

EXHIBIT A

DESCRIPTION OF THE SERIES 2018 CURRENT INTEREST BONDS

<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u> \$	<u>Interest</u> <u>Rate</u> %	<u>Yield</u> %	<u>Price</u>	<u>10% Test</u> <u>Satisfied</u>	<u>Subject to</u> <u>Hold the</u> <u>Offering</u> <u>Price Rule</u>
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* = *Term Bonds*

c = *Priced to call on August 1, 20__ without premium*

DESCRIPTION OF THE SERIES 2018 CAPITAL APPRECIATION BONDS

<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u> \$	<u>Interest</u> <u>Rate</u> %	<u>Yield</u> %	<u>Price</u>	<u>Maturity</u> <u>Value</u> \$	<u>10% Test</u> <u>Satisfied</u>	<u>Subject to</u> <u>Hold the</u> <u>Offering</u> <u>Price Rule</u>
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Redemption Provisions

Current Interest Bonds

Optional Redemption. The Series 2018 Current Interest Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to maturity. The Series 2018 Current Interest Bonds maturing on or after August 1, 20__, are subject to redemption, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 20__, at the principal amount of Series 2018 Current Interest Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Redemption of Term Bond. The Series 2018 Current Interest Term Bond maturing by its terms on August 1, 20__ (the "20__ Series 2018 Term Bond") is subject to mandatory redemption by the District prior to its maturity in part, by lot, from Mandatory Redemption Payments in the following amounts and on the following dates, at the principal amount thereof on the date fixed for redemption without premium, but which amounts will be reduced by the principal amount of such 20__ Series 2018 Term Bond optionally redeemed.

20__ Series 2018 Term Bond

**Mandatory Redemption Dates
(August 1)**

**Mandatory Redemption
Payment
\$**

*

* *Final maturity*

In the event that a portion of the 20__ Series 2018 Term Bond is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be redeemed proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such 20__ Series 2018 Term Bond optionally redeemed.

Capital Appreciation Bonds

Optional Redemption. The Series 2018 Capital Appreciation Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to maturity. The Series 2018 Capital Appreciation Bonds maturing on or after August 1, 20__, are subject to redemption, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 20__, at the principal amount of Series 2018 Capital Appreciation Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium.

EXHIBIT B

FORM OF UNDERWRITER'S ISSUE PRICE CERTIFICATE

**\$[PAR AMOUNT]
MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
YUBA COUNTY, CALIFORNIA
GENERAL OBLIGATION BONDS
ELECTION OF 2008, SERIES 2018**

ISSUE PRICE CERTIFICATE

Dated: [CLOSING DATE]

The undersigned, on behalf of Piper Jaffray & Co. ("Piper Jaffray"), based on information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Piper Jaffray offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, Piper Jaffray has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

September 13, 2018

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Piper Jaffray has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means Marysville Joint Unified School District.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [SALE DATE].

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Piper Jaffray's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Parker & Covert LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service information returns, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party for any other purpose. Notwithstanding anything set forth herein, Piper Jaffray is not engaged in the practice of law. Accordingly, Piper Jaffray makes no representations as to the legal sufficiency of the factual matters set forth herein.

DRAFT Parker & Covert
September 13, 2018

IN WITNESS WHEREOF the undersigned has caused this Issue Price Certificate to be executed by its authorized officer as of the date first above written.

PIPER JAFFRAY & CO.

By: _____
Managing Director

Schedule A

**Sale Prices of the Actually Sold Maturities and
Initial Offering Prices of the Offered Maturities**

(Attached)

Schedule B

Pricing Wire or Equivalent Communication

(Attached)

EXHIBIT C

FORM OF OPINION OF COUNTY COUNSEL

The legal opinion of County Counsel of Yuba County shall be substantially to the effect that:

1. The County is a political subdivision duly organized and existing pursuant to the Constitution and laws of the State of California.

2. The resolution of the Board of Supervisor's approving the Paying Agent Agreement (the "Resolution") was duly adopted at a meeting of the Board that was called and held pursuant to law with all public notice as required by law and at which a quorum was present and acting throughout.

