinitas, California 92024; or if to the Underwriter, to E. J. De La Rosa & Co., Inc., 456 Montgomery Street, 19th Floor, San Francisco, California 94104, Attention: Ralph Holmes.

14. **Parties in Interest; Survival of Representations and Warranties.** When accepted by the District in writing as heretofore specified, this Purchase Contract shall constitute the entire agreement between the District and the Underwriter. This Purchase Contract is made solely for the

ITEM 19

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 representations, warranties and agreements of the District in this Purchase Contract shall survive regardless of (a) any investigation or 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 Contract.

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

16. **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 consent of the other party hereto.

17. **Execution in Counterparts.** This Purchase Contract 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.

[REMAINDER OF PAGE LEFT BLANK]

ITEM 19

18. **Applicable Law.** This Purchase Contract shall be interpreted, governed and enforced in accordance with the laws of the State of California applicable to contracts made and performed in such State.

Very truly yours,

E. J. DE LA ROSA & CO., INC., as Underwriter

By: _____
Authorized Representative

The foregoing is hereby agreed to and accepted as of the date first above written:

SAN DIEGUITO UNION HIGH SCHOOL
DISTRICT

By: _____
Superintendent

ACCEPTED at _____ p.m. Pacific Time this ____th
day of March, 2013

EXHIBIT A

\$ _____
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
(County Of San Diego, State of California)
GENERAL OBLIGATION BONDS (ELECTION OF 2012),
\$ _____ **SERIES A-1 (TAXABLE)**
\$ _____ **SERIES A-2 (TAX-EXEMPT)**

Redemption

Optional Redemption.

Mandatory Sinking Fund Redemption.

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: Moody's: "___"

S&P: "ITEM"19

(See "MISCELLANEOUS – Ratings" herein.)

DLA Piper LLP (US), Bond Counsel, is of the opinion that, under existing statutes, regulations and decisions: (i) the interest on the Bonds will be exempt from State of California income taxation; but no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon; and (ii) assuming compliance with certain covenants, representations and warranties described herein, interest on the Tax-Exempt Bonds will be excludable from gross income for federal income tax purposes and will not be includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, as described herein under "TAX MATTERS – TAX EXEMPT BONDS", interest earned on the Tax-Exempt Bonds, for federal income tax purposes, may be included in the calculation of a corporation's alternative minimum taxable income and will be includable in the base upon which is calculated the branch profits tax imposed on foreign corporations. Interest on the Taxable Bonds will not be excludable from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or accrual or receipt of interest on, the Bonds.

\$160,000,000***SAN DIEGUITO UNION HIGH SCHOOL DISTRICT****(County of San Diego, State of California)****GENERAL OBLIGATION BONDS (ELECTION OF 2012),****\$10,800,000* SERIES A-1 (TAXABLE)****\$149,200,000* SERIES A-2 (TAX-EXEMPT)****Dated: Date of Delivery****Due: August 1, as shown on inside cover.**

This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The San Dieguito Union High School District General Obligation Bonds (Election of 2012), Series A-1 (Taxable) (the "Taxable Bonds") and the San Dieguito Union High School District General Obligation Bonds (Election of 2012), Series A-2 (Tax-Exempt) (the "Tax-Exempt Bonds" and together with the Taxable bonds, the "Bonds") are being issued by the San Dieguito Union High School District (the "District"), located in the County of San Diego (the "County") to finance specific construction and modernization projects approved by the voters and to pay costs of issuance of the Bonds. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds, all as more fully described herein. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

The Bonds will be issued as current interest bonds. Interest on the Bonds is payable commencing on February 1, 2014, and thereafter on each February 1 and August 1 to maturity or redemption prior thereto. Principal of the Bonds is payable on August 1 in each of the years and in the amounts set forth in the Maturity Schedule on the inside cover hereof. Payments of principal of and interest on the Bonds will be made by the Paying Agent, initially the County (the "Paying Agent"), to the Depository Trust Company, New York, New York ("DTC"), for subsequent disbursement to DTC Participants, who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS – Payment of Principal and Interest" herein.

The Bonds will be issued in book-entry form only, and initially will be issued and registered in the name of Cede & Co., as nominee of DTC. Purchasers will not receive certificates representing their interests in the Bonds. See "THE BONDS – Form and Registration" herein.

The Bonds are subject to redemption as more fully described herein. See "THE BONDS – Redemption."

[E. J. De La Rosa Logo]

The Bonds will be offered when, as and if issued by the District with County approval and received by the Underwriter, subject to approval of their legality by DLA Piper LLP, Bond Counsel to the District. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Underwriter's Counsel. It is anticipated that the Bonds, in book-entry form, will be available for delivery through DTC in New York, New York, on or about April 2, 2013.

This Official Statement is dated March __, 2013.

* Preliminary, subject to change.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
(County of San Diego, State of California)
GENERAL OBLIGATION BONDS (ELECTION OF 2012),
\$10,800,000* SERIES A-1 (TAXABLE)**

MATURITY SCHEDULE

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield [†]	Price [†]	CUSIP [‡] Number (_____)
-----------------------------	---------------------	---------------	--------------------	--------------------	---

\$ _____ % Term Bond due August 1, 20__ ; Yield[†] _____ % ; Price[†] _____ % ; CUSIP[‡] Number _____

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
(County of San Diego, State of California)
GENERAL OBLIGATION BONDS (ELECTION OF 2012),
\$149,200,000* SERIES A-2 (TAX-EXEMPT)**

MATURITY SCHEDULE

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield [†]	Price [†]	CUSIP [‡] Number (_____)
-----------------------------	---------------------	---------------	--------------------	--------------------	---

\$ _____ % Term Bond due August 1, 20__ ; Yield[†] _____ % ; Price[†] _____ % ; CUSIP[‡] Number _____

* Preliminary, subject to change.

[†] Prices and yields certified by the Underwriter. The District takes no responsibility therefor.

[‡] Copyright, 2013, American Bankers Association. CUSIP numbers have been assigned by Standard & Poor's CUSIP Service Bureau and are provided solely for the convenience of the holders of the Bonds. The District is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated above. The CUSIP numbers are subject to change after the issuance of the Bonds as a result of various subsequent actions.

ITEM 19

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

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

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

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

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

The District maintains a website. However, the information presented on that website is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

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

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Board of Trustees**

Barbara Groth
President

Amy Herman
Vice President

Beth Hergesheimer
Clerk

Joyce Dalessandro
Trustee

John Salazar
Trustee

District Administration

Ken Noah
Superintendent

Eric Dill
*Associate Superintendent,
Business Services*

John Addleman
*Director,
Planning & Financial Management*

SAN DIEGO COUNTY

County Administration

Dan McAllister
Treasurer-Tax Collector

PROFESSIONAL SERVICES

Financial Advisor

Dolinka Group, LLC
Irvine, California

Bond Counsel

DLA PIPER, LLP
Los Angeles, California

Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
The District.....	1
THE BONDS.....	2
Authority for Issuance; Purpose.....	2
Form and Registration.....	2
Payment of Principal and Interest.....	2
Redemption of Bonds.....	3
Selection of Bonds for Redemption.....	3
Notice of Redemption.....	4
Effect of Notice of Redemption.....	4
Rescission of Notice of Redemption.....	4
Conditional Notice.....	4
Defeasance of Bonds.....	5
Unclaimed Moneys.....	5
Application and Investment of Bond Proceeds.....	5
ESTIMATED SOURCES AND USES OF FUNDS.....	6
SCHEDULED DEBT SERVICE.....	7
SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.....	8
General.....	8
Property Taxation System.....	8
Assessed Valuation of Property Within the District.....	8
Tax Rate.....	13
Tax Collections and Delinquencies.....	14
TAX MATTERS – TAXABLE BONDS.....	17
Circular 230 Notice.....	17
California Income Taxation.....	17
General.....	17
Payment of Interest.....	18
Tax Accounting Treatment of Discount Taxable Bonds.....	18
Purchase, Sale and Retirement of Taxable Bonds.....	19
Market Discount.....	19
Acquisition Premium.....	20
Amortizable Bond Premium.....	20
Election to Use Original Discount Method with Respect to a Taxable Bond.....	20
U.S. Federal Information Reporting and Backup Withholding.....	21
Foreign Investors.....	21
TAX MATTERS – TAX EXEMPT BONDS.....	22
State of California Taxation.....	22
Federal Income Taxation.....	22
Certain Federal Income Tax Consequences.....	23
Tax Accounting Treatment of Discount Tax-Exempt Bonds.....	23
Purchase, Sale and Retirement of Tax-Exempt Bonds.....	24
Market Discount.....	25
Amortizable Bond Premium.....	25
Proposed Legislation and Other Tax Matters.....	26

**TABLE OF CONTENTS
(CONTINUED)**

	<u>Page</u>
OTHER LEGAL MATTERS	26
Legal Opinion.....	26
Legality for Investment in California	26
Continuing Disclosure.....	27
No Litigation	27
MISCELLANEOUS	27
Ratings	27
Professionals Involved in the Offering.....	27
Underwriting	28
Additional Information.....	29

APPENDICES

APPENDIX A: DISTRICT FINANCIAL AND OPERATING INFORMATION	A-1
APPENDIX B: FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2012	B-1
APPENDIX C: PROPOSED FORM OF OPINION OF BOND COUNSEL	C-1
APPENDIX D: FORM OF CONTINUING DISCLOSURE CERTIFICATE	D-1
APPENDIX E: SAN DIEGO COUNTY STATEMENT OF INVESTMENT POLICY AND MONTHLY INVESTMENT REPORT	E-1
APPENDIX F: BOOK-ENTRY ONLY SYSTEM.....	F-1

\$160,000,000*
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
(County of San Diego, State of California)
GENERAL OBLIGATION BONDS (ELECTION OF 2012),
\$10,800,000* SERIES A-1 (TAXABLE)
\$149,200,000* SERIES A-2 (TAX-EXEMPT)

INTRODUCTION

This Official Statement, which includes the cover page and appendices hereto, is provided to furnish information in connection with the San Dieguito Union High School District General Obligation Bonds (Election of 2012), Series A-1 (Taxable) and the San Dieguito Union High School District General Obligation Bonds (Election of 2012), Series A-2 (Tax-Exempt) (collectively, referred to herein as the “Bonds”), as described more fully herein. The information contained herein is necessarily of a summary nature. Copies of the legal documents referred to herein providing for the issuance of the Bonds and further information regarding the Bonds may be requested from the San Dieguito Union High School District (the “District”). See “MISCELLANEOUS – Additional Information.”

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Except as required by the Continuing Disclosure Certificate to be executed by the District, the District has no obligation to update the information in this Official Statement. See “OTHER LEGAL MATTERS – Continuing Disclosure” herein.

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

The District

The District consists of approximately 85 square miles of territory in the northern portion of San Diego County (the “County”), California (the “State”). The District educates students from five feeder elementary school districts: Encinitas, Cardiff, Solana Beach, Del Mar and Rancho Santa Fe. The District operates four high schools, four middle schools, one continuation high school and one adult education program. More detailed information regarding the area served by the District, the student population of the District, and the financial position of the District may be found under APPENDIX A: “DISTRICT FINANCIAL AND OPERATING INFORMATION” herein.

Enrollment in the District for grades 7-12 in the 2011-12 school year was 12,485 students, and is projected at 12,385 in school year 2012-13.

In Fiscal Year 2012-13, the District has budgeted for approximately 896 employees. Budgeted full-time-equivalent positions (“FTEs”) include 522.8 FTE certificated (credentialed teaching) staff, 317.4 FTE classified (non-teaching) staff, and 56.2 FTE management and supervisory/other personnel. The District has budgeted general fund expenditures of approximately \$103.3 million in Fiscal Year 2012-13. Total assessed valuation of taxable property in the District in Fiscal Year 2012-13 is approximately \$48 billion.

The management and policies of the District are administered by a Superintendent of Schools and a staff which provides business, pupil, personnel, administrative personnel, and instruction support services. The District is governed by a common five-member Board of Trustees (the “Board”), each of whom is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The District’s day-to-day operations are managed by a board-appointed Superintendent of Schools. Ken Noah was appointed as Superintendent of the District in 2008.

* Preliminary, subject to change.

ITEM 19

For additional information about the District's operations and finances, see APPENDIX A: "DISTRICT FINANCIAL AND OPERATING INFORMATION."

THE BONDS

Authority for Issuance; Purpose

The Bonds are issued pursuant to the Constitution and laws of the State of California (the "State"), including the provisions of the Government and Education Codes of the State, a paying agent agreement (the "Paying Agent Agreement") by and between the District and the County as paying agent (the "Paying Agent") and a resolution adopted by the Board of the District on February 7, 2013 (the "District Resolution"). The County approved the financing on February 22, 2013.

The Bonds were authorized to be issued at an election held on November 6, 2012 (the "2012 Election"), by more than 55% of the votes cast by eligible voters within the District. The measure authorizes the District to issue bonds in an aggregate principal amount not to exceed \$449,000,000 for purposes summarized as follows: To provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, constructing and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities. The Bonds are the first series to be issued pursuant to the 2012 Election.

As required by the Education Code of the State and the 2012 bond authorization, the District will establish a Citizens' Oversight Committee to review the District's expenditure of bond proceeds and its progress in completing the projects specified in the measure, and to make periodic reports to the public in order to ensure that bond funds are spent only for authorized purposes.

Form and Registration

The Bonds will be issued in fully registered book-entry form only, as current interest bonds, in denominations of \$5,000 principal amount each or any integral multiple thereof. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Registered ownership of the Bonds may not be transferred except as described in APPENDIX F. Purchases of Bonds under the DTC system must be made by or through a DTC participant, and ownership interests in Bonds or any transfer thereof will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Bonds, beneficial owners will not receive physical certificates representing their ownership interests. See APPENDIX F: "BOOK-ENTRY ONLY SYSTEM."

Payment of Principal and Interest

The Bonds will be dated the date of their delivery, and bear interest at the rates set forth on the preceding pages hereof, payable by check or draft on February 1 and August 1 of each year, commencing on February 1, 2014 (each, an "Interest Payment Date"), until payment of the principal amount thereof, computed using a year of 360 days consisting of twelve 30-day months. The Bonds authenticated and registered on any date prior to the close of business on July 15, 2013 will bear interest from the date of their delivery. The Bonds authenticated during the period between the 15th day of the calendar month immediately preceding an Interest Payment Date (each a "Record Date") and the close of business on that Interest Payment Date will bear interest from that Interest Payment Date. Any other Bond will bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Bond, interest is then in default on outstanding Bonds, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Payment of principal and premium, if any, will be made in lawful money of the United States of America upon the surrender thereof at the principal corporate trust office of the Paying Agent with respect to the Bonds, at

ITEM 19

the maturity thereof or upon redemption prior to maturity. Payments will be made from moneys on deposit in the Interest and Sinking Fund of the District within the County treasury (the "Interest and Sinking Fund"), consisting of *ad valorem* taxes collected and held by the County Treasurer-Tax Collector, together with any net premium received by the District upon issuance of the Bonds and any other moneys in the Interest and Sinking Fund. So long as all outstanding Bonds are held in book-entry form and registered in the name of a securities depository or its nominee, all payments of principal of, premium, if any, and interest on the Bonds and all notices with respect to such Bonds will be made and given, respectively, to such securities depository or its nominee and not to beneficial owners. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer. See APPENDIX F: "BOOK-ENTRY ONLY SYSTEM."

Redemption of Bonds*

Optional Redemption. The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The Bonds maturing on or after August 1, 20__, are subject to redemption prior to their 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 100% of the principal amount called for redemption, together with interest accrued thereon to the date of redemption, [without premium.]

Mandatory Sinking Fund Redemption. The \$_____ Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

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

*

* Maturity.

Unless otherwise specified in writing by the District, the principal amount to be redeemed in each year shown in the table above will be reduced proportionately, in integral multiples of \$5,000, by the amount of such Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Selection of Bonds for Redemption

Whenever provision is made in this Paying Agent Agreement for the redemption of less than all of the 2013 Bonds of any series, the Paying Agent shall select the Bonds of such series to be redeemed from all such Bonds not previously called for redemption with respect to any optional redemption of such Bonds, among maturities of such Bonds as directed in a Written Certificate of the District. Whenever less than all of the Bonds of any one maturity of any series are designated for redemption, the Paying Agent shall select the Bonds to be redeemed by lot among such Bonds with the same maturity in any manner which the Paying Agent in its sole discretion shall deem appropriate and fair. The Paying Agent shall promptly notify the District in writing of the numbers of the Bonds so selected for redemption on such date. For purposes of such selection, any Bond may be redeemed in part in Authorized Denominations.

If less than all of the Bonds are called for redemption, the Paying Agent shall select the Bonds of such series to be redeemed from all such Bonds not previously called for redemption with respect to any optional redemption of such Bonds, among maturities of such Bonds as directed in a Written Certificate of the District. Whenever less than all of the Bonds of any one maturity are designated for redemption, the Paying Agent shall

* Preliminary, subject to change.

ITEM 19

select the Bonds to be redeemed by lot in any manner deemed appropriate and fair by the Paying Agent. For purposes of such selection, any Bond may be redeemed in part in \$5,000 or any integral multiple thereof.

Notice of Redemption

Notice of redemption of the Bonds will be mailed postage prepaid not less than 20 nor more than 60 days prior to the redemption date (i) by first class mail to the respective Owners of Bonds at the addresses appearing on the bond registration books of the Paying Agent, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate.

Each notice of redemption will state the date of the notice, the redemption date and the redemption price, and will designate the CUSIP numbers, if any, the series, issue date, Bond numbers and maturities or portions of the principal amount of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole), and shall require that such Bonds be then surrendered at the Office of the Paying Agent, or at such other place or places designated by the Paying Agent, for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption.

Any notice of optional redemption of the Bonds delivered in accordance of with the description above may be conditional, and if any condition stated in such notice of redemption shall not have been satisfied on or prior to the redemption date: (i) said notice will be of no force and effect, (ii) the District will not be required to redeem such Bonds, (iii) the redemption will not be made and (iv) the Paying Agent will within a reasonable time thereafter give notice to the persons in the manner in which the conditional notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

Effect of Notice of Redemption

Whenever notice of redemption has been given in accordance with the Paying Agent Agreement, and the amounts necessary for the payment of principal of and premium, if any, shall be set aside for such purpose, the Bonds designated for redemption will become due and payable on the date fixed for redemption thereof, and upon presentation and surrender of said Bonds at the place specified in the notice of redemption, such Bonds will be redeemed and paid at said redemption price out of the money provided therefor, and interest will cease to accrue on such Bonds called for redemption after the redemption date specified in such notice, and the registered owners of said Bonds so called for redemption after such redemption date will look for the payment of such Bonds and the premium thereon only to such money provided therefor.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the Paying Agent Agreement will be canceled upon surrender thereof and destroyed.

Rescission of Notice of Redemption

The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Conditional Notice

Any notice of optional redemption delivered hereunder may be conditioned on any fact or circumstance stated therein, and if such condition shall not have been satisfied on or prior to the redemption date stated in such notice, said notice shall be of no force and effect on and as of the stated redemption date, the redemption shall be cancelled, and the District shall not be required to redeem the Bonds that were the subject of the notice. The Paying Agent shall give notice of such cancellation and the reason therefor in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such cancellation shall

ITEM 19

not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice shall not affect the validity of the cancellation.

Defeasance of Bonds

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

If at any time the District pays or causes to be paid or there is otherwise paid to the owners of any or all outstanding Bonds all of the principal, interest and premium, if any, represented by such Bonds when due, or as described above, or as otherwise provided by law, then such Owners shall cease to be entitled to the obligation of the County to levy and collect taxes to pay the Bonds as described in the Paying Agent Agreement, and such obligation and all agreements and covenants of the District to such Owners hereunder shall thereupon be satisfied and discharged and shall terminate, except only that the District will remain liable for payment of all principal, interest and premium, if any, represented by such Bonds, but only out of moneys on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment, provided, that the unclaimed moneys provisions described in the Paying Agent Agreement will apply in all events.

Unclaimed Moneys

Any money held in any fund created pursuant to this Paying Agent Agreement, or held by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the Interest and Sinking Fund for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

Application and Investment of Bond Proceeds

The proceeds of sale of the Bonds, exclusive of any premium received, shall be deposited in the County treasury to the credit of the Building Fund of the District. Any premium shall be deposited upon receipt in the Interest and Sinking Fund of the District within the County treasury.

All funds held by the Treasurer-Tax Collector with respect to the Bonds hereunder or under the law shall be invested at the Treasurer-Tax Collector's discretion pursuant to law and the investment policy of the County (see APPENDIX E: "SAN DIEGO COUNTY STATEMENT OF INVESTMENT POLICY AND MONTHLY INVESTMENT REPORT." At the written direction of the District, all or any portion of the building fund of the District may also be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State, or, with the approval of the Treasurer-Tax Collector, in investments 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-Tax Collector is a signatory to any investment agreement.

The District shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or inaction would adversely affect the exclusion from gross income of the interest payable on the Series A-2 Bonds under Section 103 of the Code.

In the event that at any time the District is of the opinion that it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Treasurer-Tax Collector with respect to any bonds, or by the Paying Agent under the Paying Agent Agreement, the District shall so instruct the Treasurer-Tax Collector or the Paying Agent, as appropriate, in writing, and the Treasurer-Tax Collector and the Paying Agent shall take such action as may be necessary in accordance with such instructions.

ITEM 19

If the District shall provide to the Treasurer-Tax Collector or the Paying Agent an opinion of Bond Counsel that any specified action required under the Paying Agent Agreement is no longer required or that some further or different action is required in order to maintain the exclusion from federal income tax of interest on any bonds under Section 103 of the Code, the Treasurer-Tax Collector and the Paying Agent may conclusively rely on such opinion in complying with the requirements of the Paying Agent Agreement, and the covenants thereunder shall be deemed to be modified to that extent.

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 Interest and Sinking Fund may only be applied to make payments of interest, principal, and premium, if any, on bonds of the District.

See APPENDIX E: "SAN DIEGO COUNTY STATEMENT OF INVESTMENT POLICY AND MONTHLY INVESTMENT REPORT."

ESTIMATED SOURCES AND USES OF FUNDS

The net proceeds of the Bonds are expected to be applied as follows:

Sources of Funds

Initial Principal Amount of Bonds	
Original Issue Premium/Discount	
Total Sources:	_____

Uses of Funds

Deposit to Building Fund	
Deposit to Interest and Sinking Fund	
Underwriter's Discount	
Costs of Issuance ⁽¹⁾	
Total Uses:	_____

⁽¹⁾ Includes Financial Advisor fees, Bond Counsel fees, Disclosure Counsel fees, underwriter's counsel fees, rating agency fees, paying agent fees, printing fees, and other miscellaneous expenses.

ITEM 19

SCHEDULED DEBT SERVICE

On November 6, 2012, the District received authorization to issue \$449 million of bonds. The Bonds represent the first series issued under the authorization of November 2012. The District has no other outstanding authorization of general obligation bonds. See APPENDIX A: "DISTRICT FINANCIAL AND OPERATING INFORMATION – District Debt Structure." The scheduled principal and interest payments on the Bonds, assuming no optional redemptions prior to maturity, are shown in the following table:

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Semi-Annual Debt Service ⁽¹⁾</u>	<u>Total Annual Debt Service</u>
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SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

In order to provide sufficient funds for repayment of principal and interest when due on the Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District, including the countywide tax of 1% of taxable value. When collected, the tax revenues will be deposited by the County in the District's Interest and Sinking Fund, which is required to be maintained by the County and to be used solely for the payment of bonds of the District.

Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts levy property taxes for payment of voter-approved bonds and receive property taxes for general operating purposes as well. The District receives approximately 82% of its total operating revenues from local property taxes.

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

Assessed Valuation of Property Within the District

Under Proposition 13, an amendment to the California Constitution adopted in 1978, the county assessor's valuation of real property is established as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, as the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Assessed value of property may be increased annually to reflect inflation at a rate not to exceed 2% per year, or reduced to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or in the event of declining property value caused by substantial damage, destruction, market forces or other factors. As a result of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than that of similar properties more recently sold, and may be lower than its own market value. Likewise, changes in ownership of property and reassessment of such property to market value commonly will lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership. See generally, APPENDIX A: "DISTRICT FINANCIAL AND OPERATING INFORMATION – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Proposition 13 has had the effect of stabilizing assessed valuation such that it does not fluctuate as significantly as the market value of property, but instead gradually changes as longer owned residential properties are transferred and reassessed upon such transfer. Newer residences or those acquired in recent years prior to a downturn in the housing market may upon transfer substantially decrease in assessed value.

State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions. State law also exempts from taxation \$7,000 of the full cash value of an owner-occupied dwelling provided that the owner files for such exemption. This exemption

ITEM 19

does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

For assessment and tax collection purposes, property is classified either as “secured” or “unsecured,” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is “unsecured,” and is assessed on the “unsecured roll.” State law requires that the assessment roll be finalized by August 20 of each year.

The greater the assessed value of taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds. The following table shows recent history of taxable property assessed valuation in the District. In 2012-13, the total assessed valuation of taxable property in the District increased from the previous year by approximately \$49 million, or 0.1%.

**Recent History of
Total Assessed Valuation
San Dieguito Union High School District**

Fiscal Year	Local Secured	Utility	Unsecured	Total
2005-06	\$ 36,414,272,677	\$ 14,787,293	\$ 436,341,120	\$ 36,865,401,090
2006-07	40,368,051,922	14,403,645	454,281,978	40,836,737,545
2007-08	44,063,521,878	8,732,983	508,226,447	44,580,481,308
2008-09	47,017,777,341	0	523,898,857	47,541,676,198
2009-10	47,622,252,375	0	511,644,705	48,133,897,080
2010-11	47,112,545,585	0	465,371,780	47,577,917,365
2011-12	47,530,327,546	0	456,603,803	47,986,931,349
2012-13	47,578,669,467	0	457,723,222	48,036,392,689

Source: California Municipal Statistics, Inc.

Risk of Decline in Property Values. Property values could be reduced by factors beyond the District’s control, including earthquake and a depressed real estate market due to general economic conditions in the County, the region and the State.

The District is located in a seismically active region. Active fault lines lie about three miles west of the District. Property within the District could sustain extensive damage in a major earthquake, and a major earthquake could adversely affect the County’s economic activity. Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes) or declines due to market conditions in the housing industry or economy. Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase

State-Assessed Property. Under the State Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how

ITEM 19

those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property's value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect, generally reducing the assessed value in the District as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Appeals of Assessed Valuation. State law affords an appeal procedure to taxpayers who disagree with the assessed value of their taxable property. Taxpayers may request a reduction in assessment directly from the County Assessor (the "Assessor"), who may grant or refuse the request, and may appeal an assessment directly to the San Diego County Board of Equalization, which rules on appealed assessments whether or not settled by the Assessor. The Assessor is also authorized to reduce the assessed value of any taxable property upon a determination that the market value has declined below the then-current assessment, whether or not appealed by the taxpayer.

The District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding bonds) may be paid. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the County Assessor against all taxing agencies who received tax revenues, including the District.

Bonding Capacity. As a high school district, the District may not issue bonds in excess of 1.25% of the assessed valuation of taxable property within its boundaries, as shown on the final assessment roll as of August 20 of each year. The District's gross bonding capacity is estimated at \$600.5 million, and its net bonding capacity is approximately \$600.5 million, prior to the issuance of the Bonds. In accordance with the law which permitted the Bonds to be approved by a 55% affirmative vote, bonds approved by the District's voters at the November 6, 2012 election may not be issued unless the District projects that repayment of all outstanding bonds approved at the election will require a tax rate no greater than \$30.00 per \$100,000 of assessed value. Based on the assessed value of taxable property in the District at the time of issuance of the Bonds, the District projects that the maximum tax rate required to repay all outstanding bonds approved at the election held on November 6, 2012 will not exceed \$25.00 per \$100,000 of assessed value.

ITEM 19

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

**Assessed Valuation and Parcels by Land Use
San Dieguito Union High School District
Fiscal Year 2012-13**

	Assessed Valuation		Parcels	
	2012-13 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial/Office Building	\$4,380,772,024	9.21	1,193	1.64%
Recreational	349,963,698	0.74	405	0.56
Vacant Commercial	207,357,361	0.44	150	0.21
Industrial	162,380,851	0.34	60	0.08
Agricultural/Rural	153,861,478	0.32	227	0.31
Government/Social/Institutional	50,469,642	0.11	120	0.16
Vacant Industrial	45,295,807	0.10	29	0.04
Subtotal Non-Residential	\$5,350,100,861	11.24%	2,184	2.99%
Residential:				
Single Family Residence	\$33,452,600,958	70.31%	40,972	56.18%
Condominium/Townhouse	5,596,017,194	11.76	15,015	20.59
5+ Residential Units/Apartments	1,630,300,058	3.43	805	1.10
2-4 Residential Units	881,271,329	1.85	1,409	1.93
Vacant Residential	502,117,994	1.06	2,160	2.96
Timeshare Unit	82,184,365	0.17	9,631	13.21
Miscellaneous Residential	33,578,942	0.07	580	0.80
Mobile Home	27,693,166	0.06	166	0.23
Mobile Home Park	22,804,600	0.05	12	0.02
Subtotal Residential	\$42,228,568,606	88.76%	70,750	97.01
Total	\$47,578,669,467	100.00%	72,934	100.00%

⁽¹⁾ Local Secured Assessed Valuation; excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

ITEM 19

Assessed Valuation of Single-Family Residential Properties. The following table focuses on single-family residential properties only, which comprise approximately 70.3% of the assessed value of taxable property in the District. The average assessed valuation of a single family home in the District is \$816,475, and the median assessed valuation of a home in the District is \$613,355.

**Assessed Valuation of Single Family Homes
San Dieguito Union High School District
Fiscal Year 2012-13**

	No. of <u>Parcels</u>	2012-13 <u>Assessed Valuation</u>	Average <u>Assessed Valuation</u>	Median <u>Assessed Valuation</u>			
Single Family Residential	40,972	\$33,452,600,958	\$816,475	\$613,355			
	<u>2012-13 Assessed Valuation</u>	<u>No. of Parcels</u> ⁽¹⁾	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
	\$0 - \$99,999	1,793	4.376%	4.376%	\$ 126,503,768	0.378%	0.378%
	\$100,000 - \$199,999	2,324	5.672	1.048	343,360,357	1.026	1.405
	\$200,000 - \$299,999	3,408	8.318	18.366	864,719,498	2.585	3.989
	\$300,000 - \$399,999	3,803	9.282	27.648	1,327,896,676	3.969	7.959
	\$400,000 - \$499,999	4,192	10.231	37.880	1,891,980,250	5.656	13.615
	\$500,000 - \$599,999	4,369	10.663	48.543	2,402,143,594	7.181	20.795
	\$600,000 - \$699,999	3,926	9.582	58.125	2,541,908,932	7.599	28.394
	\$700,000 - \$799,999	3,472	8.474	66.599	2,591,324,649	7.746	36.140
	\$800,000 - \$899,999	2,791	6.812	73.411	2,363,026,957	7.064	43.204
	\$900,000 - \$999,999	1,898	4.632	78.044	1,794,700,420	5.365	48.569
	\$1,000,000 - \$1,099,999	1,420	3.466	81.509	1,483,752,758	4.435	53.004
	\$1,100,000 - \$1,199,999	1,113	2.716	84.226	1,272,953,201	3.805	56.810
	\$1,200,000 - \$1,299,999	844	2.060	86.286	1,051,267,084	3.143	59.952
	\$1,300,000 - \$1,399,999	719	1.755	88.041	965,563,435	2.886	62.838
	\$1,400,000 - \$1,499,999	567	1.384	89.424	817,577,548	2.444	65.282
	\$1,500,000 - \$1,599,999	468	1.142	90.567	721,199,422	2.156	67.438
	\$1,600,000 - \$1,699,999	451	1.101	91.667	740,937,415	2.215	69.653
	\$1,700,000 - \$1,799,999	329	0.803	92.470	572,643,790	1.712	71.365
	\$1,800,000 - \$1,899,999	272	0.664	93.134	500,808,843	1.497	72.862
	\$1,900,000 - \$1,999,999	255	0.622	93.757	495,269,826	1.481	74.343
	\$2,000,000 and greater	<u>2,558</u>	<u>6.243</u>	100.000	<u>8,583,062,535</u>	<u>25.657</u>	100.000
	Total	40,972	100.000%		\$33,452,600,958	100.000%	

⁽¹⁾ Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

ITEM 19

Largest Taxpayers in District. The twenty taxpayers in the District with the greatest combined assessed valuation of taxable property on the 2012-13 tax roll, and the assessed valuations thereof, are shown below.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness in the taxpayer's financial situation and ability or willingness to pay property taxes. In 2012-13, no single taxpayer owned more than 0.79% of the total taxable property in the District. Each taxpayer listed is a unique name appearing on the tax rolls; the District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table.

**Largest 2012-13 Local Secured Taxpayers
San Dieguito Union High School District**

	<u>Property Owner</u>	<u>Primary Land Use</u>	2012-13 <u>Assessed Valuation</u>	% of <u>Total</u> ⁽¹⁾
1.	Kilroy Realty LP	Office Building	\$ 374,162,715	0.79%
2.	Irvine Co.	Apartments	267,148,852	0.56
3.	Continuing Life Communities LLC	Rest Home	256,143,000	0.54
4.	T-C Forum at Carlsbad LLC	Shopping Center	179,700,000	0.38
5.	Arden Realty LP	Office Building	153,000,000	0.32
6.	Union Investment Real Estate Aktiengesel	Commercial	116,000,000	0.24
7.	Grand Del Mar Resort LP	Hotel	111,063,917	0.23
8.	DMH Campus Investors LLC	Commercial	103,330,081	0.22
9.	Scripps Health	Medical Building	100,259,529	0.21
10.	Del Mar Highlands Town Center Associates	Commercial	94,638,139	0.20
11.	Cognac Del Mar Owner I LLC	Office Building	93,000,000	0.20
12.	SBTC Holdings LLC	Shopping Center	88,740,000	0.19
13.	TRC Encinitas Village LLC	Shopping Center	77,961,000	0.16
14.	OC/SD Holdings LLC	Apartments	73,702,501	0.15
15.	Pacific Solana Beach Holdings LP	Shopping Center	71,400,000	0.15
16.	Belmont Village Tenant LLC 3535 M	Rest Home	67,914,000	0.14
17.	PRII Gateway Torrey Hills CA LLC	Office Building	66,000,000	0.14
18.	ERP Operating LP	Apartments	63,841,942	0.13
19.	Sunstone El Camino LLC	Hotel	63,314,920	0.13
20.	BRE-FMCA LLC	Apartments	<u>60,086,971</u>	<u>0.13</u>
			\$2,481,407,567	5.22%

⁽¹⁾ 2012-13 Local Secured Assessed Valuation: \$47,578,669,467.

Source: California Municipal Statistics, Inc.

Tax Rate

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness. Significant changes in assessed value of taxable property in the district could affect the tax rate levied on taxpayers. See, “– Assessed Valuation of Property Within the District – Risk of Decline in Property Values” in this section, above.

ITEM 19

One factor in the ability of taxpayers to pay additional taxes for school bonds is the cumulative rate of tax. The following table shows *ad valorem* property tax rates for the last several years in a typical tax rate area of the District, TRA 8-119. TRA 8-119 comprises 16.4% of the total assessed value of property in the District.

**Summary of *ad valorem* Tax Rates
San Dieguito Union High School District
(Dollars per \$100 of Assessed Valuation)
Typical Total Tax Rate (8-119)**

	2008-09	2009-10	2010-11	2011-12	2012-13
General	\$1.00000	\$1.00000	\$1.00000	\$1.00000	\$1.00000
City of San Diego	.00608	.00613	.00616	.00500	.00500
Metropolitan Water District	.00430	.00430	.00370	.00370	.00350
Total	\$1.01038	\$1.01043	\$1.00986	\$1.00870	\$1.00850

⁽¹⁾ TRA 8-119 assessed valuation for 2012-13: \$7,897,493,595

Source: California Municipal Statistics, Inc.

Tax Collections and Delinquencies

A school district's share of the 1% countywide tax is based on the allocation of property tax revenues to each taxing jurisdiction in the county in Fiscal Year 1978-79, as adjusted according to a complex web of statutory modifications enacted since that time. Revenues derived from special *ad valorem* taxes for voter-approved indebtedness, including the Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The County Treasurer-Tax Collector's Office prepares the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and becomes delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a 10% penalty attaches. If taxes remain unpaid by June 30, the tax is deemed to be in default. Penalties then begin to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the Tax Collector.

Annual bills for property taxes on the unsecured roll are generally issued in July, are due in a single payment within 30 days, and become delinquent after August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll. Unsecured taxes remaining unpaid at 5 p.m. on the last day of the second month after the 10% penalty attaches shall be subject to an additional penalty of 1.5%, attaching on the first day of each succeeding month on the amount of the original tax. To collect unpaid taxes, the Tax Collector may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the County, and may seize and sell personal property, improvements and possessory interest of the taxpayer. The Tax Collector may also bring a civil suit against tax taxpayer for payment. The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

Teeter Plan. The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 and following of the California Revenue and Taxation Code. Under the Teeter Plan, each participating local agency levying property taxes in the County, including school districts, receives the amount of uncollected taxes credited to its fund, in the same manner as if the amount due from taxpayers had been collected. In return, the County receives and retains delinquent payments, penalties and interest as collected that would have been due the local agency. The County applies the Teeter Plan to taxes levied for repayment of school district bonds.

The Teeter Plan is to remain in effect unless the County Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the

ITEM 19

County. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in that agency. The Board of Supervisors has never elected to exercise this right.

The County secured roll tax charges with respect to property located in the District are set forth in the following table.

Secured Tax Charges⁽¹⁾
San Dieguito Union High School District
Fiscal Years 2004-05 Through 2011-12

Fiscal Year	Secured Tax Charge ⁽²⁾
2004-05	\$52,185,359.22
2005-06	58,415,112.41
2006-07	64,996,262.61
2007-08	71,278,013.63
2008-09	75,871,930.52
2009-10	76,419,860.66
2010-11	75,149,869.28
2011-12	75,585,161.31

⁽¹⁾ The County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest.

⁽²⁾ 1% General Fund apportionment.

Source: California Municipal Statistics, Inc.

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

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

ITEM 19

**Direct and Overlapping Bonded Debt
San Dieguito Union High School District**

2012-13 Assessed Valuation: \$48,036,392,389

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 12/1/12</u>
Metropolitan Water District	2.289%	\$ 4,498,915
Palomar Community College District	0.083	264,416
San Diego Community College District	0.020	186,610
Cardiff School District	100.000	6,665,198
Encinitas Union School District	100.000	24,082,116
Rancho Santa Fe School District	100.000	37,903,353
City of Del Mar	100.000	335,000
Palomar Pomerado Hospital District	0.103	491,961
San Dieguito Union High School District Community Facilities Districts	100.000	81,220,000
Del Mar Union School District Community Facilities District No. 95-1	100.000	17,950,000
Del Mar Union School District Community Facilities District No. 99-1	100.000	9,920,000
North City West School District Community Facilities District No. 1	100.000	71,902,921
Solana Beach School District Community Facilities District No. 2000-1	100.000	3,560,000
Rancho Santa Fe Community Services District Community Facilities District No. 1	60.139	27,733,100
City of Encinitas Community Facilities District No. 1	100.000	32,265,000
Olivenhain Municipal Water District Assessment District No. 96-1	76.746	11,331,547
Other City and Special District 1915 Act Bonds (Estimate)	various	<u>7,257,169</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$337,567,306

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
San Diego County General Fund Obligations	12.571%	\$ 51,539,214
San Diego County Pension Obligations	12.571	94,772,486
San Diego County Superintendent of Schools Obligations	12.571	2,339,777
Mira Costa Community College District Certificates of Participation	61.383	1,476,261
Palomar Community College District General Fund Obligations	0.083	4,503
San Dieguito Union High School District General Fund Obligations	100.000	15,515,000⁽¹⁾
Rancho Santa Fe School District Certificates of Participation	100.000	6,290,000
City of Encinitas Certificates of Participation	100.000	39,440,000
City of San Diego General Fund Obligations	8.616	47,292,793
City of San Marcos Certificates of Participation	0.001	468
City of Solana Beach Certificates of Participation	100.000	<u>1,445,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$260,115,502

<u>OVERLAPPING TAX INCREMENT DEBT:</u>		
Solana Beach Redevelopment Agency	100.000%	<u>\$3,230,000</u>
TOTAL OVERLAPPING TAX INCREMENT DEBT		\$3,230,000

COMBINED TOTAL DEBT \$600,912,808⁽²⁾

Ratios to 2012-13 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	0.70%
Combined Direct Debt (\$15,515,000)	0.03%
Combined Total Debt	1.25%

Ratios to Redevelopment Incremental Valuation (\$82,367,909):

Total Overlapping Tax Incremental Debt	3.92%
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⁽¹⁾ Excludes the Bonds.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

TAX MATTERS – TAXABLE BONDS

Circular 230 Notice

THE FOLLOWING DESCRIPTION OF TAX CONSEQUENCES IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER. THE DESCRIPTION HAS BEEN WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TAXABLE BONDS. PROSPECTIVE INVESTORS ARE STRONGLY URGED TO SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

California Income Taxation

Bond Counsel is of the opinion that, under existing law, interest on the Taxable Bonds will be exempt from State of California income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Taxable Bonds or the interest thereon.

Interest on the Taxable Bonds may be subject to state or local income taxes in jurisdictions other than the State of California under applicable state or local tax laws. Purchasers of the Taxable Bonds should consult their own tax advisors with respect to the tax status of the Taxable Bonds in jurisdictions other than California.

General

Many factors may impact the application of federal income tax laws pertaining to the Taxable Bonds and the receipt of interest on the Taxable Bonds, including the status of the beneficial owner of such Taxable Bonds as a United States holder or non-United States holder under applicable rules, whether the Taxable Bonds are held as capital assets or in some other context, and whether the status of the beneficial owner and/or the financial context in which it is operating represents a special tax situation, such as S corporations, insurance companies, tax-exempt organizations, financial institutions, regulated investment companies, real estate investment trusts, certain broker-dealers and traders in securities. Persons considering the purchase of Taxable Bonds should consult their own tax advisors concerning the application of federal income tax laws to their particular situations as well as any consequences arising from the federal alternative minimum tax or the federal estate tax or under the laws of any other taxing jurisdiction.

The following is a summary of certain United States federal income tax consequences of the ownership of Taxable Bonds held as capital assets by United States holders. The discussion below is based upon the provisions of the Code, and regulations, rulings and judicial decisions as of the date of this Official Statement. Those authorities may be changed, in some cases retroactively, so as to result in United States federal income tax consequences different from those discussed below.

As used herein, “United States holder” means a beneficial owner of a Taxable Bond who or that, for United States federal income tax purposes is (i) a citizen or resident of the United States, (ii) an entity taxable as a corporation created or organized in or under the laws of the United States or any political subdivision of the United States, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust if it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or if it has a valid election in effect under applicable regulations to be treated as a United States person.

If a partnership or other entity classified as a partnership for federal income tax purposes holds Taxable Bonds, the tax treatment of a partner as a United States holder will generally depend upon the status of the partner and upon the activities of the partnership. A partner of a partnership holding Taxable Bonds should consult its tax advisor.

ITEM 19

As used herein, “non-United States holder” means a beneficial owner of a Taxable Bond who or that is not a United States holder.

Payment of Interest

Interest on a Taxable Bond will be taxable to a United States holder as ordinary interest income at the time it is accrued or is paid in accordance with the United States holder’s method of accounting for tax purposes.

Tax Accounting Treatment of Discount Taxable Bonds

Certain maturities of the Taxable Bonds may be issued at a price which is less than the amount payable on such Taxable Bonds at maturity (the “Discount Taxable Bonds”). If the stated redemption price at maturity of Discount Taxable Bonds of a particular maturity exceeds the first price at which a substantial amount of such Discount Taxable Bonds was sold for money (excluding sales to bond houses, brokers or similar persons acting as underwriters, placement agents or wholesalers) by more than a *de minimis* amount, the Discount Taxable Bonds will be treated as having original issue discount. A holder of Discount Taxable Bonds (whether a cash or accrual method taxpayer) is required to include in gross income as interest the amount of such original issue discount which is treated as having accrued during a taxable year with respect to such Discount Taxable Bonds, in advance of the receipt of some or all of the related cash payments. Accrued original issue discount is added to the original cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, early redemption or repayment at maturity).

Original issue discount on Discount Taxable Bonds will be attributed to permissible compounding periods during the life of any Discount Taxable Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the Discount Taxable Bonds of each maturity is determined using permissible compounding periods. In general, the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the Discount Taxable Bonds and must begin or end on the date of such payments. The amount of original issue discount allocable to any compounding period is equal to the excess, if any, of (a) the Discount Taxable Bond’s adjusted issue price at the beginning of the compounding period multiplied by its yield to maturity, determined on the basis of compounding at the close of each compounding period and properly adjusted for the length of the compounding period, over (b) the aggregate of all qualified stated interest allocable to the compounding period. Original issue discount allocable to a final compounding period is the difference between the amount payable at maturity, other than a payment of qualified stated interest, and the adjusted issue price at the beginning of the final compounding period. Special rules apply for calculating original issue discount for an initial short compounding period. The “adjusted issue price” of a Discount Taxable Bond at the beginning of any compounding period is equal to its issue price increased by the accrued original issue discount for each prior compounding period (determined without regard to the amortization of any acquisition or bond premium, as described below) and reduced by any payments made on the Discount Taxable Bond (other than qualified stated interest) on or before the first day of the compounding period. Under these rules, a holder of a Discount Taxable Bond will have to include in income increasingly greater amounts of original issue discount in successive compounding periods. The amount of original issue discount accrued on Discount Taxable Bonds held of record by persons other than corporations and other exempt holders will be reported to the Internal Revenue Service. If a Discount Taxable Bond is sold or otherwise disposed of between compounding dates, then interest which would have accrued for that compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period. The term “qualified stated interest” means stated interest that is unconditionally payable in cash or in property, other than debt instruments of the District, if the interest to be paid is payable at least once per year, is payable over the entire term of the Discount Taxable Bond and is payable at a single fixed rate or, subject to certain conditions, based on one or more qualified interest rate indices.

Holders of Discount Taxable Bonds should note that, under applicable regulations, the yield and maturity of a Discount Taxable Bond is determined without regard to commercially reasonable sinking fund payments and any original issue discount remaining unaccrued at the time that a Discount Taxable Bond is redeemed in advance of stated maturity will be treated as taxable gain.

Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable upon the occurrence of certain

ITEM 19

contingencies. The prices or yields furnished by the successful bidder for the Taxable Bonds as shown on the inside cover of this Official Statement may not reflect the initial issue prices for the purposes of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Discount Taxable Bonds but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of Discount Taxable Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Discount Taxable Bonds. In addition, prospective foreign corporate purchasers should consider possible federal tax consequences arising from original issue discount on such Discount Taxable Bonds under the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount. Purchasers with questions concerning the detailed tax consequences of transactions in the Discount Taxable Bonds should consult their tax advisors.