3. The First Supplemental Paying Agent Agreement has been duly authorized, executed, and delivered by the County and, assuming due authorization, execution, and delivery by and enforceability against the District, is a valid and binding obligation of the County, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, or creditors' rights generally; by the application of general principals of equity, including without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law; or by the limitations imposed on actions against governmental entities in the State of California.

4. To the best of our knowledge, there is no action, suit, proceeding, or investigation at law or in equity before or by any court, public board, or body pending or threatened against or affecting the County that would adversely affect the County's ability to complete the transactions contemplated by the Resolution and the First Supplemental Paying Agent Agreement, restrain or enjoin the levy or collection of taxes for the payment of debt service on the Bonds, or in any way contest or affect the validity of the Resolution, the First Supplemental Paying Agent Agreement, or the Bonds or the transactions contemplated thereby, wherein an unfavorable decision, ruling, or finding would adversely affect the validity or enforceability of the Resolution, the First Supplemental Paying Agent Agreement, or the Bonds, or in which a final adverse decision could materially adversely affect the operations of the County.

5. The obligations of the County under the Resolution, the First Supplemental Paying Agent Agreement, and the Bonds and compliance with the provisions thereof do not and will not in any material respect conflict with or constitute on the part of the County a breach of or default under any agreement or other instrument to which the County is a party or by which it is bound or any existing law, regulation, court order, or consent decree to which the County is subject.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[PAR AMOUNT]
MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
YUBA COUNTY, CALIFORNIA
GENERAL OBLIGATION BONDS
ELECTION OF 2008, SERIES 2018

CONTINUING DISCLOSURE CERTIFICATE

[CLOSING DATE]

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the Marysville Joint Unified School District (the "District") in connection with the issuance of _____ Dollars (\$[PAR AMOUNT]) aggregate principal amount of Marysville Joint Unified School District, Yuba County, California General Obligation Bonds, Election of 2008, Series 2018 (the "Bonds"). The Bonds are being issued pursuant to a First Supplemental Paying Agent Agreement dated November 1, 2018, between the District, Yuba County (the "County"), and The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent"), supplementing the Paying Agent Agreement dated August 1, 2009, between the District, the County, and the Paying Agent (altogether, the "Paying Agent Agreement"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being delivered by the District for the benefit of the holders and beneficial owners of the Bonds, and to assist the Participating Underwriter, as defined below, in complying with S.E.C. Rule 15c2-12(b)(5).

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

Annual Report means any report provided by the District pursuant to, and as described in, Sections 3 (Provision of Annual Reports) and 4 (Content of Annual Reports) of this Disclosure Certificate.

Beneficial Owner means any person who (a) 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); or (b) is treated as the owner of any Bonds for federal income tax purposes.

Bondholders means either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any Beneficial Owner or applicable participant in its depository system.

Dissemination Agent means 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.

EMMA or Electronic Municipal Market Access means the centralized online repository for documents filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

Listed Events means any of the events listed in Section 5(a) (Reporting of Significant Events – Significant Events) of this Disclosure Certificate.

MSRB means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information, which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

Official Statement means the final Official Statement dated [SALE DATE], relating to the Bonds.

Opinion of Bond Counsel means a written opinion of a law firm or attorney experienced in matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes.

Participating Underwriter means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Repository means MSRB or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

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

State means the State of California.

Section 3. Provision of Annual Reports.

a. Delivery of Annual Report to Repository. The District shall, or shall cause the Dissemination Agent to, not later than April 15 of each calendar year, commencing with the report for the 2017-2018 Fiscal Year, due April 15, 2019, provide to the Repository an Annual Report that is consistent with the requirements of Section 4 (Content of Annual Reports)

of this Disclosure Certificate. The Annual Report may be submitted as a single document or as a package of separate documents and may include by cross-reference other information as provided in Section 4 (Content of Annual Reports) of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

If the District does not provide, or cause the Dissemination Agent to provide, an Annual Report by the date required above, the Dissemination Agent shall provide to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

b. The Dissemination Agent shall:

(1) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(2) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, 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:

a. Financial Statements. Audited financial statements prepared in accordance with the generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

b. Other Financial Information and Operating Data. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