Purchase, Sale and Retirement of Taxable Bonds

Except as noted below in the case of market discount, the sale or other disposition of a Taxable Bond will normally result in capital gain or loss to its holder. A United States holder's initial tax basis in a Taxable Bond will be its cost. Upon the sale, redemption or retirement of a Taxable Bond, for federal income tax purposes, a United States holder will recognize capital gain or loss upon the disposition of the Taxable Bond (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition (less an amount equal to any accrued qualified stated interest, which will be treated as a payment of interest) and (b) the tax basis in such Taxable Bond, determined by adding to the original cost basis in such Taxable Bond the amount of any original issue discount and any market discount previously included in such holder's income, and by subtracting any amortized premium and any cash payments on the Taxable Bond other than qualified stated interest, as more fully described above under "TAX MATTERS - TAXABLE BONDS - Tax Accounting Treatment of Discount Taxable Bonds" and subtracting payments made on the Discount Taxable Bond (other than qualified stated interest) on or before such sale or retirement. Such gain or loss will be a long-term capital gain or loss if at the time of the sale, redemption or retirement the Taxable Bond has been held for more than one year. Present law taxes both long and short-term capital gains of corporations at the rates applicable to ordinary income. For non-corporate taxpayers, however, net capital gains are currently taxed at a maximum rate of 20%, while short-term capital gains and other ordinary income are currently taxed at a maximum rate of 39.6%. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses. Because of certain limitations on itemized deductions and the deduction for personal exemptions applicable to higher income taxpayers, the effective rate of tax may be higher in certain circumstances. A 3.8% Medicare tax on certain net investment income earned by individuals, estates, and trusts will apply for taxable years beginning after December 31, 2012. For these purposes, net investment income generally includes a United States holder's interest income from a Taxable Bond (including accrued original issue discount on a Discount Taxable Bond and market discount) and gain realized on the sale, retirement or other disposition of a Taxable Bond. In the case of an individual, the tax will be imposed on the lesser of (i) the United States holder's net investment income from all investments, or (ii) the amount by which the United States holder's modified adjusted gross income exceeds \$250,000 (if the United States holder is married and filing jointly or a surviving spouse), \$125,000 (if married filing separately) or \$200,000 (if the United States holder is unmarried or in any other case). In the case of an estate or trust, the tax will be imposed on the lesser of (i) undistributed net investment income, or (ii) the excess of adjusted gross income over the dollar amount at which the highest income tax bracket applicable to an estate or trust begins.

Market Discount

If a United States holder acquires a Taxable Bond after its original issuance at a cost which is less than its stated redemption price at maturity (or, in the case of a Discount Taxable Bond, its revised issue price) by more than a certain de minimis amount, such holder will be deemed to have acquired the Taxable Bond at "market discount." The amount of market discount treated as having accrued will be determined either on a ratable basis, or, if the holder so elects, on a constant interest method. Upon any subsequent disposition (including a gift, redemption or

ITEM 19

payment at maturity) of such Taxable Bond (other than in connection with certain nonrecognition transactions), the lesser of any gain on such disposition (or appreciation, in the case of a gift) or the portion of the market discount that accrued while the Taxable Bond was held by such holder will be treated as ordinary income at the time of the disposition. In lieu of including accrued market discount in income at the time of disposition, a holder may elect to include market discount in income currently. Unless a holder so elects, a holder may be required to defer deductions for a portion of such holder's interest expenses with respect to any indebtedness incurred or maintained to purchase or carry such Taxable Bond until the holder disposes of the Taxable Bond. The election to include market discount in income currently, once made, is irrevocable and applies to all market discount obligations acquired on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service.

Acquisition Premium

A subsequent United States holder of a Taxable Bond is generally subject to rules for accruing original issue discount described above. However, if such holder's purchase price for the Taxable Bond exceeds the adjusted issue price (the sum of the issue price of the Taxable Bond and the aggregate amount of the original issue discount includable in the gross income of all holders for periods before the acquisition of the Taxable Bond by such holder and reduced by any payment previously made on the Taxable Bond other than a payment of qualified stated interest), the excess is treated as "acquisition premium". A subsequent United States holder is entitled to offset acquisition premium ratably against the amount of original issue discount otherwise includable in such holder's taxable income (i.e., such holder may reduce the daily portions of original issue discount for each compounding period by the product of such portions multiplied by a fraction, the numerator of which is the excess of such holder's purchase price for the Taxable Bond over the adjusted issue price at the time of purchase, and the denominator of which is the sum of the daily portions of original issue discount for all days after the date of purchase and ending on the Bond's stated maturity (computed before this reduction on account of acquisition premium)).

Amortizable Bond Premium

If the United States holder's basis in a Taxable Bond exceeds the sum of all amounts payable on the Taxable Bond after the date on which the holder acquires it other than qualified stated interest, such excess will constitute amortizable bond premium with respect to the Taxable Bond and, in the case of a Discount Taxable Bond, such holder will not have to account for original issue discount with respect to such Taxable Bond. The holder of a Taxable Bond having amortizable bond premium generally may elect to amortize the premium over the remaining term of the Taxable Bond on a constant yield method as an offset to interest when includable in income under its regular accounting method. In the case of instruments that provide for alternative payment schedules, bond premium is calculated by assuming that (a) the holder will exercise or not exercise options in a manner that maximizes its yield and (b) the issuer will exercise or not exercise options in a manner that minimizes its yield (except that the issuer will be assumed to exercise call options in a manner that maximizes the holder's yield). If the holder does not elect to amortize bond premium, that premium will decrease the gain or increase the loss that would otherwise be recognized on disposition of the Taxable Bond. An election to amortize premium on a constant yield method will also apply to all debt obligations held or subsequently acquired by the holder on or after the first day of the first taxable year to which the election applies. The holder may not revoke the election without the consent of the Internal Revenue Service. Holders of Taxable Bonds having amortizable bond premium should consult with their own tax advisors before making this election.

Election to Use Original Discount Method with Respect to a Taxable Bond

The holder of a Taxable Bond may elect to treat all interest on the Taxable Bond as original issue discount and calculate the amount includable in gross income under the constant yield method described above. For the purposes of this election, interest includes stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. The holder must make this election for the taxable year in which the Taxable Bond is acquired and may not revoke the election without the consent of the Internal Revenue Service. Holders of Taxable Bonds should consult with their own tax advisors about this election.

U.S. Federal Information Reporting and Backup Withholding

Under current United States federal income tax law, a 28% backup withholding tax requirement may apply to certain payments of interest and original issue discount on, and the proceeds of a sale, exchange or redemption of, the Taxable Bonds if the U.S. holder fails to furnish the payor with a correct taxpayer identification number or other required certification or if it has been notified by the IRS that it is subject to backup withholding for failing to report interest or dividends required to be shown on the holder's federal income tax returns. In addition, certain persons making such payments are required to submit information returns (i.e., IRS Forms 1099) to the IRS with regard to those payments. Backup withholding and information reporting will generally not apply with respect to payments made to certain exempt recipients such as corporations or certain exempt entities. Backup withholding is not an additional tax, and amounts withheld as backup withholding will be allowed as a refund or credit against a holder's federal income tax liability, provided that the required information is timely furnished to the IRS.

Foreign Investors

The following discussion applies only to non-United States holders. This discussion does not address all aspects of United States federal income taxation that may be relevant to such non-United States holders in light of their special circumstances. For example, special rules may apply to a non-United States holder that is a "controlled foreign corporation" or "passive foreign investment company," and such holders should consult their own tax advisors to determine the United States federal, state, local and other tax consequences that may be relevant to them.

Interest Payments on the Taxable Bonds. Subject to the discussion below concerning effectively connected income and backup withholding, the 30% United States federal withholding tax should not apply to any payment of interest (including original issue discount) on the Taxable Bonds provided that: (i) the holder is not a bank whose receipt of interest on the Taxable Bonds is described in Section 881(c)(3)(A) of the Code; and (ii) either (a) the holder provides the holder's name and address on an IRS Form W-8BEN (or other applicable form) and certifies, under penalty of perjury that the holder is not a United States person, or (b) a financial institution holding the Taxable Bonds on the holder's behalf certifies, under penalty of perjury, that it has received an IRS Form W-8BEN (or other applicable form) from the beneficial owner and provides a copy or, in the case of certain foreign intermediaries, satisfies other certification requirements under the applicable United States Treasury regulations. Special certification requirements apply to certain non-United States holders that are entities.

If a holder cannot satisfy the requirements described above, payments of interest made to the holder will be subject to the 30% United States federal withholding tax, unless the holder qualifies for a reduced rate of withholding under a tax treaty or the payments are exempt from withholding because they are effectively connected with the holder's conduct of a trade or business in the United States and the holder satisfies the applicable certification and disclosure requirements. In order to claim a reduction in or exemption from the 30% withholding tax under an applicable tax treaty, a holder must provide a properly executed IRS Form W-8BEN (or a suitable substitute form). In order to claim that the interest payments are exempt from the withholding tax because they are effectively connected with the holder's conduct of a trade or business in the United States, the holder must provide an IRS Form W-8ECI (or a suitable substitute form).

A non-United States holder eligible for a reduced rate of United States withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

Sale, Redemption, Retirement or Other Taxable Disposition of the Taxable Bonds. Subject to the discussion below concerning effectively connected income and backup withholding, a holder will not be subject to United States federal income tax on any gain realized on the sale, redemption, retirement or other taxable disposition of a Taxable Bond unless the holder is an individual who is present in the U.S. for at least 183 days during the year of disposition of the Taxable Bond and certain other conditions are satisfied.

Effectively Connected Income. If a holder is engaged in a trade or business in the United States and the holder's investment in a Taxable Bond is effectively connected with such trade or business, the holder will be exempt from the 30% withholding tax on interest (provided a certification requirement, generally on IRS Form W-8ECI, is met), but will instead generally be subject to regular United States federal income tax on a net income basis

ITEM 19

on any interest and gain with respect to the Taxable Bonds in the same manner as if the holder were a U.S. holder unless an applicable income tax treaty provides otherwise. In addition, if the holder is a foreign corporation, the holder may be subject to a branch profits tax of 30% (or the lower rate provided by an applicable income tax treaty) of the holder's earnings and profits for the taxable year that are effectively connected with the holder's conduct of a trade or business in the United States. If a holder is eligible for the benefits of a tax treaty, any effectively connected income or gain will generally be subject to United States federal income tax only if it is also attributable to a permanent establishment maintained by the holder in the United States.

Information Reporting and Backup Withholding. Interest (including original issue discount) paid to a non-United States holder generally must be reported annually to the holder and the IRS. Copies of these information returns may also be made available under the provisions of a specific treaty or other agreement to the tax authorities of the country in which the non-United States holder resides. In general, a non-United States holder will not be subject to backup withholding with respect to interest or principal payments on the Taxable Bonds if such holder has provided the statement described above under "U.S. Federal Information Reporting and Backup Withholding" and the payor does not have actual knowledge or reason to know that such holder is a U.S. person. In addition, a non-United States holder will not be subject to backup withholding with respect to the proceeds of the sale of a Taxable Bond (including on redemption or retirement) made within the United States or conducted through certain United States financial intermediaries if the payor receives the statement described above and does not have actual knowledge or reason to know that such holder is a United States person or such holder otherwise establishes an exemption. Non-U.S. holders should consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of exemptions and the procedure for obtaining such exemptions, if available.

Backup withholding is not an additional tax, and amounts withheld as backup withholding will be allowed as a refund or credit against a holder's federal income tax liability, provided that the required information is timely furnished to the IRS.

* * *

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not discuss all aspects of federal income taxation that may be relevant to a particular holder of Taxable Bonds in light of such holder's particular circumstances and tax situation. Each holder of Taxable Bonds should consult such holder's tax advisor as to the specific tax consequences to such holder of the ownership and disposition of the Taxable Bonds, including the application of State, local, foreign and other tax laws, and with respect to the effects, if any, of proposed or subsequently enacted amendments to such tax laws. See Appendix C for the proposed Form of Bond Counsel Opinion with respect to the Taxable Bonds.

TAX MATTERS – TAX EXEMPT BONDS

State of California Taxation

Bond Counsel is of the opinion that, under existing law, interest on the Tax-Exempt Bonds will be exempt from State of California income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Tax-Exempt Bonds or the interest thereon.

Interest on the Tax-Exempt Bonds may be subject to state or local income taxes in jurisdictions other than the State of California under applicable state or local tax laws. Purchasers of the Tax-Exempt Bonds should consult their own tax advisors with respect to the tax status of the Tax-Exempt Bonds in jurisdictions other than California.

Federal Income Taxation

Bond Counsel is of the opinion that, assuming compliance with certain covenants, representations and warranties described herein, the interest on the Tax-Exempt Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations, and decisions.

ITEM 19

In rendering its opinion with respect to the Tax-Exempt Bonds, Bond Counsel will rely, without independent investigation, on certifications provided by the District and the County with respect to certain material facts within their respective knowledge relevant to the tax-exempt status of interest on the Tax-Exempt Bonds.

Under the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), there are certain restrictions that must be met subsequent to the delivery of the Tax-Exempt Bonds, including restrictions that must be complied with throughout the term of the Tax-Exempt Bonds in order that the interest thereon be excludable from gross income. These include the following: (i) a requirement that certain investment earnings received from the investment of the proceeds of the Tax-Exempt Bonds be rebated (or that certain payments in lieu of rebate be made) to the United States of America under certain circumstances; (ii) other requirements applicable to the investment of the proceeds of the Tax-Exempt Bonds; and (iii) other requirements applicable to the use of proceeds of the Tax-Exempt Bonds and the use of the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Tax-Exempt Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The District and the County have covenanted to regulate the investment of the proceeds of the Tax-Exempt Bonds and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

Interest on the Tax-Exempt Bonds is not includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to such tax will be required to increase its alternative minimum taxable income by 75% of the amount by which its “adjusted current earnings” exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For such purposes, “adjusted current earnings” would include, among other items, interest income from the Tax-Exempt Bonds. In addition, interest income on the Tax-Exempt Bonds will be includable in the base upon which is calculated the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States.

Certain Federal Income Tax Consequences

There are other federal tax consequences of ownership of obligations such as the Tax-Exempt Bonds under certain circumstances, including the following: (i) deductions are disallowed for certain expenses of taxpayers allocable to interest on tax-exempt obligations, as well as interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations and interest expense of financial institutions allocable to tax-exempt interest; (ii) for property and casualty insurance companies, the amount of the deduction for losses incurred must be reduced by 15% of the sum of tax-exempt interest income and the deductible portion of dividends received by such companies; (iii) interest income that is exempt from tax must be taken into account for the purpose of determining whether, and what amount of, Social Security or railroad retirement benefits are includable in gross income for federal income tax purposes; and (iv) for S corporations having Subchapter C earnings and profits, the receipt of certain levels of passive investment income, which includes interest on tax-exempt obligations such as the Tax-Exempt Bonds, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status.

Tax Accounting Treatment of Discount Tax-Exempt Bonds

Certain maturities of the Tax-Exempt Bonds may be issued at a price which is less than the amount payable on such Tax-Exempt Bonds at maturity (the “Discount Tax-Exempt Bonds”). The excess of the stated redemption price at maturity of such Discount Tax-Exempt Bonds over the first price at which a substantial amount of the Discount Tax-Exempt Bonds of each maturity was sold for money (excluding sales to bond houses, brokers or similar persons acting as underwriters, placement agents or wholesalers) (the “issue price”) constitutes original issue discount. In the case of any holder of Discount Tax-Exempt Bonds, the amount of such original issue discount which is treated as having accrued with respect to such Discount Tax-Exempt Bonds is added to the original cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, early redemption or repayment at maturity). For federal income tax purposes (i) any holder of a Discount Tax-Exempt Bond will recognize gain or loss upon the disposition of such Discount Tax-Exempt Bond (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the sum of (1) the holder’s original cost basis in such Discount Tax-Exempt Bond, and (2)

ITEM 19

the amount of original issue discount attributable to the period during which the holder held such Discount Tax-Exempt Bond, and (ii) the amount of the basis adjustment described in clause (i)(b)(2) will not be included in the gross income of the holder.

Original issue discount on Discount Tax-Exempt Bonds will be attributed to permissible compounding periods during the life of any Discount Tax-Exempt Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the Discount Tax-Exempt Bonds of each maturity is determined using permissible compounding periods. In general, the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the Discount Tax-Exempt Bonds and must begin or end on the date of such payments. Such yield then is used to determine an amount of accrued interest for each permissible compounding period. For this purpose, interest is treated as compounding periodically at the end of each applicable compounding period. The amount of original issue discount which is treated as having accrued in respect of a Discount Tax-Exempt Bond for any particular compounding period is equal to the excess of (i) the product of (a) the yield for the Discount Tax-Exempt Bond (adjusted as necessary for an initial short period) divided by the number of compounding periods in a year multiplied by (b) the adjusted issue price of such Discount Tax-Exempt Bond at the beginning of such period, over (ii) the amount actually payable as qualified stated interest on such Discount Tax-Exempt Bond during such period. The "adjusted issue price" of a Discount Tax-Exempt Bond at the beginning of any compounding period is equal to its issue price increased by the accrued original issue discount for each prior compounding period and reduced by any payments made on the Discount Tax-Exempt Bond (other than qualified stated interest) on or before the first day of the compounding period. The term "qualified stated interest" means stated interest that is unconditionally payable in cash or in property, other than debt instruments of the District, if the interest to be paid is payable at least once per year, is payable over the entire term of the Discount Tax-Exempt Bond and is payable at a single fixed rate or, subject to certain conditions, based on one or more qualified interest rate indices. If a Discount Tax-Exempt Bond is sold or otherwise disposed of between compounding periods, then interest which would have accrued for that compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Holders of Discount Tax-Exempt Bonds should note that, under the tax regulations, the yield and maturity of a Discount Tax-Exempt Bond is determined without regard to commercially reasonable sinking fund payments, and any original issue discount remaining unaccrued at the time that a Discount Tax-Exempt Bond is redeemed in advance of stated maturity will be treated as taxable gain. Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable on the occurrence of certain contingencies. The prices or yields furnished by the successful bidder for the Bonds as shown on the cover of this Official Statement may not reflect the initial issue prices for the purposes of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Discount Tax-Exempt Bonds but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of Discount Tax-Exempt Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Discount Tax-Exempt Bonds. In addition, prospective corporate purchasers should consider possible federal tax consequences arising from original issue discount on such Discount Tax-Exempt Bonds under the alternative minimum tax or the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the alternative minimum tax or the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount. In addition, original issue discount will be treated as tax-exempt interest for purposes of the provisions described above having adverse effects on property and casualty insurance companies, S corporations having subchapter C earnings and profits, and persons receiving social security or railroad retirement benefits. Purchasers with questions concerning the detailed tax consequences of transactions in the Discount Tax-Exempt Bonds should consult their tax advisors.

Purchase, Sale and Retirement of Tax-Exempt Bonds

Except as noted below in the case of market discount, the sale or other disposition of a Tax-Exempt Bond will normally result in capital gain or loss to its holder. A holder's initial tax basis in a Tax-Exempt Bond will be its

ITEM 19

cost. Upon the sale, redemption or retirement of a Tax-Exempt Bond, for federal income tax purposes, a holder will recognize capital gain or loss upon the disposition of the Tax-Exempt Bond (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the tax basis in such Tax-Exempt Bond, determined by adding to the original cost basis in such Tax-Exempt Bond the amount of original issue discount that is treated as having accrued on or before such sale or retirement as described above under “TAX MATTERS – TAX-EXEMPT BONDS - Tax Accounting Treatment of Discount Tax-Exempt Bonds” and subtracting payments made on the Discount Tax-Exempt Bond (other than qualified stated interest) on or before such sale or retirement. Such gain or loss will be a long-term capital gain or loss if at the time of the sale or retirement the Tax-Exempt Bond has been held for more than one year. Present law taxes both long and short-term capital gains of corporations at the rates applicable to ordinary income. For non-corporate taxpayers, however, net capital gains are currently taxed at a maximum rate of 20%, while short-term capital gains and other ordinary income are currently taxed at a maximum rate of 39.6%. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses. Because of certain limitations on itemized deductions and the deduction for personal exemptions applicable to higher income taxpayers, the effective rate of tax may be higher in certain circumstances.. A 3.8% Medicare tax on certain net investment income earned by individuals, estates, and trusts will apply for taxable years beginning after December 31, 2012. For these purposes, net investment income generally includes a holder’s and gain (including market discount, if any) realized on the disposition (by sale, redemption or otherwise) of a Tax-Exempt Bond. In the case of an individual, the tax will be imposed on the lesser of (i) the holder’s net investment income from all investments, or (ii) the amount by which the holder’s modified adjusted gross income exceeds \$250,000 (if the holder is married and filing jointly or a surviving spouse), \$125,000 (if married filing separately) or \$200,000 (if the holder is unmarried or in any other case). In the case of an estate or trust, the tax will be imposed on the lesser of (i) undistributed net investment income, or (ii) the excess of adjusted gross income over the dollar amount at which the highest income tax bracket applicable to an estate or trust begins.

Market Discount

If a holder acquires a Tax-Exempt Bond after its original issuance at a discount below its principal amount (or, in the case of a Discount Tax-Exempt Bond, at a price that produces a yield to maturity higher than the yield to maturity at which such bond was first issued), the holder will be deemed to have acquired the Tax-Exempt Bond at “market discount,” unless the amount of market discount is *de minimis*, as described in the following paragraph. If a holder that acquires a Tax-Exempt Bond with market discount subsequently realizes a gain upon the disposition of the Tax-Exempt Bond, such gain shall be treated as taxable interest income to the extent such gain does not exceed the accrued market discount attributable to the period during which the holder held such Tax-Exempt Bond, and any gain realized in excess of such market discount will be treated as capital gain. Potential purchasers should consult their tax advisors as to the proper method of accruing market discount.

In the case of a Tax-Exempt Bond not issued at an original issue discount, market discount will be *de minimis* if the excess of the Tax-Exempt Bond’s stated redemption price at maturity over the holder’s cost of acquiring the Tax-Exempt Bond is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years between the date the holder acquires the Tax-Exempt Bond and its stated maturity date. In the case of a Tax-Exempt Bond issued with original issue discount, market discount will be *de minimis* if the excess of the Tax-Exempt Bond’s revised issue price over the holder’s cost of acquiring the Tax-Exempt Bond is less than 0.25% of the revised issue price multiplied by the number of complete years between the date the holder acquires the Bond and its stated maturity date. For this purpose, a Tax-Exempt Bond’s “revised issue price” is the sum of (i) its original issue price and (ii) the aggregate amount of original issue discount that is treated as having accrued with respect to the Tax-Exempt Bond during the period between its original issue date and the date of acquisition by the holder.

Amortizable Bond Premium

A Tax-Exempt Bond will be considered to have been purchased at a premium if, and to the extent that, the holder’s tax basis in the Tax-Exempt Bond exceeds the amount payable at maturity (or, in the case of a Tax-Exempt Bond callable prior to maturity, the amount payable on the earlier call date). Under tax regulations applicable to the Tax-Exempt Bonds, the amount of the premium would be determined with reference to the amount payable on that call date (including for this purpose the maturity date) which produces the lowest yield to maturity on the Bonds. The

ITEM 19

holder will be required to reduce his tax basis in the Tax-Exempt Bond for purposes of determining gain or loss upon disposition of the Tax-Exempt Bond by the amount of amortizable bond premium that accrues (determined on a constant yield method) during his period of ownership. No deduction (or other tax benefit) is allowable in respect of any amount of amortizable bond premium on the Tax-Exempt Bonds.