- (1) Adopted budget of the District for the then current fiscal year, or a summary thereof;
- (2) The most recent Interim Financial Report submitted to the District's governing board in accordance with Education Code section 42130 (or successor statutory provision).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities that have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

a. Significant Events. Pursuant to the provisions of this Section, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (7) modifications to rights of Bondholders, if material;
- (8) Bond calls, if material;
- (9) tender offers;
- (10) defeasances;
- (11) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (12) rating changes;
- (13) bankruptcy, insolvency, receivership or similar event of the District;
- (14) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the District, or entry into or termination of a definitive agreement relating to the foregoing, if material;
- (15) appointment of a successor or additional trustee or paying agent, or the change of name of the trustee or paying agent, if material.

b. Determination of Materiality. Whenever the District obtains knowledge of one of the foregoing events notice of which must be given only if material, the District shall immediately determine if such event would be material under applicable federal securities laws.

c. Notice to Dissemination Agent. If the District has determined an occurrence of a Listed Event under applicable federal securities laws, the District shall promptly notify the Dissemination Agent (if other than the District) in writing. Such notice shall instruct

the Dissemination Agent to report the occurrence pursuant to subsection (d) (Notice of Listed Events).

d. Notice of Listed Events. The District shall file, or cause the Dissemination Agent to file, with the Repository, in an electronic format prescribed by the MSRB, a notice of the occurrence of a Listed Event to provide notice of specified events in a timely manner not in excess of ten (10) business days after the event's occurrence. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) (Bond calls) need not be given under this subsection any earlier than the notice (if any) given to Bondholders of affected Bonds pursuant to the Paying Agent Agreement.

Section 6. Identifying Information for Filings with MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be filed in a readable PDF or other electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(d) (Notice of Listed Events).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be KNN Public Finance.

Section 9. 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 type of business conducted;

b. the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c. the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Paying Agent Agreement for amendments to the Paying Agent Agreement with the consent of holders, or (ii) does not, in the opinion of the Paying Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(d).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, any Bondholder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Paying Agent Agreement, and the sole remedy under this Disclosure Certificate if the District fails to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders, or any other party. The obligations of the District

under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. **Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Paying Agent, 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.

IN WITNESS WHEREOF, the District has caused this Continuing Disclosure Certificate to be executed by its authorized officer as of the day and year first above written.

**MARYSVILLE JOINT UNIFIED
SCHOOL DISTRICT**

By: _____
Gay Starkey, Ed.D., Superintendent

EXHIBIT A

FORM OF NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: Marysville Joint Unified School District

Name of Bonds: MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
YUBA COUNTY, CALIFORNIA
GENERAL OBLIGATION BONDS
ELECTION OF 2008, SERIES 2018

Date of Delivery: [CLOSING DATE]

NOTICE IS HEREBY GIVEN that the Marysville Joint Unified School District (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by a Continuing Disclosure Certificate executed [CLOSING DATE], with respect to the above-captioned bond issue. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

**MARYSVILLE JOINT UNIFIED
SCHOOL DISTRICT**

[SAMPLE ONLY]

PRELIMINARY OFFICIAL STATEMENT DATED _____

NEW ISSUE -- FULL BOOK-ENTRY

Insured Rating: " _ "

Standard & Poor's Underlying Rating: " _ "

See "Ratings" herein

In the opinion of Parker & Covert LLP, Sacramento, California ("Bond Counsel"), based upon an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "Tax Matters."

**\$(PAR AMOUNT)*
MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
(Yuba and Butte Counties, California)
GENERAL OBLIGATION BONDS
ELECTION OF 2008, SERIES 2018**

Dated: Date of Delivery

Due: DATE, as set forth on inside cover

The Marysville Joint Unified School District, General Obligation Bonds, Election of 2008, Series 2018 (the "Bonds"), in the aggregate principal amount of \$(PAR AMOUNT)* are being issued by the Marysville Joint Unified School District (the "District"), to provide funds to (i) finance school facility improvements, (ii) pay capitalized interest, and (iii) pay costs of issuance of the Bonds.

The Bonds are general obligations of the District, payable solely from the proceeds of *ad valorem* taxes levied within the territory of the District, which the Board of Supervisors of Yuba County and the Board of Supervisors of Butte County are empowered and obligated to levy, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except upon certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. See "Security and Sources of Payment for the Bonds."

The Bonds will be issued in book entry form only and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See Appendix F - "Book Entry Only System."

The Bonds are being issued as current interest bonds (the "2018 Current Interest Bonds") and capital appreciation bonds (the "2018 Capital Appreciation Bonds"). Interest on the Current Interest Bonds accrues from their date of delivery and is payable on February 1, 2019, and semiannually thereafter on February 1 and August 1 of each year. The Capital Appreciation Bonds accrete interest from their date of delivery, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 2019. Payments of principal of or accreted value and interest on the Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as Paying Agent, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See "The Bonds - Redemption."

The scheduled payment of principal of or accreted value and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by INSURER. See "Bond Insurance" and Appendix G - "Specimen Municipal Bond Insurance Policy."

INSERT INSURER LOGO HERE

This cover page contains information for quick reference only. It is not a summary of all the provisions of the Bonds. Investors must read the entire Official Statement to obtain information essential in making an informed investment decision.

**MATURITY SCHEDULE
(on inside front cover)**

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel and Disclosure Counsel to the District. It is anticipated that the Bonds in book-

* Preliminary, subject to change

entry form will be available for delivery through the facilities of The Depository Trust Company, on or about [CLOSING DATE].

PiperJaffray.

This Official Statement is dated [SALE DATE].

\$[PAR AMOUNT]*
MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
(Yuba and Butte Counties, California)
GENERAL OBLIGATION BONDS
ELECTION OF 2008, SERIES 2018

MATURITY SCHEDULE*

\$ _____ Current Interest Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP®†
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\$ ____ - Price: % - Yield: ____ % - CUSIP®† ____

\$ _____ Capital Appreciation Bonds

Maturity (August 1)	Initial Principal Amount	Accretion Rate	Yield	Maturity Value	CUSIP®†
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† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2018 CUSIP Global Services. All rights reserved. CUSIP® numbers are provided for convenience of reference only. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter, the District, Bond Counsel, nor Disclosure Counsel is responsible for the selection or correctness of the CUSIP® numbers set forth above.

* Preliminary, subject to change

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MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
Yuba and Butte Counties, California

DISTRICT BOARD OF TRUSTEES

Randy L. Rasmussen, President
Frank J. Crawford, Vice President
Susan E. Scott, Clerk,
Jim C. Flurry, Trustee Representative
Paul E. Allison, Member
Jeff D. Boom, Member
Randy L. Davis, Member

DISTRICT ADMINISTRATION

Gay Starkey, Ed.D., Superintendent
Ramiro Carreón, Assistant Superintendent of Personnel Services
Michael Hodson, Assistant Superintendent of Business Services

FINANCIAL ADVISOR

KNN Public Finance, LLC
Oakland, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Parker & Covert LLP
Sacramento, California

PAYING AGENT

The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements." Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Stabilization of and Changes to Offering Prices. The Underwriter may overallocate or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated above, and those public offering prices may be changed from time to time by the Underwriter.

Involvement of Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document Summaries. All summaries of documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties

described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

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OFFICIAL STATEMENT

\$(PAR AMOUNT)*
MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
(Yuba and Butte Counties, California)
GENERAL OBLIGATION BONDS
ELECTION OF 2008, SERIES 2018

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and attached appendices, is to set forth certain information concerning the issuance, sale, and delivery of the Marysville Joint Unified School District, General Obligation Bonds, Election of 2008, Series 2018 (the "Bonds"). All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the Paying Agent Agreement (as defined below).