Proposed Legislation and Other Tax Matters

From time to time, there are legislative proposals pending in the United States Congress that, if enacted into law, could cause interest on bonds such as the Tax-Exempt Bonds to be subject, directly or indirectly, to federal income taxation. The introduction or enactment of any such legislative proposals could affect the market prices for, or marketability of, the Tax-Exempt Bonds.

The IRS has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the IRS, interest on such tax exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the Tax-Exempt Bonds. If an audit is commenced, under current procedures the IRS may treat the District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Tax-Exempt Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption, or maturity of, tax exempt obligations, including the Tax-Exempt Bonds, are in certain cases required to be reported to the IRS. Additionally, backup withholding may apply to any such payments to any Bondholder who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bondholder who is notified by the IRS of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes. Amounts withheld as backup withholding will be allowed as a refund or credit against a holder's federal income tax liability, provided that the required information is timely furnished to the IRS.

* * *

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not discuss all aspects of federal income taxation that may be relevant to a particular holder of Tax-Exempt Bonds in light of such holder's particular circumstances and tax situation. Each holder of Tax-Exempt Bonds should consult such holder's tax advisor as to the specific tax consequences to such holder of the ownership and disposition of the Tax-Exempt Bonds, including the application of State, local, foreign and other tax laws, and with respect to the effects, if any, of proposed or subsequently enacted amendments to such tax laws. See Appendix C for the proposed Form of Bond Counsel Opinion with respect to the Tax-Exempt Bonds.

OTHER LEGAL MATTERS

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinion of DLA Piper, LLP, Los Angeles, California, Bond Counsel to the District. A complete copy of the proposed form of Bond Counsel opinion is set forth in APPENDIX C: "PROPOSED FORM OF OPINION OF BOND COUNSEL." Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

Legality for Investment in California

Under provisions of the Financial Code of the State, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of its depositors. Under provisions of the Government Code of the State, the Bonds are eligible securities for deposits of public moneys in the State.

Continuing Disclosure

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) by not later than nine months following the end of the District’s fiscal year (currently ending June 30), commencing with the report for the 2012-13 fiscal year (which is due no later than April 1, 2014) and to provide notice of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in APPENDIX D: “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). In the most recent five-year period covered by the Rule, the District has not failed to comply in all material respects with its previous undertakings with regard to the Rule to file annual reports or notices of certain events.

No Litigation

No litigation is pending or, to the best knowledge of the District, threatened, concerning the validity of the Bonds or the District’s ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District’s ability to issue and retire the Bonds, the political existence of the District, the title to their offices of District or County officials who will sign the Bonds and other certifications relating to the Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the original purchasers at the time of the original delivery of the Bonds.

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

MISCELLANEOUS

Ratings

The Bonds have been assigned the rating of “___” by Moody’s Investors Service and “___” by Standard & Poor’s Ratings Services, a division of Standard & Poor’s Financial Services LLC. The rating agencies generally base their ratings on their own investigations, studies, and assumptions. The District has provided certain additional information and materials to the rating agencies (some of which does not appear in this Official Statement). The ratings reflect only the views of the rating agencies, and any explanation of the significance of such ratings may be obtained only from Moody’s at www.moody.com or Standard & Poor’s at www.standardandpoors.com. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agencies, if, in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. The District undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

Professionals Involved in the Offering

DLA Piper, LLP is acting as Bond Counsel to the District with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. Orrick, Herrington & Sutcliffe LLP is acting as Disclosure Counsel to the District with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. Dolinka Group, LLC, is acting as Financial Advisor with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. Stradling Yocca Carlson & Rauth is acting as Underwriter’s Counsel with respect to the Bonds, and will receive compensation from the Underwriter contingent upon the sale and delivery of the Bonds.

ITEM 19

Underwriting

The Bonds are being purchased by E. J. De La Rosa & Co. Inc., (the “Underwriter”) pursuant to a bond purchase agreement executed by the District, dated _____, 2013 (the Purchase Agreement”), at a purchase price of \$_____. The Underwriter’s discount is \$_____. [The District will pay all of the costs of issuance related to the Bonds out of the proceeds of the Bonds.] Pursuant to the Purchase Agreement, the Underwriter will purchase all of the Bonds if any are purchased, the obligation of the Underwriter to purchase the Bonds being subject to certain terms and conditions to be satisfied by the District and the County.

The Underwriter has certified the public reoffering prices or yields set forth on the inside cover page hereof. The Underwriter’s compensation is computed based on those prices or yields, and the District takes no responsibility for the accuracy of those prices or yields. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page. The offering prices may be changed from time to time by the Underwriter.

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ITEM 19

Additional Information

Quotations from and summaries and explanations of the Bonds, the resolutions providing for the issuance of the Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof. Copies of documents referred to herein and information concerning the Bonds are available from the District through the Associate Superintendent of Business Services, 710 Encinitas Blvd., Encinitas, CA 92024. The District may impose a charge for copying, mailing and handling.

* * *

All data contained herein have been taken or constructed from the District's records and other sources, as indicated. This Official Statement and its distribution have been duly authorized and approved by the District.

**SAN DIEGUITO UNION HIGH SCHOOL
DISTRICT**

By: _____
Associate Superintendent,
Business Services

APPENDIX A

DISTRICT FINANCIAL AND OPERATING INFORMATION

The information in this appendix concerning the operations of the District, the District's finances, and State funding of education, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District or from State revenues. The Bonds are payable from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and Constitutional requirements, and required to be levied by the County on property within the District in an amount sufficient for the timely payment of principal of and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the body of this Official Statement.

General

The District consists of approximately 85 square miles of territory in the northern portion of San Diego County (the "County"), California (the "State"). The District educates students from five feeder elementary school districts: Encinitas, Cardiff, Solana Beach, Del Mar and Rancho Santa Fe. The District operates four high schools, four middle schools, one continuation high school and one adult education program.

Enrollment in the District for grades 7-12 in the 2011-12 school year was 12,485 students, and is projected at 12,385 in school year 2012-13.

In Fiscal Year 2012-13, the District has budgeted for approximately 896 employees. Budgeted full-time-equivalent positions (FTEs) include 522.8 FTE certificated (credentialed teaching) staff, 317.4 FTE classified (non-teaching) staff, and 56.2 FTE management personnel. The District has budgeted general fund expenditures of approximately \$103.3 million in Fiscal Year 2012-13. Total assessed valuation of taxable property in the District in Fiscal Year 2012-13 is approximately \$48 billion.

The management and policies of the District are administered by a Superintendent of Schools and a staff which provides business, pupil, personnel, administrative personnel, and instruction support services. The District is governed by a common five-member Board of Trustees (the "Board"), each of whom is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The District's day-to-day operations are managed by a board-appointed Superintendent of Schools. Ken Noah was appointed as Superintendent of the District in 2008.

As explained further in this section of Appendix A, the District is a "basic aid district," which means that it receives a minimal amount of financial support from the State. Instead, the District is funded almost entirely by local property tax collections, which derive from the 1% countywide property tax levy required by statute. Of the State's 1,000 school districts, approximately 127 have "basic aid" status.

State Funding of Education; State Budget Process

General. As is true for all school districts in the State, the District's operating income consists primarily of two components: a State portion funded from the State's general fund and a locally-generated portion derived from the District's share of the 1% county-wide *ad valorem* property tax authorized by the State Constitution. School districts may be eligible for other special categorical funding, including for State and federal programs. Because the District's legal minimum funding level is expected to be met from local property taxes alone, the District did not budget receipt of any general operating funds from the State in fiscal year 2012-13; however the District has budgeted to receive approximately \$4.7 million in State categorical funding in fiscal year 2012-13, or approximately 4.7% of the District's overall revenues. As a result, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may affect District operations, though generally to a lesser extent than these may affect most school districts.

ITEM 19

State funding is guaranteed to a minimum level for school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs. The funding guarantee is known as “Proposition 98”, a constitutional and statutory initiative amendment adopted by the State’s voters in 1988, and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution).

Recent years have seen frequent disruptions in State personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of the State’s general fund expenditures, it is at the heart of annual budget negotiations and adjustments.

Adoption of Annual State Budget. According to the State Constitution, the Governor of the State (the “Governor”) must propose a budget to the State Legislature no later than January 10 of each year. Under an initiative constitutional amendment approved by the State’s voters on November 2, 2010 as “Proposition 25”, a final budget must be adopted by a majority vote (rather than a two-third majority, as was the case prior to the passage of Proposition 25) of each house of the Legislature no later than June 15, although this deadline has been breached in the past. Any tax increase provision of such final budget shall continue to require approval by a two-thirds majority vote of each house of the State Legislature. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the 2012-13 Budget on June 27, 2012.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each district’s State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the Constitution (such as appropriations for salaries of elected state officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. The Controller has posted guidance as to what can and cannot be paid during a budget impasse at its website: www.sco.ca.gov. Should the Legislature fail to pass the budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White* decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White* decision to have any long-term effect on its operating budgets.

Aggregate State Education Funding. The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State’s share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year’s budget, from the Governor’s initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as “settle-up.” If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster

ITEM 19

than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as “maintenance factor.”

In recent years, the State’s response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers’ unions, the State Superintendent, and others, sued the State or Governor in 1995, 2005, and 2009, to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006 (QEIA), have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years’ Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring the year-end apportionment from June 30 to July 2; by suspending Proposition 98, as the State did in 2004-05; and by proposing to amend the Constitution’s definition of the guaranteed amount and settle-up requirement under certain circumstances.

2012-13 State Budget. The Governor signed the fiscal year 2012-13 State budget (the “2012-13 State Budget”) on June 27, 2012. The 2012-13 State Budget closes a \$15.7 billion budget gap and builds a reserve of nearly \$1 billion with (i) \$8.1 billion in expenditure reductions, (ii) \$6 billion in increased revenues from additional taxes (as further described below) and (iii) \$2.5 billion from certain loan and transfer measures. This \$15.7 billion budget gap is less than the \$26.6 billion budget gap encountered for fiscal year 2011-12. The 2012-13 State Budget purports to position the State to have a balanced budget in an ongoing manner for the first time in over a decade, with future spending expected to stay within available revenues.

The 2012-13 State Budget assumed the passage of The Schools and Local Public Safety Protection Act (“Temporary Tax Measure”) at the November 2012 election. The Temporary Tax Measure, approved by the voters on November 6, 2012, increases the personal income tax on the State’s wealthiest taxpayers by up to 3% for a period of seven years, and increases the sales tax by one-quarter percent for a period of four years. The 2012-13 State Budget projects that the Temporary Tax Measure will generate an estimated \$8.5 billion in revenues in fiscal year 2012-13. Such additional revenues would increase the State’s Proposition 98 obligation by \$2.9 billion and provide a net benefit of \$5.6 billion to the State’s general fund.

With voter approval of the Temporary Tax Measure, the 2012-13 State Budget provides \$53.6 billion in Proposition 98 funding for K-12 schools and community colleges, a \$6.7 billion (or 14%) increase from fiscal year 2011-12. Of such increased amount, \$6.1 billion is designated for K-12 schools. The 2012-13 State Budget maintains level Proposition 98 programmatic funding for all K-12 schools, pays off \$2.2 billion in the amount of payments to K-12 schools and community colleges that are deferred each year, and funds the Quality Education Investment Act program (as described below) within the Proposition 98 guarantee. According to the 2012-13 State Budget, the Temporary Tax Measure is expected to increase Proposition 98 funding for K-12 schools and community colleges by an aggregate amount of \$17.2 billion (or 37%) over the next four fiscal years when compared to fiscal year 2011-12. This projected increase reverses years of cuts in funding for K-12 schools and community colleges.

K-12 adjustments provided in the 2012-13 State Budget include:

- **Proposition 98 Adjustments.** A decrease of approximately \$630 million due to (i) eliminating the hold-harmless adjustment provided to K-12 schools from the elimination of the sales tax on gasoline in fiscal year 2010-11, and (ii) using a consistent current value methodology to rebench the Proposition 98 minimum guarantee for the exclusion of child care programs, the inclusion of special education mental health services, and new property tax shifts.
- **Redevelopment Agency Asset Liquidation.** An increase of \$1.3 billion in local property taxes for fiscal year 2012-13 to reflect the distribution of cash assets previously held by redevelopment

ITEM 19

agencies, which increase in local revenues also reduces Proposition 98 general fund by an identical amount.

- Quality Education Investment Act. A decrease of \$450 million in funding for fiscal year 2012-13 with respect to the Quality Education Investment Act. The overappropriation in fiscal year 2011-12 will be used to prepay the \$450 million required to be provided on top of the Proposition 98 minimum guarantee in fiscal year 2012-13. The program will be funded within the Proposition 98 minimum guarantee to achieve one-time savings of \$450 million for fiscal year 2012-13.
- K-12 Deferrals. An increase of \$2.1 billion in Proposition 98 funding to reduce K-12 inter-year budgetary deferrals from \$9.5 billion to \$7.4 billion.
- Mandates Block Grant. An increase of \$86.2 million from fiscal year 2011-12 to provide a total of \$166.6 million for K-12 mandates through a new voluntary block grant, in which participating school districts and county offices of education would receive \$28 per student and participating charter schools would receive \$14 per student. School districts and county offices of education that choose not to participate in the block grant program would retain their right to submit claims for reimbursement, subject to audit by the State Controller.
- Charter Schools. An increase of \$53.7 million in Proposition 98 funding for charter school categorical programs to fund growth in charter school enrollment. Additionally, the 2012-13 State Budget provides for (i) the expansion of the ability of school districts to convey surplus property to charter schools, (ii) the authorization of county treasurers to provide charter schools with short-term cash loans, and (iii) the authorization of charter schools to participate in the temporary revenue anticipation note financing mechanisms that are currently available to school districts and county offices of education.
- Child Care. Total savings of \$294.3 million from (i) the inclusion of part-day center-based services for 3- and 4- year-olds within the State Preschool Program funded through Proposition 98, (ii) the reduction of child care provider contracts, and (iii) not providing the statutory cost-of-living-adjustment for non-CalWORKs programs.

The complete 2012-13 State Budget is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this interest address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by such reference.

State Cash Management Legislation. On March 1, 2010, the Governor signed a bill (and on March 4, 2010, subsequently signed a clean-up bill to clarify certain provisions of such bill) to provide additional cash management flexibility to State fiscal officials (the "Cash Management Bill"). The Cash Management Bill authorized deferral of certain payments during the 2010-11 fiscal year for school districts (not to exceed \$2.5 billion in the aggregate at any one time, and a maximum of three deferrals during the fiscal year). The Cash Management Bill permitted deferrals of payments to K-12 schools in July 2010, October 2010 and March 2011, for not to exceed 60, 90 and 30 days, respectively, but depending on actual cash flow conditions at the time, and allowed the State Controller, Treasurer and Director of Finance to either accelerate or delay the deferrals up to 30 days or reduce the amounts deferred. The Cash Management Bill also permitted the State to move a deferral to the prior month or to a subsequent month upon 30 days written notice by the State Department of Finance to the Legislative Budget Committee, except that the Cash Management Bill provided that the deferral for March 2011 was required to be paid prior to April 30. The Cash Management Bill provided for exceptions to the deferrals for school districts that could demonstrate hardship. The Cash Management Bill made it necessary for many school districts (and other affected local agencies) to increase the size and/or frequency of their cash flow borrowings during fiscal year 2010-11. Similar legislation was enacted for fiscal year 2011-12. The legislation, however, sets forth a specific deferral plan for K-12 education payments. In the legislation, the July 2011 and August 2011 K-12 payments of \$1.4 billion and the October 2011 payment of \$2.4 billion were deferred. In September 2011, \$700 million of the July deferral was paid, in January 2012, \$4.5 billion from the remaining July, August and October deferrals was paid, and in March 2012, \$1.4 billion was deferred and paid in April 2012.

ITEM 19

The State Legislature enacted similar legislation for fiscal year 2012-13 that provides for \$1.2 billion of K-12 payments to be deferred in July 2012, \$600 million to be deferred in August 2012, \$800 million to be deferred in October 2012 and \$900 million to be deferred in March 2013. Of such deferred amounts, \$700 million of the deferral made in July 2012 was paid in September 2012, the remaining \$1.9 billion deferred in July, August and October of 2012 is to be paid in January 2013, and the \$900 million deferred in March 2013 is to be repaid in April 2013. The District is authorized to borrow temporary funds to cover its annual cash flow deficits and, as a result of this or similar future legislation, the District might find it necessary to utilize cash flow borrowings or increase the size or frequency of its cash flow borrowings in fiscal year 2012-13 and in future years. In future fiscal years, if the District finds that its other funds are insufficient to cover any cash flow deficits, the District is authorized to borrow funds from the County.

The District cannot predict when, if, and to what extent the State may defer some or all of those payments due to school districts during the 2012-13 fiscal year.

Proposed 2013-14 State Budget. The Governor released his proposed fiscal year 2013-14 State budget (the “2013-14 Proposed State Budget”) on January 10, 2013. The 2013-14 Proposed State Budget projects a balanced budget for fiscal year 2013-14 and proposes a multiyear plan that is balanced, maintains a \$1 billion reserve and pays down budgetary debt from past years. In comparison, a \$15.7 billion and \$26.6 billion budget gap was encountered in fiscal years 2012-13 and 2011-12, respectively. The 2013-14 Proposed State Budget provides that the projected balanced budget is largely the result of the various spending cuts implemented over the previous two fiscal years, and the passage of the Temporary Tax Measure at the November 6, 2012 election. The 2013-14 Proposed State Budget acknowledges that the Temporary Tax Measure will only provide temporary revenues, with the sales tax increase expiring at the end of 2016 and the income tax increase expiring at the end of 2018. Accordingly, the 2013-14 Proposed State Budget notes the State must begin to plan now to ensure that the budget will remain balanced after such temporary tax increases expire. The 2013-14 Proposed State Budget also notes certain other risks that could return the State to fiscal deficits, including: fiscal challenges of the federal government, deviation from projected economic growth, rising health care costs and federal government and court interference with the State’s efforts to reduce spending.

In addition to the revenues projected to be generated by the Temporary Tax Measure, additional revenues are also expected due to the passage of Proposition 39 (The California Clean Energy Jobs Act) at the November 6, 2012 election (“Proposition 39”), which establishes a single sales tax for out-of-state corporations. Such tax measures are expected to collectively generate \$3.2 billion of State general fund revenue in fiscal year 2012-13 and \$5.8 billion of State general fund revenue in fiscal year 2013-14, or 5.9% of total State general fund revenue (\$98.5 billion). Of such total State general fund revenue, personal income taxes are expected to contribute \$61.7 billion (62.7%), sales and use taxes are expected to contribute \$23.3 billion (23.6%) and corporation taxes are expected to contribute \$9.1 billion (9.3%).

Absent any changes, the 2013-14 Proposed State Budget projects that the fiscal year 2013-14 budget would be balanced but would lack an adequate reserve. To create a \$1 billion reserve, the 2013-14 Proposed State Budget proposes several measures, such as the suspension of certain newly identified mandates, the use of fiscal year 2012-13 funds appropriated above the Proposition 98 minimum guarantee to prepay certain obligations to schools under the Quality Education Investment Act, as described below, and the extension of the hospital quality assurance fee and the gross premiums tax on Medi-Cal managed care plans. The 2013-14 Proposed State Budget dedicates \$4.2 billion in fiscal year 2013-14 to pay down the State’s budgetary debt (which budgetary debt amounted to \$34.7 billion at the end of fiscal year 2010-11 and is currently estimated to be \$27.8 billion at the end of fiscal year 2012-13) and estimates that such budgetary debt will be reduced to less than \$5 billion by the end of fiscal year 2016-17.

As it relates to K-12 education, the 2013-14 Proposed State Budget provides Proposition 98 funding of \$56.2 billion for fiscal year 2013-14, an increase of \$2.7 billion from fiscal year 2012-13, which translates to Proposition 98 per-pupil expenditures of \$8,304 in fiscal year 2013-14, as compared to \$7,967 in fiscal year 2012-13. Total per-pupil expenditures from all sources are projected to be \$11,455 in fiscal year 2012-13 and \$11,742 in fiscal year 2013-14, including funds provided for prior year “settle-up” obligations. For fiscal year 2012-13, K-12 A.D.A. is estimated to be 5,982,430, an increase of 16,090 from fiscal year 2011-12. The 2013-14 Proposed State Budget estimates that K-12 A.D.A. will increase by an additional 5,967 in fiscal year 2013-14 to 5,988,397.

ITEM 19

The 2013-14 Proposed State Budget proposes a new funding formula for school districts and county offices of education, the Local Control Funding Formula, to increase local control and flexibility, reduce State bureaucracy and to ensure that student needs drive the allocation of resources. The Local Control Funding Formula would replace the existing revenue limit funding system and most categorical programs, and would distribute combined resources to school districts through a base revenue limit funding grant (“Base Grant”) per unit of A.D.A. with additional supplemental funding allocated to local educational agencies based on their proportion of English language learners and economically disadvantaged students. Every school district would be entitled to a Base Grant adjusted for grade span cost differentials, multiplied by A.D.A. The average Base Grant, when fully implemented, is expected to be equal to the current average undeficitated school district revenue limit. School districts would be entitled to supplemental funding increases up to 35% of the Base Grant. When the proportion of English language learners and economically disadvantaged students exceeds 50% of its total student population, a school district would receive an additional concentration grant equal to 35% of the Base Grant for each English language learner and economically disadvantaged student above the 50% threshold. Under the new formula, “basic aid districts” would be defined as school districts whose local property taxes equal or exceed their district’s formula allocation and would continue to retain local property taxes in excess of their new formula allocation.

Additionally, the 2013-14 Proposed State Budget proposes the following permanent changes to further increase local control and flexibility: (i) elimination of the minimum contribution requirement for routine maintenance, (ii) elimination of the required local district set-aside for deferred maintenance contributions, and (iii) ability to use proceeds from the sale of any real and personal surplus property for any one-time general fund purposes. The 2013-14 Proposed State Budget also proposes other program reforms including, but not limited to, reforms relating to charter schools, special education, adult education and technology-based instruction.

Certain workload adjustments for K-12 programs included in the 2013-14 Proposed State Budget include the following:

- K-12 Deferrals. An increase of approximately \$1.8 billion Proposition 98 general fund to reduce inter-year budgetary deferrals. Combined with the \$2.2 billion provided in fiscal year 2012-13 to retire inter-year deferrals, the total outstanding deferral debt for K-12 is projected to be reduced to \$5.6 billion at the end of fiscal year 2013-14, and all remaining K-12 deferrals are projected to be paid off by the end of fiscal year 2016-17.
- New School District Funding Formula. An increase of approximately \$1.6 billion in Proposition 98 general fund for school districts and charter schools in fiscal year 2013-14.
- New County Office of Education Funding Formula. An increase of approximately \$28.2 million Proposition 98 general fund to support first year implementation of a new funding formula for county offices of education in fiscal year 2013-14.
- Energy Efficiency Investments. An increase of \$400.5 million Proposition 98 general fund to support energy efficiency projects in schools consistent with The California Clean Energy Jobs Act.
- Cost-of-Living Adjustment Increases. A 1.65% cost-of-living adjustment (“COLA”) for a select group of categorical programs that will remain outside of the new student funding formula, including special education and child nutrition. COLA for school district and county offices of education revenue limits will be provided in the form of new funding allocated for the implementation of the new funding formulas.
- Charter Schools. An increase of \$48.5 million Proposition 98 general fund to support projected charter school A.D.A. growth.
- K-12 Mandates Funding. An increase of \$100 million to the K-12 portion of the mandates block grant to support costs associated with mandates relating to graduation requirements and behavioral intervention plans.