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District

Marysville Joint Unified School District (the "District"), a political subdivision of the State of California (the "State"), occupies approximately 1,700 square miles of central and northern Yuba County and a portion of Butte County. The District is a unified district, providing K-12 public education to approximately 10,010 students at fourteen elementary schools, three intermediate schools, two comprehensive high schools, two alternative high schools, one independent study program serving grades kindergarten through twelve, a charter school for the arts for grades seven through twelve, and preschool and day care centers. Annual average daily attendance in the District was 9,319 for fiscal year 2016-17, and 9,311 for fiscal year 2017-18, and is projected to be 9,491 for fiscal year 2018-19. The District is governed by a seven-member Board of Trustees (the "District Board"), each member of which is elected to a four-year term. See Appendix A – "The District – General and Financial Information" herein.

Authority for Issuance of the Bonds

The Bonds are being used by Yuba County (the "County") on behalf of the District under and pursuant to the Constitution and laws of the State of California (the "State"), including Chapter 1.5 of Part 10, Division 1, Title 1 of the Education Code of the State of California (the "Education Code"), Article 4.5, Chapter 3, Part 1, Division 1, Title 1 of the Government Code of the State of California (the "Government Code"), other applicable laws and all laws amendatory thereof or supplemental thereto insofar as they govern, and pursuant to the provisions of the resolution adopted by the District's Board on October 9, 2018 (the "District Resolution"), the resolution adopted by the County Board of Supervisors on October 23, 2018 (the "County Resolution", and together with the District Resolution, the "Resolutions"), and the Paying Agent Agreement by and among the County, the District and the Bank of New York Mellon Trust Company, N.A., as paying agent (the "Paying Agent"), dated August 1, 2009, as supplemented by

* Preliminary, subject to change

the First Supplemental Paying Agent Agreement by and among the County, the District, and the Paying Agent, dated November 1, 2018 (collectively, the "Paying Agent Agreement").

The bonds were authorized by the voters of the District, who reside within Butte and Yuba Counties, pursuant to provisions of the Constitution of the State of California affected by Proposition 39, the initiative passed by voters on November 7, 2000, permitting approval of certain general obligation bonds of school and community college districts by a 55% vote. The bonds were authorized at an election held on November 4, 2008 (the "2008 Election") by more than 55% of the votes cast by eligible voters within the District. The 2008 Election authorized the issuance of bonds in an aggregate principal amount not to exceed \$47 million for school purposes.

Purpose of Issue

The Bonds are being issued to (i) finance school facility improvements, (ii) pay capitalized interest, and (iii) pay costs of issuance of the Bonds. See "Sources and Uses" herein.

Security for the Bonds

The Bonds are general obligations of the District. The Board of Supervisors of Yuba County and the Board of Supervisors of Butte County are empowered and obligated to annually levy and collect *ad valorem* property taxes, without limitation as to rate or amount, on all taxable property in the District that is located within such county (except for certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Bonds. See "Security and Sources of Payment for the Bonds" herein.

Description of the Bonds

The Bonds are being issued as current interest bonds (the "2018 Current Interest Bonds") and capital appreciation bonds (the "2018 Capital Appreciation Bonds"). Interest on the 2018 Current Interest Bonds accrues from their date of delivery and is payable on February 1, 2019, and semiannually thereafter on February 1 and August 1 of each year. The 2018 Capital Appreciation Bonds accrete interest from their date of delivery, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 2019.

The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof. The Bonds mature on August 1, in the years and amounts set forth on the inside cover page hereof. See "The Bonds" herein.

Registration

The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") under the book entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. If use of the book-entry-only system is discontinued with respect to the 2018 Bonds, the Bonds will be registered in accordance with the Paying Agent Agreement, as described herein. See "The Bonds – Registration, Transfer and Exchange of Bonds" and Appendix F – "Book-Entry-Only System" for additional information.

Redemption

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as described herein. See "The Bonds – Redemption."

Bond Insurance

Concurrently with issuance of the Bonds, _____ will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds. The Policy unconditionally guarantees the payment of the principal of and interest on the Bonds that has become due for payment but that is unpaid. See "Bond Insurance" and Appendix H – "Specimen Municipal Bond Insurance Policy."

Offering and Delivery of the 2018 Bonds

The Bonds are offered when, as and if issued and received by the purchasers, subject to approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about [DATE].

Tax Matters

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, based upon an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the opinion of Bond Counsel, such interest is not an item of tax preference for purposes of the federal individual alternative minimum taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the 2018 Bonds or the accrual or receipt of such interest. See "Tax Matters."