ITEM 19

- Local Property Tax Adjustments. An increase of \$526.6 million and \$608.6 million Proposition 98 general fund for school district and county office of education revenue limits in fiscal years 2012-13 and 2013-14, respectively, as a result of lower or reduced offsetting property tax revenues.
- A.D.A. An increase of \$304.4 million in fiscal year 2012-13 for school district and county office of education revenue limits as a result of an increase in projected A.D.A. from the 2012-13 State Budget. An increase of \$2.8 million in fiscal year 2013-14 for school districts and county offices of education as a result of projected growth in A.D.A. in fiscal year 2013-14.
- The revised Proposition 98 guarantee for fiscal year 2012-13 will be \$162.8 million below the level of Proposition 98 General Fund appropriated in fiscal year 2012-13, which excess appropriated amount will be used to retire future funding obligations under the terms of the Quality Education Investment Act (see “-2012-13 State Budget” above).

The complete 2013-14 Proposed State Budget is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by such reference.

LAO Overview of 2013-14 Proposed State Budget. The Legislative Analyst’s Office (“LAO”), a nonpartisan State office which provides fiscal and policy information and advice to the State Legislature, released its report on the 2013-14 Proposed State Budget entitled “The 2013-14 Budget: Overview of the Governor’s Budget” on January 14, 2013 (the “2013-14 Budget Overview”), in which the LAO acknowledges that the State has reached a point where, unlike in recent years, its underlying expenditures and revenues are roughly in balance. The LAO commends the 2013-14 Proposed State Budget emphasis on paying down the State’s budgetary debt, especially in light of the risks and pressures that the State still faces (e.g., the uncertainty at the federal level over “fiscal cliff” issues related to the debt limit and sequestration). However, despite the commitment to paying down the State’s budgetary debt under the Governor’s multiyear plan, the 2013-14 Budget Overview notes that the State would still have no sizeable reserve at the end of fiscal year 2016-17 and further, the State would not have begun addressing significant unfunded liabilities associated with the teachers’ retirement system and state retiree health benefits. With respect to the assumption in the 2013-14 Proposed State Budget regarding the continuation of moderate economic growth, the 2013-14 Budget Overview recognizes that a prolonged impasse at the federal level over “fiscal cliff” issues could affect consumer, business and investor confidence and negatively impact the ongoing economic recovery. In addition, the 2013-14 Budget Overview notes that there is uncertainty regarding the projected improvement in the State’s housing market and construction industry, which is assumed in the 2013-14 Proposed State Budget, as such projections could be negatively affected by the tax increases under the Temporary Tax Measure.

With respect to the Proposition 98 budget plan in the 2013-14 Proposed State Budget, the 2013-14 Budget Overview commends the Governor’s approach to dedicate \$1.9 billion in fiscal year 2013-14 to paying down school and community college deferrals (while using the remainder for programmatic increases) which balanced approach would allow the State to eliminate all school and community college deferrals by fiscal year 2016-17. The LAO, though, notes that the 2013-14 Proposed State Budget does not address an outstanding mandate backlog of \$1.9 billion. The 2013-14 Budget Overview also finds many strong components with the Governor’s proposed changes to K-12 funding, finding that the new approach, if implemented, would replace a complicated, top-down system with one that is more transparent, better linked with student costs and locally driven. Nonetheless, the LAO believes that the proposed K-12 funding plan can be strengthened with some modifications, such as the inclusion (and not exclusion) of the Targeted Instructional Improvement Grant and Home-to-School Transportation programs in the new formula, and the implementation of procedures to ensure that supplemental funds are used by school districts to benefit disadvantaged children. The LAO also notes some concerns with respect to the Proposition 98 budget plan in the 2013-14 Proposed State Budget, including, but not limited to, concerns about the inclusion of Proposition 39 revenues (including those revenues required to be spent on energy efficiency projects) in the Proposition 98 calculation. The 2013-14 Budget Overview provides that such application of Proposition 39 revenues is a departure from how revenues should be treated for Proposition 98 and contrary to what voters were told regarding Proposition 39. The LAO, accordingly, recommends that the State Legislature exclude all Proposition 39 revenues required to be used on energy efficiency projects (\$450 million) from the Proposition 98 calculation.

ITEM 19

The 2013-14 Budget Overview is available on the LAO website at www.lao.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by such reference.

Changes in State Budget. The final fiscal year 2013-14 State budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the Governor's budget proposal. Accordingly, the District cannot predict the impact that the final fiscal year 2013-14 State Budget, or subsequent budgets, will have on its finances and operations. The final fiscal year 2013-14 State budget will be affected by national and State economic conditions and other factors which the District cannot predict.

Future Budgets and Budgetary Actions. The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund schools during fiscal year 2012-13 and in future fiscal years. Continued State budget shortfalls in fiscal year 2012-13 and future fiscal years could have a material adverse financial impact on the District. However, the Bonds are secured by *ad valorem* taxes levied and collected on taxable property within the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and college districts through a local Educational Revenue Augmentation Fund (ERAF) in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as "Proposition 22".

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment will be to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved. Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 1, 2010. Because Proposition 22 reduces the State's authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years—such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

District Revenues

Under California Education Code (the "Education Code") Section 42238 and following, each school district is determined to have a target funding level: a "base revenue limit" per student multiplied by the district's student enrollment measured in units of average daily attendance ("A.D.A.").

ITEM 19

The base revenue limit is calculated from the district's prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district is the amount needed to reach that district's base revenue limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State "equalization aid." To the extent local tax revenues increase due to growth in local property assessed valuation, the additional revenue is offset by a decline in the State's contribution.

The District's total base revenue limit per A.D.A. is budgeted to be \$7,706 for Fiscal Year 2012-13, compared to \$7,701 in 2011-12. The District's total projected revenue limit income for Fiscal Year 2012-13 is \$79.1 million, or approximately 82.1% of its total general fund revenues.

The principal component of local revenues is the District's property tax revenues; that is, the District's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. The more local property taxes a district receives, the less State equalization aid it is entitled to; ultimately, a school district whose local property tax revenues exceed its base revenue limit is entitled to receive no State equalization aid, and receives only its special categorical aid, which is deemed to include the "basic aid" of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts are known colloquially as "basic aid districts." Districts that receive some equalization aid may commonly be referred to as "revenue limit districts."

The District is a basic aid district. Local property tax revenues account for approximately 100% of the District's aggregate revenue limit income, and are budgeted to be approximately \$79.1 million, or 82.1% of total general fund revenue in Fiscal Year 2012-13. The County is a "Teeter Plan" county, which means that the District is made whole for any delinquencies in payment of property taxes by local property owners. Property tax levy and collection procedures (including the Teeter Plan) are discussed in the front portion of this Official Statement under "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Tax Collections and Delinquencies." For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" in this Appendix A.

Effect of Changes in Enrollment. Changes in local property tax income and student enrollment (or A.D.A.) affect revenue limit districts and basic aid districts differently.

In a revenue limit district, increasing enrollment increases the total revenue limit and thus generally increases a district's entitlement to State equalization aid, while increases in property taxes do nothing to increase district revenues, but only offset the State funding requirement of equalization aid. Operating costs increase disproportionately slowly to enrollment growth—and only at the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on revenue limit districts, generally resulting in a loss of State equalization aid, while operating costs decrease slowly and only when, for example, the district decides to lay off teachers or close schools.

In basic aid districts, the opposite is generally true: Increasing enrollment does increase the revenue limit, but since all revenue limit income (and more) is already generated by local property taxes, there is no increase in State income, other than the \$120 per student in basic aid received in the form of categorical aid, as described above. Meanwhile, as new students impose increased operating costs, property tax income is stretched further. Declining enrollment does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a basic aid district.

For revenue limit districts, any loss of local property taxes is made up by an increase in State equalization aid, until the base revenue limit is reached. For basic aid districts, the loss of tax revenues is not reimbursed by the State.

The District cannot make any predictions regarding how the current economic environment or changes thereto will affect the State's ability to meet the revenue and spending assumptions in the State's adopted budget,

ITEM 19

and the effect of these changes on school finance. The District's adopted budget and budgeted A.D.A. are used for planning purposes only, and do not represent a prediction as to the actual financial performance, attendance, or the District's actual funding level for fiscal year 2012-13 or beyond. Certain adjustments will have to be made throughout the year based on actual State funding and actual attendance.

The District's recent A.D.A. history for grades 7 through 12 is set forth in the table below.

**Total Grades 7-12 Second Period (P-2)
Average Daily Attendance
San Dieguito Union High School District**

Fiscal Year	Total A.D.A.
2004-05	11,524
2005-06	11,739
2006-07	11,961
2007-08	12,022
2008-09	12,075
2009-10	12,140
2010-11	11,923
2011-12	12,019
2012-13 ⁽¹⁾	11,901

⁽¹⁾ District's 2012-2013 First Interim Report, dated December 3, 2012.

Source: Audited Financial Statements for each year, 2005-06 through 2011-12.

The District adopted its Fiscal Year 2012-13 budget on June 21, 2012. The District's adopted budget and budgeted A.D.A. are used for planning purposes only, and do not represent a prediction as to the actual financial performance, attendance, or the District's actual funding level for Fiscal Year 2012-13 or beyond. Certain adjustments will have to be made throughout the year based on actual State funding and actual attendance.

Other District Revenues

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under The No Child Left Behind Act of 2001 (PL 107-110), specialized programs such as Teacher Quality, Title I/Elementary and Secondary Education Act, immigrant education, and various incentives under the American Recovery and Reinvestment Act. Federal revenues, most of which are restricted, are budgeted at approximately \$4.5 million and comprise approximately 4.7% of the District's general fund budgeted revenues in Fiscal Year 2012-13.

Other State Revenues. In addition to State apportionments for Proposition 98 funding, the District receives substantial other state revenues. These other state revenues, or categorical funds, are ordinarily restricted to specific programs or items; however, as part of the 2009-10 State Budget, general spending flexibility was given to school districts for most categorical funds through Fiscal Year 2012-13. State categorical revenues are budgeted at approximately \$4.7 million, including the State lottery fund portion, comprising approximately 4.7% of the District's general fund budgeted revenues in Fiscal Year 2012-13. Lottery funds may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. The District's total State lottery revenue is budgeted at \$1.7 million, or about 1.8% of general fund revenue in 2012-13.

Other Local Revenues. In addition to *ad valorem* property taxes, the District receives additional local revenues from items such as interest earnings and other local sources. Other local revenues comprised approximately 8.4% of the District's general fund revenues and are budgeted to be approximately \$8.0 million in 2012-13. Other local revenues may include donations, redevelopment pass-through moneys as described below, local voter-approved special taxes, as well as items such as rent, interest, fees and contracts.

ITEM 19

Dissolution of Redevelopment Agencies. Under California law, a city or county could, and did, prior to California legislation dissolving redevelopment agencies as described below, create a redevelopment agency in territory within one or more school districts. Upon formation of a “project area” of a redevelopment agency, most property tax revenues attributable to the growth in assessed value of taxable property within the project area (known as “tax increment”) belong to the redevelopment agency, causing a loss of general fund tax revenues (relating to the 1% countywide general fund levy) to other local taxing agencies, including school districts, from that time forward. However, special *ad valorem* property taxes (in excess of the 1% general fund levy) collected for payment of debt service on school bonds are based on assessed valuation before reduction for redevelopment increment and such special *ad valorem* property taxes are not affected or diverted by the operation of a redevelopment agency project area.

As to operating revenues, any loss of local property taxes that contribute to the revenue limit target of a revenue limit district is made up by an increase in State equalization aid, until the base revenue limit is reached. “Pass-through” payments of local tax revenues required by law to be paid to the school district by a local redevelopment agency will count toward the revenue limit, except for any portion dedicated to capital facilities or deferred maintenance.

Commencing February 1, 2012, property taxes that would have been allocated to each redevelopment agency if the agencies had not been dissolved will instead be deposited in a “redevelopment property tax trust fund” created for each former redevelopment agency by the related county auditor-controller and held and administered by the related county auditor-controller as provided in Part 1.85 (commencing with Section 34170) of Division 24 of the State Health and Safety Code (the “Health and Safety Code”). The Health and Safety Code generally requires each county auditor-controller, on May 16, 2012 and June 1, 2012 and each January 16 and June 1 thereafter, to apply amounts in a related redevelopment property tax trust fund, after deduction of the county auditor-controller’s administrative costs, in the following order of priority:

- To pay pass-through payments to affected taxing entities in the amounts that would have been owed had the former redevelopment agency not been dissolved; provided, however, that if a successor agency determines that insufficient funds will be available to make payments on the recognized obligation payment schedule and the county auditor-controller and State Controller verify such determination, pass-through payments that had previously been subordinated to debt service may be reduced;
- To the former redevelopment agency’s successor agency for payments listed on the successor agency’s recognized obligation payment schedule for the ensuing six-month period;
- To the former redevelopment agency’s successor agency for payment of administrative costs; and
- Any remaining balance to school entities and local taxing agencies.

The former Solana Beach Redevelopment Project is the only redevelopment project area located in the District. In fiscal year 2011-12, the District received \$15,929 in revenue from the Solana Beach Redevelopment Agency as a pass-through payment to the District. For fiscal year 2012-13, the District has projected approximately \$15,929 to be received from the Solana Beach Redevelopment Agency. In future years, the District cannot predict amounts it may receive from the redevelopment property tax trust fund administered by the County auditor.

District Expenditures

The largest part of each school district’s general fund budget is used to pay salaries and benefits of certificated (credentialed teaching) and classified (non-instructional) employees. Changes in salary and benefit expenditures from year to year are generally based on changes in staffing levels, negotiated salary increases, and the overall cost of employee benefits.

In its Fiscal Year 2012-13 budget, the District estimates that it will expend approximately \$84.6 million in salaries and benefits, or approximately 82% of its general fund expenditures. This amount represents a decrease of approximately 1.0% from the \$84.7 million the District expended in 2011-12.

ITEM 19

Labor Relations. The District currently employs 522.8 full-time-equivalent (FTE) certificated employees, 317.4 FTE classified employees, and 56.2 FTE management and supervisory/other employees. Certificated and classified employees are represented for collective bargaining purposes as shown below:

**San Dieguito Union High School District
Labor Organizations**

<u>Labor Organization</u>	<u>Number of (FTE) Employees</u>	<u>Contract Expiration</u>
San Dieguito Faculty Association (Certified)	522.8	June 30, 2015
California School Employees Association (Classified)	317.4	June 30, 2012 ⁽¹⁾

⁽¹⁾ Contract negotiations between the District and the California School Employees Association are ongoing as of the date of this Official Statement.

Retirement Programs. The District participates in the State Teachers' Retirement System ("STRS") for all full-time and some part-time certificated employees. Each school district is required by statute to contribute 8.25% of eligible employees' salaries to STRS on a monthly basis. Employees are required to contribute 8% of eligible salary. The State is required to contribute as well. The District's estimated employer contribution to STRS from the General Fund was approximately \$4.4 million for fiscal year 2011-12 and is budgeted at approximately \$4.3 million in fiscal year 2012-13.

The District also participates in the California Public Employees' Retirement System ("CalPERS") for all full-time and some part-time classified employees. The District is required to contribute toward CalPERS, at a State-determined percentage of CalPERS-eligible salaries. For fiscal year 2011-12, the contribution percentage was 10.923%. For fiscal year 2012-13, the contribution percentage is 11.417%. The total contribution is budgeted at approximately \$1.8 million for fiscal year 2012-13, compared to approximately \$1.7 million in fiscal year 2011-12.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make (except as already announced). STRS and CalPERS liabilities are more fully described in APPENDIX B: "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2012," Note K.

Governor's Pension Reform Legislation. On August 28, 2012, Governor Brown and the State Legislature reached agreement on a new law that will reform pensions for State and local government employees. AB 340, signed into law on September 12, 2012, established the California Public Employees' Pension Reform Act of 2012 ("PEPRA") which governs pensions for public employers and public pension plans on and after January 1, 2013. For new employees, PEPRA, among other things, caps pensionable salaries at the Social Security contribution and wage base, which is \$110,100 for 2012, or 120% of that amount for employees not covered by Social Security, increases the retirement age by two years or more for all new public employees while adjusting the retirement formulas, requires state employees to pay at least half of their pension costs, and also requires the calculation of benefits on regular, recurring pay to stop income spiking. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays and purchases of service credit. PEPRA applies to all State and local public retirement systems, including county and district retirement systems. PEPRA only exempts the University of California system and charter cities and counties whose pension plans are not governed by State law. The District cannot predict if PEPRA will be challenged in court and, if so, whether any challenge would be successful.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make.

Post-Employment Benefits. In addition to the pension benefits described above, the District contractually provides post-employment health care benefits to certificated and classified employees who retire from the District

ITEM 19

on or after attaining age 55 with at least ten years of service, to management employees with at least five years of service, to the dependents of certificated and management employees, and the spouses of classified employees. Benefits are provided to age 65. As of June 30, 2012, there were 114 eligible retirees and beneficiaries receiving benefits and 892 active plan members.

Beginning in Fiscal Year 2008-09, the District was required to implement Governmental Accounting Standards Board Statement No. 45 ("GASB 45") which directs certain changes in accounting for post-employment healthcare benefits ("OPEBs") in order to quantify a government agency's current liability for future benefit payments. GASB 45 is directed at quantifying and disclosing OPEB obligations, and does not impose any requirement on public agencies to fund such obligations.

On June 16, 2011, Total Compensation Systems, Inc. completed a report of the District's outstanding post-employment benefit obligations as of June 30, 2011. The report calculates the value of all future benefits already earned by current retirees and current employees, known as the "actuarial accrued liability" ("AAL"). As of the date of the report, the District had an actuarial accrued liability of approximately \$9.8 million. The AAL is an actuarial estimate that depends on a variety of assumptions about future events such as health care costs and beneficiary mortality. Every year, active employees earn additional future benefits, an amount known as the "normal cost", which is added to the AAL. The report estimated the normal cost at \$1,107,899 for the year beginning June 30, 2011. To the extent that the District has not set aside moneys in an OPEB trust with which to pay these accrued and accruing future liabilities, there is an unfunded actuarial accrued liability ("UAAL"). As of the date of the report, the District had not set aside any moneys in trust to fund its future obligations. As a result, the District's unfunded OPEB liability is estimated at approximately \$15.2 million.

The annual required contribution ("ARC") is the amount required if the District were to fund each year's normal cost plus an annual amortization of the unfunded actuarial accrued liability, assuming the UAAL will be fully funded over a 30-year period. If the amount budgeted and funded in any year is less than the ARC, the difference reflects the amount by which the UAAL is growing. In the 2011 actuarial report, the ARC was determined to be approximately \$2.2 million. In 2011-12, the District funded approximately \$645,611 in pay-as-you-go expenditures. The District's 2012-13 budgeted pay-as-you-go expenditures for post-retirement benefits are approximately \$827,259.

See also APPENDIX B: "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2012," Note L.

Accrued Vacation and Other Obligations. The long-term portion of accumulated and unpaid employee vacation for the District as of June 30, 2012 was \$1,200,487. See APPENDIX B: "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2012," Notes A(4)d and I(1).

Summary of District Revenues and Expenditures

The table on the following page summarizes the District's general fund revenue, expenditures and fund balances from Fiscal Years 2008-09 through 2011-12 (audited) and Fiscal Year 2012-13 (budgeted). See "SCHOOL DISTRICT BUDGET PROCEDURES AND REQUIREMENTS – District Budget Process and County Review" herein for a general description of the annual budget process for California school districts. The District's audited financial statements for the year ending June 30, 2012, are reproduced in APPENDIX B. The final (unaudited) statement of receipts and expenditures for each fiscal year ending June 30 is required by State law to be approved by the District Board of Trustees by September 15, and the audit report must be filed with the County of San Diego Superintendent of Schools and State officials by December 15 of each year.

The District is required by State law and regulation to maintain various reserves. The District is generally required to maintain a reserve for economic uncertainties in the amount of 3% of its total general fund expenditures and transfers, based on total student attendance below 30,000. For Fiscal Year 2012-13, the District has budgeted an unrestricted general fund reserve of 6.3%, or approximately \$6.5 million. Substantially all funds of the District are required by law to be deposited with and invested by the County Director of Finance on behalf of the District, pursuant to law and the investment policy of the County. See APPENDIX E: "SAN DIEGO COUNTY STATEMENT OF INVESTMENT POLICY AND MONTHLY INVESTMENT REPORT."

ITEM 19

Comparative Financial Statements

The following table summarizes the District's general fund revenue, expenditures and fund balances for fiscal years 2008-09 through 2012-13.

**San Dieguito Union High School District
General Fund Revenues, Expenditures and Fund Balances
2008-09 Through 2012-13**

	2008-09 <u>Audited</u>	2009-10 <u>Audited</u>	2010-11 <u>Audited</u>	2011-12 <u>Audited</u>	2012-13 <u>Projected</u>
Revenues					
Revenue Limit Sources					
State Aid	\$(71,461)	\$(25,567)	\$ (22,844)	\$(40,226)	\$ (39,236)
Local Property Taxes	81,657,153	79,555,036	77,547,264	78,679,381	79,133,470
Federal	7,431,217	2,831,138	6,387,085	5,138,676	4,495,144
Other State	7,235,432	5,933,931	5,146,872	7,015,366	4,658,957
Local	9,727,849	9,277,607	9,290,931	9,775,993	8,045,638
Total Revenues	<u>\$105,980,190</u>	<u>\$97,572,145</u>	<u>\$98,349,308</u>	<u>\$100,569,190</u>	<u>\$96,293,973</u>
Expenditures					
Certificated Salaries	(1)	\$49,916,704	\$48,799,613	\$48,286,097	\$48,627,734
Classified Salaries	(1)	17,286,821	16,322,369	16,545,134	15,690,586
Employee Benefits	(1)	18,539,074	18,877,001	19,888,137	20,309,915
Books and Supplies	(1)	3,730,216	3,690,892	4,364,314	4,470,059
Services/Other Operating Expenditures	(1)	9,450,435	9,571,181	10,754,029	11,945,275
Capital Outlay	(1)	884,622	305,021	52,893	48,500
Other Outgo	(1)	(53,932)	2,300,401	1,935,765	2,147,983
Total Expenditures	<u>\$101,693,443</u>	<u>\$99,753,940</u>	<u>\$99,866,478</u>	<u>\$101,826,369</u>	<u>\$103,240,052</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,286,747	(2,181,795)	(1,517,170)	(1,257,179)	(6,946,079)
Other Financing Sources/(Uses)					
Interfund Transfers In	\$75,478	\$1,098,916	\$525,773	-	-
Interfund Transfers Out	(118,943)	(1,112,191)	(208,584)	\$(326,531)	\$(109,444)
Total Other Financing Sources (Uses)	<u>\$(43,465)</u>	<u>\$(13,275)</u>	<u>\$317,189</u>	<u>\$(326,531)</u>	<u>\$(109,444)</u>
Net Increase (Decrease) in Fund Balances	\$4,243,282	\$(2,195,070)	\$(1,199,981)	\$(1,583,710)	\$(7,055,523)
Beginning Fund Balance	\$12,476,076	\$18,722,241 ⁽²⁾	\$18,937,909 ⁽³⁾	\$15,311,186 ⁽⁴⁾	\$13,727,475
Ending Fund Balance	\$16,719,358	\$16,527,171	\$17,737,928	\$13,727,476	\$6,671,952

⁽¹⁾ Prior to fiscal year 2009-10, the District's audited financial presented expenditures by function rather than by object. In fiscal year 2008-09, the District's itemized expenditures by function were as follows: Instruction = \$59,956,990, Instruction - Related Services = \$13,564,005, Pupil Services = \$9,563,906, General Administration = \$6,141,610, Plant Services = \$10,175,975, Ancillary Services = \$1,903,711 and Other Outgo = \$387,246.

⁽²⁾ Pursuant to the provisions of Assembly Bill 4 of the 2008 Third Extraordinary Session, the District adjusted its general fund beginning fund balance by \$2,002,883 due to re-appropriation of undistributed categorical program balances from the prior year.

⁽³⁾ Pursuant to GASB 54, the District restated its general fund beginning fund balance of \$18,937,909 to combine the special reserve fund for other than capital outlay with the general fund. The special reserve fund did not meet the definition of a special revenue fund as defined by GASB 54.

⁽⁴⁾ Beginning in fiscal year 2011-12, the State no longer required the District to include the special reserve fund for other than capital outlay with the general fund.

Sources: The District's audited financial statements for fiscal years ended June 30, 2009, 2010, 2011 and 2012; the District's First Interim Report for fiscal year 2012-13, adopted December 13, 2012.

ITEM 19

District Debt Structure

Long-Term Debt Summary. Long-term obligations include debt and other long-term liabilities. The changes in the District's long-term obligations during fiscal year 2011-12 consisted of the following:

<u>Government Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Special Tax Bonds	\$84,850,000	–	\$1,780,000	\$83,070,000	\$1,850,000
Unamortized Discount	(1,411,802)	–	(45,542)	(1,366,260)	–
Lease Revenue Bonds	13,015,000	\$2,500,000	–	15,515,000	–
Unamortized Discount	(409,933)	–	(27,329)	(382,604)	–
Unamortized Premium	–	104,392	–	104,392	–
Net OPEB Obligation	4,264,066	1,937,676	645,611	5,556,131	–
Compensated absences ⁽¹⁾	1,087,549	112,938	–	1,200,487	1,200,487
State Loan Payable	3,000,000	–	300,000	2,700,000	300,000
Total governmental activities	<u>\$104,394,880</u>	<u>\$4,655,006</u>	<u>\$2,652,740</u>	<u>\$106,397,146</u>	<u>\$3,350,487</u>

⁽¹⁾ Other long-term liabilities.

The funds typically used to liquidate other long-term liabilities in the past are as follows:

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Compensated absences	Governmental	General

Debt service requirements on long-term debt, net of unamortized amount, unamortized premium, and net OPEB obligation, at June 30, 2012, are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$3,350,487	\$4,861,401	\$8,211,888
2014	2,225,000	4,795,345	7,020,345
2015	2,325,000	4,715,970	7,040,970
2016	2,895,000	4,631,645	7,526,645
2017	2,995,000	4,524,745	7,519,745
2012-2022	15,235,000	20,805,729	36,040,729
2023-2027	28,420,000	17,377,087	45,797,087
2028-2032	19,360,000	8,967,775	28,327,775
2033-2037	18,770,000	3,882,250	22,652,250
2038-2042	6,910,000	662,514	7,572,514
Totals	<u>\$102,485,487</u>	<u>\$75,244,461</u>	<u>\$177,709,948</u>

Special Tax Bonds. Special tax bonds at June 30, 2012 consisted of the following:

	<u>Date if Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2008 Special Tax Bonds	05/13/2008	4.00-5.00%	08/01/2041	\$89,130,000
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
2008 Special Tax Bonds	\$84,850,000	–	\$1,780,000	\$83,070,000
Unamortized Discount	(1,411,802)	–	(45,542)	(1,366,260)
Total	<u>\$83,438,198</u>	<u>–</u>	<u>\$1,734,458</u>	<u>\$81,703,740</u>

ITEM 19

The annual requirements to amortize the bonds outstanding at June 30, 2012 are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$1,850,000	\$3,886,224	\$5,736,224
2014	1,925,000	3,810,724	5,735,724
2015	2,025,000	3,731,349	5,756,349
2016	2,135,000	3,647,024	5,782,024
2017	2,215,000	3,558,524	5,773,524
2018 – 2022	12,475,000	16,300,208	28,775,208
2023 – 2027	15,405,000	13,173,892	28,578,892
2028 – 2032	19,360,000	8,967,775	28,327,775
2033 – 2037	18,770,000	3,882,250	22,652,250
2038 - 2042	6,910,000	662,514	7,572,514
Totals	\$83,070,000	\$61,620,484	\$144,690,484

Lease Revenue Bonds. In May 2010, the District entered into a facility lease agreement with the Authority to execute and deliver Lease Revenue Bonds, Series 2010A (Qualified School Construction Bonds - Direct Subsidy) in the amount of \$13,015,000 with an interest rate of 6.46% for various capital projects and public school improvements, including the installation of solar power facilities at La Costa Canyon High School and the Canyon Crest Solar Facility. Through the facility lease, the District is obligated to make semi-annual base revenue payments to a principal account beginning April 2011 and continuing through April 2027. An annual base rental deposit to the principal account of \$2,005,030 was paid in 2011 with remaining base rental deposits of \$1,606,227 due annually thereafter through April 2027. Interest on the lease revenue bonds is to be paid annually from the principal account beginning May 2011 with the entire principal balance of \$13,015,000 on the bonds due at the maturity date of May 1, 2027. Because the Series 2010A Bonds are designated as qualified school construction bonds under Section 54F of the Code, the District receives a direct subsidy from the federal government under Section 6431 of the Code. The District will receive \$736,649 in subsidy payments from the federal government in fiscal year 2012-13.

In March 2012, the District entered into a facility lease agreement with the San Dieguito Public Facilities Authority to execute and deliver Lease Revenue Bonds, Series 2012A in the amount of \$2,500,000 with an interest rate of 4% for various capital projects and public school improvements. Through the facility lease, the District is obligated to make semi-annual base revenue payments to a principal amount beginning March 2016 and continuing annually through March 2020. Interest on the lease revenue bonds is to be paid semi-annually on September 1 and March 1 beginning on September 1, 2012 and continuing through March 1, 2020.

Tax and Revenue Anticipation Notes. Because District revenues from local property taxes and State categorical funds are received at irregular intervals throughout the year, while expenditures tend to be incurred on a regular monthly basis, the District may find it necessary to borrow for short-term cash needs by issuance of tax and revenue anticipation notes. In July 2012, the District entered into the County of San Diego and San Diego County School Districts 2012 Pooled Tax and Revenue Anticipation Notes in the amount of \$18,225,000. The notes matured on April 30, 2013 with an interest rate of 2.00%. The notes were sold by the District to supplement the District's cash flow. The District has no remaining outstanding tax and revenue anticipation notes. The District does anticipate issuing Tax and Revenue Anticipation Notes in fiscal year 2012-13.

Capital Financing Plan

As a condition to receiving past State modernization or construction funds, the District agrees to fund a restricted maintenance reserve account in the general fund each year for 20 years of at least 3% of its general fund budget. For Fiscal Years 2008-09 through 2012-13, the adopted 2009-10 State Budget has reduced the required reserve contribution from 3% to 1%. In Fiscal Year 2012-13, the District has funded a maintenance reserve contribution of approximately \$2.2 million or 2.3% of its general fund revenues.

Insurance and Joint Powers Arrangements

Self Insurance. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured through the San Diego County Schools and Imperial County Schools Risk Management Joint Powers Authority (the "JPA") which provides workers' compensation insurance, general liability, property, automobile and other miscellaneous coverage. Under this program the JPA provides coverage through a Workers' Compensation Fund. The District receives user charges based upon each member's respective covered payroll. Coverage is provided for workers compensation with \$100,000 per occurrence being self-funded. Costs above the first \$100,000 are covered by an excess insurance policy of up to \$25,000,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District receives property/casualty loss and general liability insurance coverage through the JPA. A \$5,000,000 insurance policy is in effect with a deductible per occurrence of up to \$25,000 and a \$100,000 self-insured retention. The JPA pool covers losses in excess of the self-insured retention up to \$500,000. The next \$4.5 million is covered by an excess insurance policy through a commercial carrier. The Schools Excess Liability Fund then provides an additional \$20,000,000 of coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Joint Powers Authorities. In addition to the Authority, as noted above the District participates in the San Diego County Schools and Imperial County Schools Risk Management Joint Powers Authority. The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes. Financial statements for the JPA are available from such entity.

The JPA was created for the purpose of arranging for and providing various types of insurance for its member districts as requested. The JPA is governed by a board consisting of a representative from each member district. The board of the JPA controls the operations of the JPA, including selection of arrangement and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

SCHOOL DISTRICT BUDGET PROCEDURES AND REQUIREMENTS

District Budget Process and County Review

State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the San Diego County Superintendent of Schools (the "County Superintendent").

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's Board of Trustees of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) after also consulting with the district's board, develop and impose revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 ("A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A school district that receives a qualified or negative certification may not issue tax and revenue anticipation notes or certificates of participation without approval by the County Superintendent. The District has not received a qualified or negative certification in at least the most recent five fiscal years. [Furthermore, the District budget has not been disapproved by the County Superintendent in at least the most recent five fiscal years.]

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with the definitions, instructions and procedures of the California School Accounting Manual, as required by the State Education Code. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

Wilkinson Hadley King & Co. LLP, Certified Public Accountants & Advisors, El Cajon, California, serves as independent auditor to the District. The District's audited financial statements for the fiscal year ended June 30, 2012 are attached hereto as APPENDIX B. The District considers its audited financial statements to be public information, and accordingly no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit herein that there has been no material change in the financial condition of the District since the audit was concluded. The District is required by law to adopt its audited financial statements following a public meeting to be conducted no later than January 31 following the close of each fiscal year.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

Article XIII A of the California Constitution. Article XIII A of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIII A limits the maximum *ad valorem* tax on real property to 1% of "full cash value," and provides that such tax shall be collected by the counties and apportioned according to State law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to *ad valorem* taxes levied to pay interest and redemption charges on (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for payment of the District's general obligation bonds approved at the 2012 election falls within the exception for bonds approved by a 55% vote.

Section 2 of Article XIII A defines "full cash value" to mean the county assessor's valuation of real property as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. The Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restored value of the damaged property. The California courts have upheld the constitutionality of this procedure. Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except the 1% base tax levied by each County and taxes to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues of the District.

ITEM 19

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A.

Article XIIC and Article XIID of the California Constitution. On November 5, 1996, the voters of the State approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIIC and XIID to the State Constitution, which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges. Among other things, Article XIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes); prohibits special purpose government agencies such as school districts from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote. Article XIIC also provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

Article XIIC also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. The State Constitution and the laws of the State impose a duty on the county treasurer and tax collector to levy a property tax sufficient to pay debt service on school bonds coming due in each year. The initiative power cannot be used to reduce or repeal the authority and obligation to levy such taxes which are pledged as security for payment of the Bonds or to otherwise interfere with performance of the duty of the District and the County with respect to such taxes. Legislation adopted in 1997 provides that Article XIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure which would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIID deals with assessments and property-related fees and charges. Article XIID explicitly provides that nothing in Article XIIC or XIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District. Developer fees imposed by the District are restricted as to use and are neither pledged nor available to pay the Bonds.

The interpretation and application of Proposition 218 continues to be considered and determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Expenditures and Appropriations

Article XIIB of the California Constitution. In addition to the limits Article XIII A imposes on property taxes that may be collected by local governments, certain other revenues of the State and local governments are subject to an annual "appropriations limit" or "Gann Limit" imposed by Article XIIB of the State Constitution, which effectively limits the amount of such revenues that government entities are permitted to spend. Article XIIB, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to "proceeds of taxes," which consist of tax revenues, state subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed "the cost reasonably borne by such entity in providing the regulation, product or service." "Proceeds of taxes" excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not "proceeds of taxes," such as reasonable user charges or fees, and certain other non-tax funds.

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

ITEM 19

The State and each local government entity, each has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Each school district is required to establish an appropriations limit each year. In the event that a school district's revenues exceed its spending limit, the district may increase its appropriations limit to equal its spending by taking appropriations limit from the State.

Proposition 111 requires that each agency's actual appropriations be tested against its limit every two years. If the aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency's taxpayers through tax rate or fee reductions over the following two years. If the State's aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, 50% of the excess is transferred to fund the State's contribution to school and college districts.

In Fiscal Year 2011-12, the District had an appropriations limit of \$80,850,643 and appropriations subject to the limit of \$78,292,253. For Fiscal Year 2012-13, the District's appropriations limit is budgeted at \$83,076,504.

Future Initiatives. Articles XIII A, XIII B, XIII C, and XIII D, and Propositions 98 and 111 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues.

APPENDIX B
FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

OPINION REGARDING TAX-EXEMPT BONDS

Board of Trustees of
The San Dieguito Union High School District
Encinitas, California

Ladies and Gentlemen:

We have examined a record of proceedings of the San Dieguito Union High School District (the "District"), located in the County of San Diego (the "County"), relating to the issuance by the District of \$_____ aggregate principal amount of 2013 General Obligation Bonds (Election of 2012), Series A (Tax-Exempt) (the "Bonds"), which are described below.

The Bonds were authorized to be issued at an election held on November 6, 2012 (the "2012 Election"), by more than 55% of the votes cast by eligible voters within the District. The measure authorizes the District to issue bonds in an aggregate principal amount not to exceed \$449,000,000 for specified purposes. The Bonds, along with the District's \$_____ aggregate principal amount of 2013 General Obligation Bonds (Election of 2012), Series A (Taxable), to be issued on or about the date hereof, are the first series to be issued pursuant to the 2012 Election. The Bonds are issued pursuant to the Constitution and laws of the State of California (the "State"), including the provisions of the Government and Education Codes of the State, a paying agent agreement (the "Paying Agent Agreement") by and between the District and the County as paying agent (the "Paying Agent") and a resolution adopted by the Board of Trustees of the District on _____, 2013 (the "District Resolution"). The County approved the financing on _____, 2013.

The Bonds are dated as of March __, 2013, with interest payable on February 1, 2014, and semiannually thereafter on each February 1 and August 1 until maturity or prior redemption; are fully registered in form in denominations of \$5,000 each or any integral multiple thereof; mature and bear interest as set forth in the Bonds, the District Resolution and the Paying Agent Agreement; and are subject to prior redemption in the manner and upon the terms and conditions set forth in the Bonds and the Paying Agent Agreement.

With respect to the executed and authenticated Bond of this issue that we examined, and Bonds similarly executed and authenticated and identical thereto in form except for number, amount, interest rate, maturity and option of redemption, we are of the opinion that:

- (a) the Bonds constitute valid and binding obligations of the District;
- (b) the Paying Agent Agreement has been duly authorized, executed and delivered by, and constitutes a valid and binding obligation of, the District;
- (c) the Board of Supervisors of the County has power and is obligated to levy ad valorem taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the Bonds and the interest thereon;
- (d) under existing law, the interest on the Bonds will be exempt from State of California income taxation; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon;
- (e) interest on the Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations and decisions. It is noted that under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain restrictions that must be met subsequent to the delivery of the Bonds,

ITEM 19

including restrictions that must be complied with throughout the term of the Bonds. These include a requirement that certain investment earnings received from the investment of the proceeds of the Bonds be rebated (or that certain payments in lieu of rebate be made) to the United States of America under certain circumstances and other requirements applicable to the investment of the proceeds of the Bonds and the use of the proceeds of the Bonds and the use of the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The District and the County have covenanted to regulate the investment of the proceeds of the Bonds and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds. It is our opinion that, assuming compliance with such covenants, the interest on the Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code; and

(f) interest on the Bonds is not includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to such tax will be required to increase its alternative minimum taxable income by 75% of the amount by which its "adjusted current earnings" exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For such purposes, "adjusted current earnings" would include, among other items, interest income from the Bonds. In addition, interest income on the Bonds will be includable in the base upon which is calculated the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States.

The opinions expressed above are limited to the matters expressed above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

OPINION REGARDING TAXABLE BONDS

Board of Trustees of
The San Dieguito Union High School District
Encinitas, California

Ladies and Gentlemen:

We have examined a record of proceedings of the San Dieguito Union High School District (the "District"), located in the County of San Diego (the "County"), relating to the issuance by the District of \$_____ aggregate principal amount of 2013 General Obligation Bonds (Election of 2012), Series A (Taxable) (the "Bonds"), which are described below.

The Bonds were authorized to be issued at an election held on November 6, 2012 (the "2012 Election"), by more than 55% of the votes cast by eligible voters within the District. The measure authorizes the District to issue bonds in an aggregate principal amount not to exceed \$449,000,000 for specified purposes. The Bonds, along with the District's \$_____ aggregate principal amount of 2013 General Obligation Bonds (Election of 2012), Series A (Tax-Exempt), to be issued on or about the date hereof, are the first series to be issued pursuant to the 2012 Election. The Bonds are issued pursuant to the Constitution and laws of the State of California (the "State"), including the provisions of the Government and Education Codes of the State, a paying agent agreement (the "Paying Agent Agreement") by and between the District and the County as paying agent (the "Paying Agent") and a resolution adopted by the Board of Trustees of the District on _____, 2013 (the "District Resolution"). The County approved the financing on _____, 2013.

The Bonds are dated as of March __, 2013, with interest payable on February 1, 2014, and semiannually thereafter on each February 1 and August 1 until maturity or prior redemption; are fully registered in form in denominations of \$5,000 each or any integral multiple thereof; mature and bear interest as set forth in the Bonds, the District Resolution and the Paying Agent Agreement; and are subject to prior redemption in the manner and upon the terms and conditions set forth in the Bonds and the Paying Agent Agreement.

With respect to the executed and authenticated Bond of this issue that we examined, and Bonds similarly executed and authenticated and identical thereto in form except for number, amount, interest rate, maturity and option of redemption, we are of the opinion that:

- (a) the Bonds constitute valid and binding obligations of the District;
- (b) the Paying Agent Agreement has been duly authorized, executed and delivered by, and constitutes a valid and binding obligation of, the District;
- (c) the Board of Supervisors of the County has power and is obligated to levy ad valorem taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the Bonds and the interest thereon;
- (d) under existing law, the interest on the Bonds will be exempt from State of California income taxation; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon; and
- (e) interest on the Bonds is not excludable from gross income for federal income tax purposes.

The opinions expressed above are limited to the matters expressed above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

ITEM 19

Investors are urged to obtain independent federal income tax advice regarding the Bonds based upon their particular circumstances. Federal income tax advice set forth herein regarding the Bond was not intended or written to be used, and cannot be used, for purposes of avoiding federal income tax penalties. The advice provided herein was written to support the promotion or marketing of the Bonds. This notice is intended to comply with the provisions of Section 10.35 of the United States Treasury Publication Circular 230.

Very truly yours,

APPENDIX D**FORM OF CONTINUING DISCLOSURE CERTIFICATE****San Dieguito Union High School District
General Obligation Bonds (Election of 2012)
Series A-1 (Taxable)
Series A-2 (Tax-Exempt)**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the San Dieguito Union High School District (the "District") in connection with the issuance of \$_____ principal amount of San Dieguito Union High School District General Obligation Bonds (Election of 2012), Series A-1 (Taxable) and \$_____ principal amount of the San Dieguito Union High School District General Obligation Bonds (Election of 2012), Series A-2 (Tax-Exempt) (collectively, the "Bonds"). The Bonds are being issued as authorized by a resolution adopted by the Board of Trustees of the District on February 7, 2012, and in accordance with the terms of a Paying Agent Agreement, dated as of March 1, 2013 (the "Paying Agent Agreement"), by and between the District and the County of San Diego (the "County"), as paying agent (the "Paying Agent"). The District covenants and agrees as follows:

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

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

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

"Participating Underwriter" shall mean E. J. De La Rosa Co. & Inc., or the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

ITEM 19

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently June 30), commencing with the Annual Report for the fiscal year of the District ending June 30, 2013 (which is due no later than April 1, 2014), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. Neither the Trustee nor the Dissemination Agent shall have any duties or responsibilities with respect to the contents of the Annual Report. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

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

(c) If the Paying Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Paying Agent shall send a notice, in electronic format, to the MSRB, such notice to be in substantially the form attached as Exhibit A.

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

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

- * Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

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

- * Adopted budget of the District for the current fiscal year, or a summary thereof, and any interim budget reports approved as of the date of filing of the Annual Report.
- * District average daily attendance.
- * District outstanding debt.
- * Information regarding total assessed valuation of taxable properties within the District, if and to the extent provided to the District by the County.

ITEM 19

- * Information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

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

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

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

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

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;

ITEM 19

4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

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

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

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

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

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

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the

ITEM 19

amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in Superior Court of the State of California in and for the County of San Diego or in U.S. District Court in or nearest to the County. The sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

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

Date: _____, 2013

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

By _____
[Draft – Not for Signature]
Associate Superintendent,
Business Services

CONTINUING DISCLOSURE EXHIBIT A

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

Name of District: SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

Name of Bond Issue: SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
GENERAL OBLIGATION REFUNDING BONDS (ELECTION OF 2012),
SERIES A-1 (TAXABLE) AND SERIES A-2 (TAX-EXEMPT)

Date of Issuance: _____, 2013

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

Dated: _____

SAN DIEGUITO UNION HIGH SCHOOL
DISTRICT

By _____ [to be signed only if filed]

APPENDIX E

**SAN DIEGO COUNTY
STATEMENT OF INVESTMENT POLICY
AND
MONTHLY INVESTMENT REPORT**

The following information has been furnished by the Office of the Treasurer-Tax Collector, County of San Diego. It describes (i) the policies applicable to investment of District funds, including bond proceeds and tax levies, and funds of other agencies held by the Treasurer-Tax Collector and (ii) the composition, carrying amount, market value and other information relating to the investment pool. Further information may be obtained directly from the County Treasurer-Tax Collector, San Diego County Administration Center, 1600 Pacific Highway, Room 162, San Diego, CA 92101.

APPENDIX F**BOOK-ENTRY ONLY SYSTEM**

The information in this APPENDIX F has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the beneficial owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this appendix, "Securities" means the Bonds, "Issuer" means the District, and "Agent" means the Paying Agent.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each series and maturity of the Securities, each in the principal amount of such series and maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any series and maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such series and maturity.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized

ITEM 19

representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

RESOLUTION NO. _____

Dated: _____

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AUTHORIZING THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT TO ISSUE AND SELL BONDS OF THE DISTRICT BY A NEGOTIATED SALE PURSUANT TO ONE OR MORE BOND PURCHASE CONTRACTS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT AGREEMENT, AND AUTHORIZING THE EXECUTION OF NECESSARY CERTIFICATES RELATING TO SAID BONDS.