Continuing Disclosure

The District will covenant for the benefit of holders and Beneficial Owners to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events in compliance with S.E.C. Rule 15c2-12(b)(5). The specific nature of the information to be made available and of the notices of certain enumerated events are set forth in Appendix E – "Form of Continuing Disclosure Certificate." See also "Continuing Disclosure" herein.

Professionals Involved in the Offering

Parker & Covert LLP, Sacramento, California, is serving as Bond Counsel and Disclosure Counsel to the District for the issuance of the Bonds. KNN Public Finance, LLC, Oakland, California, will serve or is serving as municipal advisor to the District in connection with the sale of the Bonds. Bond Counsel, Disclosure Counsel, and the Municipal Advisor will receive compensation contingent upon the sale and delivery of the Bonds. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, will serve as Paying Agent with respect to the Bonds.

Other Information

This Official Statement may be considered current only as of its date that has been made a part of the cover page hereof, and the information contained herein is subject to change. This Official Statement contains brief descriptions of the Bonds, the Paying Agent Agreement, and other documents related to the

Bonds. Such descriptions are not comprehensive or definitive and are qualified in their entirety by reference to such documents. Copies of documents referred to herein and information concerning the Bonds are available from the District, 1919 B Street, Marysville, California 95901. The District may impose a charge for copying, mailing and handling.

THE BONDS

Authority for Issuance

The Bonds are being used by Yuba County (the "County") on behalf of the District under and pursuant to the Constitution and laws of the State of California (the "State"), including Chapter 1.5 of Part 10, Division 1, Title 1 of the Education Code of the State of California (the "Education Code"), Article 4.5, Chapter 3, Part 1, Division 1, Title 1 of the Government Code of the State of California (the "Government Code"), other applicable laws and all laws amendatory thereof or supplemental thereto insofar as they govern, and pursuant to the provisions of the resolution adopted by the District's Board on October 9, 2018 (the "District Resolution"), the resolution adopted by the County Board of Supervisors on October 23, 2018 (the "County Resolution", and together with the District Resolution, the "Resolutions"), and the Paying Agent Agreement by and among the County, the District and the Bank of New York Mellon Trust Company, N.A., as paying agent (the "Paying Agent"), dated August 1, 2009, as supplemented by the First Supplemental Paying Agent Agreement by and among the County, the District, and the Paying Agent, dated November 1, 2018 (collectively, the "Paying Agent Agreement").

The bonds were authorized by the voters of the District, who reside within Butte and Yuba Counties, pursuant to provisions of the Constitution of the State of California affected by Proposition 39, the initiative passed by voters on November 7, 2000, permitting approval of certain general obligation bonds of school and community college districts by a 55% vote. The bonds were authorized at an election held on November 4, 2008 (the "2008 Election") by more than 55% of the votes cast by eligible voters within the District. The 2008 Election authorized the issuance of bonds in an aggregate principal amount not to exceed \$47 million for school purposes.

Purpose of the Bonds

The Bonds are being issued to (i) finance school facility improvements, (ii) pay capitalized interest, and (iii) pay costs of issuance of the Bonds. See "Sources and Uses" herein.

General Obligation Bond Election of 2008

Pursuant to provisions of the Education Code and the State of California Elections Code, the Board of the District adopted a resolution calling for an election to authorize the issuance of \$47,000,000 aggregate principal amount of general obligation bonds for school purposes. On November 4, 2008, at an election duly held pursuant to law, more than 55% of the qualified voters within the boundaries of the District voted to approve the following measure known locally as "Measure P":

"To continue improving the quality of education in local schools and protecting the safety of our children, by repairing, replacing or updating fire alarm systems, worn-out roofs, outdated classrooms and science labs, plumbing and heating/air conditioning systems; and to help qualify for State matching funds for school modernization and construction, shall the Marysville Joint Unified School District issue \$47,000,000 of bonds at legal interest rates, with independent citizens' oversight and audits, and no money for administrators' salaries?"