On motion of Supervisor _____, seconded by Supervisor _____, the Board of Supervisors of the County of San Diego adopted the following Resolution:

RECITALS:

WHEREAS, an election was duly called and regularly held in the San Dieguito Union High School District, County of San Diego, California (herein called the "District"), on November 6, 2012, pursuant to Section 15100 and following of the Education Code of the State of California (the "Education Code"), at which a bond proposition ("Proposition AA") summarized as follows was submitted to the electors of the District:

"To provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, constructing and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities, shall San Dieguito Union High School District issue \$449 million in bonds with independent oversight, no money for administrator salaries, and all money staying local?"; and

WHEREAS, passage of Proposition AA required a 55% affirmative vote of the votes cast therein, and at least 55% of the votes cast on said proposition were in favor of issuing said bonds; and

WHEREAS, the Superintendent of Schools of the County of San Diego, California (the "County") has jurisdiction over the District; and

WHEREAS, Sections 53506 *et seq.* of the Government Code of the State of California (the "Government Code"), including Section 53508.7 thereof, provide that a school district may issue and sell bonds on its own behalf at a private sale pursuant to Section 15140 or 15146 of the Education Code of the State of California (the "Education Code"); and

WHEREAS, Section 15140(b) of the Education Code provides that the Board of Supervisors of a county may authorize a school district over which the County Superintendent of

ITEM 19

Schools has jurisdiction, and which has not received a qualified or negative certification in its most recent interim report, to issue and sell bonds on its own behalf without further action of the Board of Supervisors or officers of the county; and

WHEREAS, the Board of Trustees of the District has heretofore adopted a resolution (the "District Resolution"), a certified copy of which has been filed with the Clerk of this Board of Supervisors, providing for the issuance of its San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series __, or as otherwise designated in the Bond Purchase Contract, in one or more taxable or tax-exempt series in the aggregate principal amount not to exceed \$160,000,000 (collectively, the "2013 Bonds") pursuant to Section 53506 *et seq.* of the Government Code (in order to take advantage of the longer term to maturity afforded by that statute) and additionally providing for the negotiated sale thereof pursuant to Section 15140 and 15146 of the Education Code; and

WHEREAS, the District, through the District Resolution, has requested that this Board of Supervisors of the County authorize the District on its own behalf to issue the 2013 Bonds from time to time and sell the 2013 Bonds at a negotiated sale, all pursuant to Sections 53506 *et seq.* of the Government Code and section 15140(b) of the Education Code, and has represented and warranted to this Board of Supervisors that it has not received a qualified or negative certification in its most recent interim report; and

WHEREAS, the Board of Trustees of the District has authorized the sale of the 2013 Bonds by a negotiated sale to E. J. De La Rosa & Co., Inc. (the "Underwriter"), pursuant to a Bond Purchase Contract (the "Bond Purchase Contract"), the form of which has been submitted to and is on file with the Clerk of this Board of Supervisors; and

WHEREAS, Dolinka Group LLC has been engaged by the District to act as financial advisor (the "Financial Advisor") to the District, DLA Piper LLP (US) has been engaged as bond counsel ("Bond Counsel") and Orrick, Herrington & Sutcliffe LLP has been engaged as disclosure counsel to the District with respect to the 2013 Bonds; and

WHEREAS, the County through the office of the Treasurer-Tax Collector of the County (the "Treasurer-Tax Collector") will serve as paying agent for the Bonds, pursuant to a Paying Agent Agreement (the "Paying Agent Agreement"), by and between the District and the County, Office of the Treasurer-Tax Collector, a form of which has been submitted to and is on file with the Clerk of this Board of Supervisors; and

WHEREAS, the Board of Trustees of the District has requested that the County levy the necessary taxes each year to pay the 2013 Bonds as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. District Resolution Received. This Board of Supervisors (the "Board") hereby acknowledges receipt of a certified copy of the District Resolution.

Section 3. Authorization of District Issuance and Sale. The Board hereby authorizes the issuance and private negotiated sale of the 2013 Bonds by the District on its own behalf, pursuant to the terms determined by the District and authorized by Section 15140 and 15146 of the Education Code, as permitted by Section 53508.7 of the Government Code. This authorization shall only apply to the 2013 Bonds authorized by Proposition AA to be issued by the District from time to time.

Section 4. Purpose. The purpose of this action is to permit the District to sell its 2013 Bonds in the manner that the District determines is in its best interests and the best interests of its taxpayers.

Section 5. District Responsibilities. Pursuant to Section 15140(c) of the Education Code, the Board of Trustees of the District has transmitted the District Resolution to the County and shall, forthwith after the sale of the 2013 Bonds, transmit a copy of the final debt service schedule for each series of the 2013 Bonds, reflecting the principal amounts and interest rates of each such series as determined upon the sale thereof, to the County Auditor and Controller and Treasurer-Tax Collector, in order to permit the County to establish tax rates and necessary funds or accounts for the 2013 Bonds.

Section 6. County Responsibilities.

(a) The County, including the officers thereof and the Board, assumes no responsibility for any of the proceedings following the adoption of this Resolution which involve or result in the sale and issuance of the 2013 Bonds.

(b) The County shall levy and collect taxes, pay principal of and interest on the 2013 Bonds when due, and hold the bond proceeds and tax levy for bonds that have been duly issued and sold by the District as otherwise required by law.

(c) The County, including the officers thereof and the Board, assumes no responsibility for establishing a tax rate for any of the 2013 Bonds in any year in which the information required by Section 5 hereof to be delivered to the County Auditor and Controller and Treasurer-Tax Collector is delivered later than the deadline established by such officers in order to permit compliance with Government Code Section 29100 and following.

(d) The County acknowledges the request of the District in the District Resolution to levy a tax rate determined by an Authorized District Representative (not to exceed \$25.00 per \$100,000 of assessed valuation) for the bonds issued under Proposition AA in each year and the establishment of an annual reserve for the purpose of avoiding a fluctuating tax levy.

Section 7. Approval of Paying Agent Agreement. The Paying Agent Agreement relating to the 2013 Bonds, between the District and the County, Office of the Treasurer-Tax Collector, as paying agent/registrar and transfer agent or such other entity specified therein as paying agent (the "Paying Agent"), in substantially the form submitted to and on file with the Clerk of this Board of Supervisors, is hereby approved. The Treasurer-Tax Collector or a deputy or officer thereof (an "Authorized Officer") is hereby authorized to execute and deliver an instrument or instruments in substantially said form, including supplements

thereto, completed with the terms of the 2013 Bonds determined upon the sale thereof, and with such other changes thereto as the Treasurer-Tax Collector may require or approve, and the Treasurer-Tax Collector's approval of the Paying Agent Agreement and any supplements thereto shall be conclusively evidenced by the execution and delivery thereof.

Section 8. Deposit and Investment of Proceeds. The proceeds of sale of the 2013 Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury to the credit of the building fund of the District and may be used for any authorized purpose, including, without limitation, the payment of issuance costs and the funding of any lease payments to be made by the District on, or the purchase of all or a portion of, the projects financed with the \$2,500,000 San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects) (the "2012 Bonds") and/or the \$13,015,000 San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2010A (Qualified School Construction Bonds – Direct Subsidy) (the "QSCB Bonds"), in each case pursuant to the terms and conditions of the District Resolution and of the Paying Agent Agreement and any escrow agreement. Any premium and accrued interest received by the District shall be deposited upon receipt in the interest and sinking fund of the District within the County treasury.

All funds held by the Treasurer-Tax Collector with respect to the 2013 Bonds shall be invested by the Treasurer-Tax Collector in the County Investment Pool, the Local Agency Investment Fund, any investment authorized by the Paying Agent Agreement or pursuant to Sections 53601 and 53635 of the Government Code, or in other investments, including guaranteed investment contracts, float contracts or other investment products (provided that such investments comply with the requirements of the Tax Certificate, and with the requirements of each rating agency then rating the 2013 Bonds necessary in order to maintain the then-current rating on the 2013 Bonds). The Treasurer-Tax Collector shall assume no responsibility in the reporting, reconciling or monitoring in the investment of proceeds related to the 2013 Bonds.

The District Resolution provides that the Authorized District Representative (as defined in the District Resolution) may request that the Treasurer-Tax Collector, subject to his fiduciary responsibilities, invest all or any portion of the funds held in the interest and sinking fund of the District and in the building fund of the District or otherwise under the Paying Agent Agreement or escrow agreement in specific investments, so as to effectively coordinate the Investments to the debt service payments on the Bonds and the construction program of the District, respectively, or for any other purposes in the District's discretion.

Section 9. Tax Covenants. The County acknowledges and relies upon the fact that the District has represented and covenanted in the Tax Certificate of the District with respect to the 2013 Bonds, to be entered into by the District as of the date of issuance of the 2013 Bonds (the "Tax Certificate"), that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on any 2013 Bonds that are issued on a tax-exempt basis under Section 103 of the Code or on the 2012 Bonds and/or the QSCB Bonds, and that it will comply with the requirements of the Tax Certificate, and further that such representation and covenant shall survive payment in full or defeasance of any tax-exempt series of 2013 Bonds. The County

ITEM 19

hereby covenants that neither it nor the officers of the County shall take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on any 2013 Bonds that are issued on a tax-exempt basis under Section 103 of the Code, the 2012 Bonds and/or the QSCB Bonds.

Section 10. Limited Responsibility for Official Statement. Neither the Board of Supervisors nor any officer of the County has prepared or reviewed any official statement of the District describing the 2013 Bonds (each, an “Official Statement”), and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County’s investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District held by the Treasurer-Tax Collector, the Treasurer-Tax Collector is hereby authorized and directed to prepare and review such information for inclusion in any Official Statement and in a preliminary form of any Official Statement, and to certify in writing to the District prior to or upon the issuance of any series of the 2013 Bonds that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

Section 11. Approval of Actions. The Chair, the Clerk, the County Auditor and Controller, the County Counsel, and the Treasurer-Tax Collector and the deputies and designees of any of them, are hereby authorized and directed to execute and deliver any and all agreements, certificates and representations, as may be acceptable to County Counsel, including paying agent agreements, escrow agreements (including agreements wherein the County acts as escrow agent), signature certificates, no-litigation certificates, debt capacity certificates, and other certificates or documents proposed to be executed in connection with the issuance and sale of the 2013 Bonds by the District, necessary and desirable to accomplish or administer the transactions authorized herein.

ITEM 19

Section 12. Effective Date. This resolution shall take effect from and after its adoption.

Passed and adopted by the Board of Supervisors of the County of San Diego, State of California, on this ___ day of _____, 2013 by the following vote:

AYES:

NOES:

ABSENT:

APPROVED AS TO FORM AND LEGALITY:

COUNTY COUNSEL

By Rachel H. Witt, Senior Deputy

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 31, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: Frederick Labib-Wood
Director of Classified Personnel

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: Approval and Adoption of Proposed
New Board Policy 4216.3-42.19
Information Systems Support Analyst

EXECUTIVE SUMMARY

Proposed Board Policy 4216.3-42.19 Information Systems Support Analyst is presented for review and approval.

The one Information Systems Support Technician in the Educational Services Division has experienced an accretion of duties over the past several years. Based on a review of these changes, the Personnel Commission at its meeting of February 5, 2013 will be taking action to approve the class description for Information Systems Support Analyst (copy attached as draft Board Policy 4216.3-42.19) and allocate this class at SR 52 on the bargaining unit salary schedule. The Commission will also take action to reclassify the incumbent with the position. CSEA is aware of and concurs with this recommendation affecting one of its bargaining unit positions.

RECOMMENDATION:

It is recommended that the Board approve and adopt the draft policy 4216.3-42.19 Information Systems Support Analyst SR-52 and the proposed reclassification action effective February 7, 2013.

FUNDING SOURCE:

District General Fund.

Attachment

CLASSIFIED**4216.3-42.19**

INFORMATION SYSTEMS SUPPORT ANALYST**OVERALL JOB PURPOSE STATEMENT**

Under the direction of the Director of Student Information Services, the job of Information Systems Support Analyst includes coordinating and performing ongoing activities to maintain and update the student information system (*i.e.*, Eagle Aeries) and other district resource application systems as assigned; providing technical coordination and training to site personnel who use SIS; troubleshooting problems with the student information system; resolving reports and data issues of SIS; planning, developing and maintaining SIS software and reporting capability.

DISTINGUISHING CHARACTERISTICS

Positions in the information systems support series are responsible for the installation, maintenance, repair and reliable functioning of data systems acquired and installed to support District instructional and administrative programs. Work is often performed in close coordination with technology services personnel and systems, as well as with end users of the data systems. The student information system utilizes a highly complex database (Eagle Aeries) to accomplish the collection and management of the required information. There are an estimated 30,000 users of this system, including students, teachers, parents, administrators, counselors, and support staff.

The Information Systems Support Analyst is responsible to maintain the integrity of the data in the District's student information system including attendance, registration, class scheduling, grades, test results, parent portal, and other application systems as assigned and for assisting with the system. This class provides expert and advisory guidance to staff district wide in the use of the integrated student information system and performs complex functions to maintain accuracy and reliability of the system and to meet requests for reporting needs. In contrast, the Information Systems Support Technician is responsible to support procedures and activities established to maintain the reliability and integrity of the student information system.

ESSENTIAL JOB FUNCTIONS:

- Supports the program to develop and maintain a district-level database for the purpose of collecting, organizing, analyzing and reporting all student information (e.g., attendance, grading, academic progress, test results, enrollment, transfer, etc.) required by the District and by county, state and federal agencies.
- Ensures proper linkage among components of the SIS (e.g. grading, attendance, transfers, parent portal) for the purpose of maintaining system integrity and accuracy.
- Designs various reports and report formats using a variety of software and database tools including standard query language (SQL) for the purpose of developing job aids for tasks performed by District staff using the SIS and for providing information to meet specific and one-of-a kind reporting needs.
- Analyzes student information using application software for the purpose of providing District programs with information needed to make various program decisions.

CLASSIFIED**4216.3-42.19**

- Manages and maintains daily tasks for data and reports for the purpose of ensuring reliability and accuracy of the database.
- Prepares/composes/disseminates a variety of documents and presentations (e.g. correspondence, agendas, minutes of meetings, lists, reports, calendars, schedules, flyers, PowerPoint slides, charts, etc.) for print and computer reproduction for the purpose of documenting and communicating activities and information to District departments and staff, to other agencies, and to the general public.
- Develops the annual Aeries training schedule for the purpose of leading and providing training to experienced and newly hired site personnel on use of student information system for ensuring the accurate, timely and integral use of the program at all school sites.
- Provides technical support and training to site users and District system users to ensure that SIS functions normally and reliably and staff are able to make full use of SIS capabilities.
- Prepares files for electronic transmission of data to various State and education agencies for the purpose of meeting various reporting requirements and requests for information.
- Downloads and imports testing results and other data (scores, grading, registration, attendance) from various sources (e.g. State agencies, elementary districts, site records, etc.) for the purpose of maintaining accurate and current databases and ensuring timely posting of new data.
- Develops/documents District files, procedures, and SIS protocols for the purpose of ensuring a uniform and reliable access to information and a data environment of installed systems to meet user information needs.
- Assists in the support of systems and projects as directed for the purpose of maintaining integrity of SIS and meeting the information needs of system users
- Compiles data of a statistical nature (e.g. projections, data fields and records, student demographics, etc.) for the purpose of assisting others in the preparation of recommendations and/or reports for administrative review and action.
- Informs public and outside agencies regarding a variety of procedures and program requirements for the purpose of providing the necessary information for completing transactions, taking appropriate actions and/or complying with established guidelines.
- Monitors linkage between Aeries and a variety of connected systems and/or applications (such as DataDirector, MyAccess, ABI, Aeries.net teacher portal, Aeries.net parent portal) for the purpose of ensuring reliable interaction of these systems.

OTHER JOB FUNCTIONS:

- Performs other related duties as assigned.

JOB REQUIREMENTS – MINIMUM QUALIFICATIONS

CLASSIFIED**4216.3-42.19**

Knowledge, Skills and Abilities

KNOWLEDGE OF Windows operating system environment; procedures to maintain complex database and reporting systems; industry standards and procedures of SIS database application and maintenance, student attendance, grading, registration, and class scheduling standards, practices, and procedures; modern office practices, procedures and equipment; design and format of reports extracted from database systems; troubleshooting and diagnostic techniques for identifying and resolving database and reporting errors; Standard Query Language (SQL); basic principles of training; software applications used by the District; oral and written communication skills; telephone techniques and etiquette; correct English usage, grammar, spelling, punctuation and vocabulary; interpersonal skills using tact, patience and courtesy; principles of providing work direction and guidance.

ABILITY TO communicate and work effectively with others, including students, a variety of staff, managers and administrators; understand written and oral instructions; organize and plan an effective work schedule with users; install and maintain complex database systems and applications; troubleshoot and debug database applications and software problems; train and assist others in the use and functions of assigned software; provide and maintain documentation of installed systems; work under general supervision to resolve software problems; write effective queries to the database using SQL and other software tools; communicate with vendors and other technical experts to diagnose and eliminate software problems; work with accuracy and precise attention to details and provide similar guidance to system end-users; provide technical support and guidance and training on system procedures, techniques, methods, and requirements to others; read, interpret and apply technical manuals and documentation; detect errors in data output; analyze situations accurately and adopt an effective course of action; meet schedules and timelines; observe legal and defensive driving practices; travel between district sites and to other work-related locations such as the San Diego County Office of Education.

Responsibility**Working Environment**

The usual and customary methods of performing the job's functions generally require 75% sitting, 10% walking and 15% standing. The job is performed in typical office and school site environments. Position is required to travel to all school sites in the District and occasionally to other school districts and the County Office of Education; such travel is typically in employee's own vehicle with mileage reimbursement.

EDUCATION

Associate Degree in computer and network systems, information technology, database management or closely related field. Additional qualifying experience may be substituted for the education on the basis of 24 semester/45 quarter units for each year of full-time experience.

EXPERIENCE

Two years progressively responsible information systems experience involving large-scale databases, including the use of SQL for report development, with preference for student information systems. Additional qualifying education (e.g. Bachelor's degree in information technology or database systems administration) may substitute for one year of the qualifying experience.

CLASSIFIED

4216.3-42.19

REQUIRED TESTING

Pre-employment proficiency test.

LICENSES AND CERTIFICATES

California Class C Driver's License; record of driving history issued by the California DMV on its Form H-6 less than 30 days prior to applying for the position.

CONTINUING EDUCATION/TRAINING

None specified.

CLEARANCES

Fingerprint Clearances issued by the California Department of Justice and the Federal Bureau of Investigation (FBI); TB Clearance. Pre-employment physical examination including negative drug screen.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 31, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: Frederick Labib-Wood
Director of Classified Personnel

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: **Approval and Adoption of Proposed
New Board Policy 4216.3-10.4 Chief
Facilities Officer and Revisions to
Board Policy 4216.3-09.1 Director of
Planning Services**

EXECUTIVE SUMMARY

The voters of the San Dieguito Union High School District passed Proposition AA in November 2012 authorizing the District to raise school construction funds through the sale of general obligation bonds of nearly \$450 million over the next eight to ten years. The construction and renovation projects that will be carried out with these funds are extensive, complex, and far-reaching.

Based on the District's successful experiences and staff expertise accrued during a series of site construction and renovation projects from the mid-1990's through the mid-2000's (e.g., La Costa Canyon High School, San Dieguito Academy Performing Arts Center and Library Media Center, Carmel Valley Middle School, Earl Warren Joint Use Library, and Canyon Crest Academy), an in-house team will be assembled to oversee and manage the financing and construction of the bond-approved projects.

As part of the staffing of the project team, one new management job classification has been proposed, and one existing and vacant job classification is being revised and updated. The job titles and salary range recommendations are displayed below. The job classification descriptions are attached herewith.

<u>TITLE</u>	<u>HOURS / FTE / CALENDAR</u>	<u>MANAGEMENT SALARY RANGE</u>	<u>COMMENTS</u>
Chief Facilities Officer	8 hrs. (1.0000 FTE) 12 mos.	Group5 \$122,012-\$140,768/yr Range8	proposed new classification and salary allocation
Director of Planning Services	8 hrs. (1.0000 FTE) 12 mos.	Group5 \$102,209-\$117,750/yr Range2	update of previous 2004 classification description; no change in previous salary range allocation.

The San Dieguito Union High School District Personnel Commission will be taking approval action on these class descriptions and salary range recommendations, and reclassification action on the two incumbents of the classes being superseded, at its regular meeting on Tuesday, February 5, 2013.

RECOMMENDATION:

It is recommended that the Board approve and adopt the draft new policy 4216.3-10.4 Chief Facilities Officer Group5/Range8 and the proposed revisions to policy 4216.3-09.1 Director of Planning Services, Group5/Range2, effective February 7, 2013, as shown in the attached supplements.

FUNDING SOURCE:

General Obligation Bonds.

Attachments

CHIEF FACILITIES OFFICER

OVERALL JOB PURPOSE STATEMENT

Under the administrative direction of the Associate Superintendent/Business, the job of Chief Facilities Officer is done for the purpose/s of planning, organizing and directing the construction, alteration and renovation of District buildings, serving as the District representative in the phases of planning and developing new facilities and for renovation and construction projects under the deferred maintenance program, State Building Program, Mello-Roos, and other General Obligation Bonds; ensuring that jobs are completed efficiently and within regulatory guidelines and project deadlines; preparing and managing the annual budgets for the Department of Planning and Construction; ensuring optimal utilization of personnel and other resources, and coordinating with the Director of Facilities on routine maintenance and repair projects.

DISTINGUISHING CHARACTERISTICS

This job is distinguished from similar jobs by the following characteristics: The Chief Facilities Officer is a single-position management class responsible for providing program coordination, direction, and leadership for the overall construction planning and building processes of a major program of facility construction and renovation, including the activities related to fiscal management of General Obligation Bonds, the designing of facilities suitable for projected educational programs and services, and the technological infrastructure necessary to ensure ongoing utilization of relevant, emerging technologies essential to the educational goals and business support programs of the District. This includes coordinating with architects and construction engineers during all phases of project development and implementation, coordinating with other governmental agencies, and monitoring the activities of consultants (e.g. project architects, engineers, construction contractors, inspectors, etc.).

ESSENTIAL JOB FUNCTIONS:

- Provides program direction and leadership in the overall planning, financing and construction processes of a major, multi-year, District-wide program of facility construction and renovation.
- Prepares reports, project status updates, public meeting presentations and other communications to inform the Board of Trustees, the independent citizens' oversight committee, District administration and staff, and the public regarding progress of planning, construction and implementation of the Districts' Facilities Master Plan.
- Attends various meetings (e.g. Board meetings and workshops, oversight committee meetings, construction meetings, training, hearings, risk management, safety, etc.) for the purpose of addressing liability concerns, providing and receiving information. Directs projects for the purpose of prioritizing work deadlines and ensuring optimal utilization of personnel.
- Directs projects for the purpose of prioritizing work deadlines and ensuring optimal utilization of personnel and project funding.
- Evaluates assigned personnel for the purpose of ensuring that standards are achieved and performance is maximized.
- Inspects or directs the inspection of new construction, repair work, projects, equipment for the

purpose of ensuring that jobs are completed efficiently, approving payment requests, inspections reports and specifications for major capital improvements and within local, State, and/or Federal regulations.

- Performs a variety of personnel function (e.g. interviewing, hiring, evaluating, training, staffing, scheduling, motivating, supervising, etc.) for the purpose of providing efficient departmental operations throughout the District.
- Prepares various documents (e.g. annual budget, cost estimates, departmental budgets, equipment and materials, time studies, productivity and evaluation reports, construction schedules, contract specifications, etc.) for the purpose of providing necessary information to state/federal agencies and appropriate district personnel, and/or developing construction contracts.
- Presents various programs for the purpose of informing staff appropriate procedures and safety practices.
- Recommends new hires, promotions, terminations and transfers for the purpose of maintaining staffing needs and productivity levels of the work force.
- Researches new products, laws, materials, equipment, supplies, regulations, etc. for the purpose of recommending purchases, contracts, and ensuring completion of project planning and construction.
- Serves as the District's representative for District-wide construction projects (e.g. capital, deferred maintenance, etc.) for the purpose of ensuring delivery of services in conformance with District objectives.

OTHER JOB FUNCTIONS:

- Performs other related duties as assigned to ensure the efficiency and effectiveness of the work unit.

ESSENTIAL JOB REQUIREMENTS – QUALIFICATIONS**Knowledge, Skills and Abilities**

KNOWLEDGE is required to perform algebra and/or geometry; review and interpret highly technical information, write technical materials, and/or speak persuasively to implement desired actions; and analyze situations to define issues and draw conclusions. Specific knowledge required to satisfactorily perform the functions of the job includes: read scientific and/or technical journals, write manuals, and or speak persuasively in relation to concepts and theories; to analyze situations to define issues and to draw conclusions.

SKILLS are required to perform multiple, highly complex, technical tasks with a need to occasionally upgrade skills in order to meet changing job conditions. Specific skills required to satisfactorily perform the functions of the job include: to lead and direct a District-wide, major program of facility construction and renovation designed to support into the foreseeable future facilities suitable for

projected educational programs and services; coordinate with architects and construction engineers during all phases of project development and implementation; administer personnel policies and practices; apply pertinent codes, policies, regulations and/or laws; communicate with persons of varied cultural and educational backgrounds; operate equipment used in trades, i.e. construction tools, fork lifts, blue prints; operate standard office equipment and utilize pertinent software applications; perform standard bookkeeping/accounting procedures; plan and manage projects, i.e. air quality control, hazmat, etc.; prepare and maintain accurate records; prepare budgets and financial plans.

ABILITY is required to schedule a significant number of activities; meetings and/or events; routinely gather, collate, and/or classify data; and use job-related equipment. Flexibility is required to independently work with others in a wide variety of circumstances; analyze data utilizing a variety of complex processes; and operate equipment using standardized methods. Ability is also required to work with a significant diversity of individuals and/or groups; work with data of widely varied types and/or purposes. Identify issues and create action plans. Problem solving with data requires following prescribed guidelines and utilizing a variety of types of job-related equipment. In working with others, independent problem solving is required to analyze issues and create action plans. Problem solving with data requires analysis based on organizational objectives; and problem solving with equipment is significant. Specific abilities required to satisfactorily perform the functions of the job include: adhering to safety practices; being attentive to details; meeting deadlines and schedules; working under time constraints.

Responsibility

Responsibilities include: working independently under broad organizational guidelines to achieve unit objectives. Utilization of significant resources from other work units is routinely required to perform the job's functions. There is a continual opportunity to significantly impact the organizations' services and financial resources.

Working Environment

The usual and customary methods of performing the job's functions require the following physical demands: occasional lifting, carrying, pushing and/or pulling up to 50 pounds; some climbing and balancing; some stooping, kneeling, crouching and/or crawling; significant reaching, handling, fingering and or feeling. Generally the job requires 60% sitting, 20% walking and 20% standing. The job is performed under minimal temperature variations and some hazardous conditions, including time at sites during construction activities.

EDUCATION

A Bachelor's degree preferably in job-related area (e.g. engineering, architecture, construction management, facilities management, business administration or related field.) business, public, or educational administration, or related field.

EXPERIENCE

At least three years experience directing a program of facility planning, construction and renovation for large, public-use buildings (e.g. schools, hospitals, government agency facility complexes, etc.) preferably including coordination and communication with legislative bodies and public oversight committees.

REQUIRED TESTING

CLASSIFIED

4216.3-10.4

ITEM 21

Pre-employment testing and assessment to demonstrate minimum qualifications required for the position.

LICENSES AND CERTIFICATES

California Class C Driver's License; record of driving history issued by the California DMV on its Form H-6 less than 30 days prior to applying for the position. Designation as a Certified Construction Manager from the Construction Management Association of America (CMAA) is desirable.

CONTINUING EDUCATION/TRAINING

None specified.

CLEARANCES

Fingerprint Clearances issued by the California Department of Justice (CaDOJ) and the Federal Bureau of Investigation (FBI); TB clearance; pre-employment physical examination including negative drug screen.

DIRECTOR OF PLANNING SERVICES

OVERALL JOB PURPOSE STATEMENT

Under the direction of the ~~Associate Superintendent/Business Assistant Superintendent/Business Services~~, and in close coordination with the Chief Facilities Officer, the job of "Director of Planning Services" is done for the purpose/s of managing the district's facility planning program ~~and providing guidance and direction in the coordination and implementation of the technology master plan~~, managing and directing activities to identify, ~~and~~ secure, and account for the financing and expenditures necessary to ensure schools and support facilities are constructed, renovated, and available in a timely manner, including fiscal management for implementation of the facilities and technology master plans.

DISTINGUISHING CHARACTERISTICS

The Director of Planning Services is a single-position management class responsible for coordinating ~~joint~~ development of the District's facilities ~~and technology~~ master plans, integrating technology needs into the district's facilities master plan, ~~planning for the most cost-effective debt issuance within project time lines, providing guidance and direction to the Director of Technology in coordination and implementation of the technology master plan~~, and carrying out the day-to-day activities of the District's facility master plan including developing funding options, coordinating with other governmental agencies, monitoring the activities of consultants and developing program and fund account budgets. To accomplish program objectives, ~~this class identifies and develop~~ ~~this class identifies and develops~~ data sources for projecting future trends, designs, implements and monitors data collection systems and activities, and develops and prepares reports and recommendations for District action.

ESSENTIAL JOB FUNCTIONS:

- Assists district administration for the purpose of formalizing long-range facilities and ~~technology plans~~ ~~technology plans~~, evaluating available resources and funding mechanisms and projecting enrollment trends.
- Analyzes the impact of new development on the District for the purposes of projecting future facilities and technology needs and updating the District's facilities and financing master plan.
- Administers various capital facility funds and community facility districts (CFD) for the purpose of ensuring their accuracy, integrity, availability for authorized use and conformance to applicable statutes.
- Supervises the ~~issuance of construction bonds~~, collection of developer fees and Mello-Roos taxes for the purpose of ensuring accurate and timely receipt, ~~release~~, and recording of funds.
- ~~Coordinates with financial advisers, underwriters and legal counsel in issuance of capital debt to ensure the most cost-effective financial instruments are used that will support the timely implementation of the facilities master plan.~~
- Represents the district to the Office of Public School Construction, the State Department of Education, the County Office of Education and with other agencies for the purpose of presenting, garnering support for and gaining funding and approval for, and tracking applications for documentation necessary to obtain State approval and funding.

- Coordinate information sharing and decision-making processes with elementary districts for the purpose of resolving issues of the impact of new projects and proposed developments and for developing a coordinated response on planning issues affecting all districts.
- Coordinates the analysis of sites, the acquisition of property and the development of designs and plans for the purpose of carrying out the District's facilities master plan.
- Prepares applications to State and other funding agencies for the purpose of initiating facility construction, upgrade and repair projects.
- Communicates/Coordinates activities and projects with the ~~staffs of the County, and cities staff and developers and architects~~ to determine the impact of development on the district and planning for school facilities gaining the necessary financial ~~agreements from~~ ~~agreements from~~ developers and government agencies.
- Contacts/Coordinates with property owners, developers and other members of the public to obtain and provide information on the impact of proposed developments and to the potential impact of these developments on the District.
- Reviews mitigation and developer agreements for the purpose of determining appropriate rate, method and amounts of special taxes and fees.
- Attends meetings for the purpose of conveying the District's position on land use matters, joint use agreements and construction and improvement of sites.
- Prepares financial projections for the purpose of determining the amount of revenue available to carry out the facility and technology master plans.
- Researches/Analyzes laws, regulations, legislation and policies for the purpose of assessing their potential impact on the facility master plan, for recommending appropriate revisions to District policies and procedures and for assisting other staff in coordinating the updating and maintenance of appropriate Board policies and regulations.
- Plans/Establishes manual and automated systems for the purpose of maintaining complex, technical and financial records and accounts and for reporting information on activities and costs associated with financing of the facility and technology master plans.
- Performs facility space and size planning in consultation with affected managers, staff, architects and other consultants for the purpose of identifying and incorporating all relevant issues into the development and implementation of plans for facility use.
- Conducts performance review of assigned staff for the purpose of ensuring conformance of work activities to program goals and objectives, developing capabilities of staff, and maintaining District standards, policies, and procedures.

OTHER JOB FUNCTIONS:

- Assists the ~~Assistant Superintendent~~ ~~Associate Superintendent~~/Business ~~Services~~ as assigned for the purpose of selecting and training replacement staff to support assigned programs and for

researching alternatives for organizing and designing the delivery of facility projects.

- Performs other related duties as assigned to ensure the efficiency and effectiveness of the work unit.

ESSENTIAL JOB REQUIREMENTS – QUALIFICATIONS

Knowledge, Skills and Abilities

KNOWLEDGE is required to perform higher levels of math such as advanced algebra, calculus, statistics, financial modeling; to read scientific and/or technical journals, write manuals, speak persuasively in relation to concepts and theories; to analyze situations to define issues and draw conclusions. Job specific knowledge is required in the following areas: School facility planning and demographic analysis techniques; applicable requirements for establishing, maintaining and accounting for community facility districts; financial instruments and issuance of capital debt to accomplish school facility construction and renovations; State codes and regulations and district policies related to school construction contracting, real estate transaction, insurance, contracting with independent consultants; uniform building codes; interpretation of working drawings; methods and terminology used in contracting, real estate transactions, insurance and accounting; ~~various forms of electronic technology suitable for educational applications; operational characteristics and requirements of personal computer systems and networks; use of a wide variety of computer systems and software and their application to District needs; accounting~~ and reporting on facility and technology financing; budgeting and financial reporting; establishing procedures and guidelines for gathering data to complete complex reports; office organization systems; District organization, operations, policies and objectives; interpersonal skills using tact, patience and courtesy; correct English usage, grammar, spelling, punctuation and vocabulary; oral and written communication skills; modern office practices, procedures and equipment; operation of computer terminal.

SKILLS are required to perform multiple, highly complex, technical tasks with a potential need to upgrade skills in order to meet changing job conditions. Specific skills required to satisfactorily perform the functions of the job include: preparing and maintaining accurate records; operating standard office equipment; and using pertinent software applications; **negotiating with financing entities to ensure the most cost-effective financial instruments are used that will support the timely implementation of the facilities master plan.**

ABILITY is required to schedule a number of activities, meetings, and/or events; routinely gather, collate and/or classify data; and use job-related equipment; to work with a significant diversity of individuals and/or groups; work with data or widely varied types and/or purposes; and utilize a variety of types of job-related equipment. In working with others, independent problem solving is required to ~~to~~ analyze issues and create action plans. Problem solving with data frequently requires independent interpretation of guidelines and development of new guidelines. Specific abilities required to satisfactorily perform the functions of the job include: **plan debt issuance activities and create funding streams to sustain ongoing, simultaneous, complex facility construction and renovation projects in the master plan;** administer capital facility funds and work closely with Business Services staff on budgeting and accounting of facility funds; represent the District at the state and local level with officials and with the community; present complex information to an audience; analyze and solve problems relating to facility financing and construction; monitor construction contracts and agreements; prepare specifications, procedures manuals, schedules, correspondence and other written material; schedule construction activities; confer with

architect(s), engineers, planners, school and district administrators, contractors, government agencies and others; monitor the work of consultants and professional experts; conduct analytical studies; plan, organize and maintain complex technical record keeping, accounting and reporting for various district facility financing sources; prepare, organize and conduct research and compile data to complete complex reports; analyze pending legislation, laws and regulations to determine impact on the District and to recommend revisions in policies; understand and use complex software programs; read, interpret, apply and explain rules, regulations, policies, procedures, agreements and contracts; analyze situations accurately and adopt an effective course of action; read, understand and interpret agreements, contracts and construction bids; plan, initiate and complete assignments independently with minimum direction; collaborate planning activities with Business Services staff, site staff and others; coordinate the development and recommendation of a large range facility and financing master plan for District consideration; represent the District with state and local officials and the community regarding complex and controversial facility issues; communicate/coordinate activities and projects with other agencies and District staff; negotiate with developers and property owners and other public agency representatives regarding District facilities and financing needs; research and implement systems to track housing units, facility funds and District projects; work with District staff, architects and others on implementing a facility master plan; plan and organize work, and assign, supervise and evaluate the work of subordinates; meet schedules and time lines; establish and maintain cooperative and effecting working relationships with a wide variety of staff, consultants, contractors and vendors; maintain records and prepare reports; operate a computer terminal.

Responsibility**Working Environment**

The usual and customary methods of performing the job's functions require the following physical demands: occasional lifting, carrying, pushing and/or pulling up to 50 pounds; some climbing and balancing; some stooping, kneeling, crouching and/or crawling; significant reaching, handling, fingering and or feeling. Generally the job requires 70% sitting, 15% walking and 15% standing. **The job is performed under minimal temperature variations and some hazardous conditions, including time at sites during construction activities.**

EDUCATION

A Bachelor's degree preferably in business, public, or educational administration, or related field.

EXPERIENCE

Three years of progressively responsible, professional-level experience in State school construction funding programs, school business management, or city/county planning relating directly to schools. One year of the experience must have been at the supervisory or management level with responsibility for multiple simultaneous medium to large size projects.

REQUIRED TESTING

Pre-employment testing and assessment to demonstrate minimum qualifications required for the position.

LICENSES AND CERTIFICATES

California Class C Driver's License; record of driving history issued by the California DMV on its Form H-6 less than 30 days prior to applying for the position.

CLASSIFIED

4216.3-09.1

ITEM 21

CONTINUING EDUCATION/TRAINING

None specified.

CLEARANCES

Fingerprint Clearances issued by the California Department of Justice (CaDOJ) and the Federal Bureau of Investigation (FBI); TB clearance; pre-employment physical examination including negative drug screen.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 22, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: Rick Schmitt
Associate Superintendent/Educational Services

SUBMITTED BY: Ken Noah, Superintendent

SUBJECT: Uniform Complaint Report

EXECUTIVE SUMMARY

State law requires school districts to submit reports to the San Diego County Office of Education (SDCOE) and the district governing board on the number of complaints each district has received related to the Williams Settlement, i.e., instructional materials, emergency facilities issues, and teacher vacancies and misassignments. Secondary districts that receive CAHSEE Intensive Instruction and Services funding must also submit data on uniform complaints related to the Valenzuela Settlement,(i.e., the provision of intensive instruction and services).

Attached is the report for the second quarter, 2012-13, October through December, 2012.

RECOMMENDATION:

Review and acceptance of the attached Uniform Complaint Report is recommended.

FUNDING SOURCE:

Not applicable.

**SDCOE Uniform Complaint Quarterly Report
Williams and Valenzuela Settlements
Second Quarter, October - December 2012**

ITEM 22

Year and Quarter	Instructional Materials			Facilities			Teacher Vacancy Misassignment			CAHSEE Intensive Instruction			Totals		
	Received	Resolved	Unresolved	Received	Resolved	Unresolved	Received	Resolved	Unresolved	Received	Resolved	Unresolved	Received	Resolved	Unresolved
Oct - Dec, 2012-13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 28, 2013

BOARD MEETING DATE: February 7, 2013

PREPARED BY: Christina Bennett, Director of Purchasing/Risk Mgt
Eric Dill, Associate Superintendent/Business

SUBMITTED BY: Ken Noah, Superintendent

SUBJECT: **NEW BOARD POLICY PROPOSAL AND REVISED ADMINISTRATIVE REGULATION, #3513.1 / 4513.1, "CELLULAR PHONE REIMBURSEMENT" DELETE BP 4119.12, "CELLULAR PHONE ACCEPTABLE USE POLICY"**

EXECUTIVE SUMMARY

District Staff would like to present a new cellular phone reimbursement policy and administrative regulations for the Board to consider for adoption. The current board policy, BP 4119.12 cellular phone acceptable use policy, is outdated and no longer reflects the direction in which District staff would like to proceed with regarding employee cellular phone use. BP 4119.12 should be retired and replaced with the new one, 3513.1 / 4513.1, as presented here.

The new policy will alleviate on-going issues related to employee cell phone use and includes updated cellular phone acceptable use practices, justification, and stipend or reimbursement information.

RECOMMENDATION:

This board policy is being presented for first read and will be resubmitted for board action on February 21, 2013.

FUNDING SOURCE:

Not applicable

BUSINESS

3513.1; 4513.1

CELLULAR PHONE REIMBURSEMENT

The Governing Board understands that cellular phones and other mobile communications devices are an efficient and important method of conducting district business and can help to ensure the safety and security of staff, students, and others, as well as helping to protect district property.

The Superintendent or designee shall determine, in accordance with administrative regulation, whether an employee needs a cell phone and/or other mobile communications device in order to perform his/her job responsibilities.

Legal Reference:

EDUCATION CODE

35213 Reimbursement for loss or damage of personal property

44032 Travel expense payment

48901.5 Electronic signaling devices

VEHICLE CODE

23123 Wireless telephones in vehicles

23125 Wireless telephones in school buses

CODE OF FEDERAL REGULATIONS, TITLE 26

1.132-5 Working conditions fringe benefit

PERSONNEL BUSINESS**4119.123513.1/AR; 4513.1/AR****CELLULAR PHONE ACCEPTABLE USE POLICY REIMBURSEMENT**

~~The purpose of this policy is to establish a District policy regarding the procurement, use and possession of District provided cellular phones; to ensure the use of cellular phones for District business is authorized and monitored; and to ensure the District is reimbursed for occasional incidental or emergency personal use. References to cellular phones shall include phones, radios used for 2 way or "walkie-talkie" communications.~~ The District allows three options for the procurement, use, and possession of District provided cellular phones or the use of personal cellular phone for District use.

The District may provide an allowance to an employee for the use of his/her personally owned cell phone or mobile communications device for district-related business. The allowance shall be based on the business requirements of the employee. The allowance shall be given to the employee, who shall be responsible for payments to the service provider.

The District may purchase cell phones or other mobile communications devices along with a reasonable service plan for use by employees for District-related business. The employee may choose to pay an annual charge for reasonable personal usage of the District-owned mobile communications device or elect to solely use the cell phone for District use.

Employees who are not provided an allowance or District-owned mobile communications devices may be reimbursed for the actual expenses of business-related calls made on their personally owned equipment, in accordance with the District's expense reimbursement procedures.

~~The district may purchase cell phones or other mobile communications devices for use by employees for district-related business.~~

User Qualifications Justifications

~~District employees may qualify for a cellular phone to be provided by the District if:~~ The Superintendent or designee shall determine if an employee requires a cell phone or other mobile communications device for the efficient performance of his/her job responsibilities. Factors that will be considered include, but are not limited to, whether the employee's job responsibilities require:

- a) ~~The responsibility of the position requires the employee to be mobile.~~ An ability to be accessible to District needs due to frequent travel or work outside of the office.
- b) ~~The district has determined a cellular phone is required for the performance of employee duties.~~ An ability to respond to emergencies that if unaddressed would jeopardize the health and safety of District students and staff or would compromise or interrupt a major function/service to the District.
- c) The position consistently requires timely and business critical two-way communications.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

Policy Adopted: August 22, 2002 Administrative Regulation Issued: February 7, 2013

PERSONNEL BUSINESS**4119.123513.1/AR; 4513.1/AR**

- d) Other work assignments and duties that do not meet the criteria above but are reviewed and considered in accordance with these procedures and approved by the employee's Associate Superintendent and the Associate Superintendent of Business Services. ~~The safety and security of the work place is enhanced.~~

~~The Superintendent or designee shall develop a uniform system for identifying employee cell phone or mobile communications device needs and the most cost effective method of providing necessary equipment to employees. He/she shall also develop a system for monitoring employee use and reimbursement of costs.~~

~~If an employee misuses the cell phone or other mobile communications device or leaves district employment, he/she shall be responsible fees or charges associated with cancellation of the service contract.~~

If the Superintendent or designee determines that an employee no longer needs a cell phone or other mobile communications device to perform his/her job responsibilities, any fees or charges associated with cancellation of the service contract shall be the responsibility of the District.

District-Provided Equipment and Service

The District may provide cellular phones or other two-way communications devices to employees in the Maintenance, Grounds, Custodial, Transportation, and Technology departments. Employees are responsible for any charges incurred when using District phones or cell phones with radio feature for purposes not directly related to their job duties or assisting in emergencies.

"Push-to-talk" cell phone radio features may only be used when driving by drivers of commercial vehicles such as buses. Push-to-talk features should never be used while operating a passenger vehicle.

Employees with assigned cell phones or other communications devices are expected to take appropriate precautions to prevent damage to unit, including theft, exposure to moisture and extreme temperatures.

District-provided cellular equipment and service shall be purchased in accordance with the following:

- a) Only cellular equipment and service plans sourced through the Purchasing Department in coordination with the requesting Supervisor may be used. The Purchasing Department has the central coordinating responsibility for all District-provided cellular phone related transactions.
- b) The cellular phone model and service plan selected shall satisfy the basic needs of the position, as well as being cost effective.

Cellular Phone Business Usage

Employee use of District-provided cellular phones is as follows:

- a) Only by the individual to whom the phone is issued.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

Policy Adopted: August 22, 2002 Administrative Regulation Issued: February 7, 2013

PERSONNEL BUSINESS

4119.123513.1/AR; 4513.1/AR

- b) Responsible for the safekeeping, care and custody of the phone assigned to them. Employees who are issued a District-provided cell phone shall be liable for any costs to repair or replace the phone that is lost, stolen, or damaged beyond reasonable wear and tear.
- c) Use of District provided phones for private, commercial or consulting purposes is not permitted, unless the employee has chosen to pay the annual personal usage fee and the conversation is not conducted during the employee's work hours.
- d) Use of cell phones in an illegal, illicit or offensive manner is not permitted.
- e) When a cellular phone is no longer required because of termination of employment or change in job status, the Supervisor of the employee shall ensure that the equipment is returned to the Purchasing department so that service can be terminated and phone recycled as applicable.
- f) If an employee misuses the cell phone or other mobile communications device or leaves District employment, he/she shall be responsible fees or charges associated with cancellation of the service contract.

Invoice Approval

~~The Finance Department shall forward copies of monthly invoices to the Supervisor of the cellular phone user. It is the responsibility of the Supervisor to review the invoices, resolve any discrepancies, coordinate employee reimbursement and advise Finance Department.~~

Cellular Phone Operation while Operating a Vehicle

~~If a District cellular phone is assigned to an~~ An employee who is required to operate a vehicle in the course of conducting District business, ~~may not use a the~~ cellular phone ~~is not to be used~~ while operating such vehicle unless a "hands-free" feature is used or if there is imminent danger.

Disciplinary Action

~~Violation of this policy will subject the employee to disciplinary action.~~

Stipend and Reimbursement Amounts

The Superintendent or designee shall determine the annual stipend issued to qualified employees. The stipend will be reviewed annually and adjusted as needed. The amount employees shall pay to the District to reimburse the District for personal use of District-provided cell phones shall also be established and reviewed annually.

Acceptable Use

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

Policy Adopted: ~~August 22, 2002~~ Administrative Regulation Issued: February 7, 2013

PERSONNEL BUSINESS

4119.123513.1/AR; 4513.1/AR

Employees shall be responsible for the appropriate use of cell phones and shall use the District's technological resources only for purposes related to their employment. Such use is a privilege which may be revoked at any time. Employees agreeing to comply with this cellular phone reimbursement policy shall have no expectation of privacy when using District-owned communications devices and acknowledge that the District has the right to inspect any communications sent or received through the District's network or on District-owned devices and shall also agree to the employee acceptable use policy, BP 4112.7 and BP 4112.7/AR-1.

Disciplinary Action

Violation of this policy will subject the employee to disciplinary action.

Cellular Phone Personal Usage

~~Reimbursement for reasonable personal use will be handled in accordance with the following (employee to select one):~~

~~_____ Employee elects to pay an annual charge of \$120.00 for reasonable personal usage; or~~

~~_____ Employee elects not to use cellular phone for personal use.~~

~~The Supervisor is responsible for monitoring employee personal usage.~~

~~*****~~

~~I have read the above cellular phone policy, selected my personal use preference, and agree to comply.~~

Employee Name _____ Date _____

Signature

Cell Phone Number

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

Policy Adopted: ~~August 22, 2002~~ Administrative Regulation Issued: February 7, 2013