The Registrar of Voters of the County certified the results of the election as follows:

**Results of November 4, 2008 Election
Marysville Joint Unified School District**

	Yes	No	Total
Total Votes Cast in Yuba County	9,931	5,973	15,904
Total Votes Cast in Yuba County	150	106	256
Total Votes	10,081	6,079	16,160
Percentage	62.4%	37.6%	100.0%

Source: Yuba County Registrar of Votes and Butte County Registrar of Voters

The Bonds represent the second and final series of bonds to be issued pursuant to Measure P. The first series was previously issued in the amount of \$34,433,776.80 on August 25, 2009.

Description of the Bonds

The Bonds are being issued as current interest bonds (the "2018 Current Interest Bonds") and capital appreciation bonds (the "2018 Capital Appreciation Bonds"). Interest on the Current Interest Bonds accrues from their date of delivery and is payable on February 1, 2019, and semiannually thereafter on February 1 and August 1 of each year. The Capital Appreciation Bonds accrete interest from their date of delivery, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 2019. Payments of principal of or accreted value and interest on the Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as Paying Agent, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds.

The Bonds are being issued as fully registered bonds, without coupons, and when delivered will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only and only in authorized denominations of \$5,000 principal amount or any integral multiple thereof. So long as Cede & Co. or its registered assigns are the registered owner of the Bonds, principal, premium, if any, and interest on the Bonds will be payable to Cede & Co., as nominee for DTC, which is obligated to remit such amounts to the Direct or Indirect Participants, as herein defined, for subsequent disbursement to the Beneficial Owners of the Bonds, as herein defined. See "THE BONDS—DTC Book-Entry Only" herein.

Redemption

Optional Redemption. The 2018 Current Interest Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to maturity. The 2018 Current Interest Bonds maturing on or after August 1, 20__, are subject to redemption, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 20__, at a redemption price equal to the principal amount of the 2018 Current Interest Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

The 2018 Capital Appreciation Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to maturity. The 2018 Capital Appreciation Bonds maturing on or after August 1, 20__, are subject to redemption, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 20__, at a redemption price equal to the principal amount of the

2018 Capital Appreciation Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Mandatory Redemption. The 2018 Current Interest Term Bonds maturing on August 1, 20__, shall be subject to redemption prior to their stated maturity, in part, at random from Mandatory Redemption Payments in the following amounts and on the following dates, at the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium, but which amounts will be proportionately reduced by the principal amount of all 2018 Current Interest Bonds optionally redeemed, or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount:

Mandatory Redemption Dates
(August 1)

Principal Amount

\$

*

**Final Maturity*

Notice of Redemption. When Bonds are being redeemed as described above, the Paying Agent shall mail notice of redemption not fewer than 30 nor more than 60 days prior to the redemption date by first-class mail, postage prepaid, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the bond register. The Paying Agent shall also file such notice of redemption on the same day with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") website.

Each notice of redemption shall state (a) the date of such notice; (b) the series designation of the bonds, (c) the date of issue of the series of bonds, (d) the redemption date, (e) the Redemption Price, (t) the place or places of redemption (including the name and appropriate address or addresses of the Paying Agent), (g) the CUSIP number (if any) of the maturity or maturities, and (h) if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of bonds to be redeemed in part only, the respective portions of the Bond Obligation thereof to be redeemed. Each such notice shall also (a) state that on said date there will become due and payable on each of said Bonds the redemption price thereof or of said specified portion of the Bond Obligation thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, (b) state that from and after such redemption date interest thereon shall cease to accrue, and (c) require that such Bonds be then surrendered at the address or addresses of the Paying Agent specified in the redemption notice.

Failure by the Paying Agent to file notice with MSRB or failure of any Owner to receive notice of any defect in any such notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Paying Agent to mail or otherwise deliver notice to any one or more of the respective Owners of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed or delivered.

Effect of Notice of Redemption. Notice of redemption having been duly given as aforesaid and moneys for payment of the redemption price of the Bonds so to be redeemed being held by the Paying Agent, on the redemption date designated in such notice (i) the Bonds so to be redeemed shall become due and payable at the redemption price specified in such notice; (ii) interest on such Bonds shall cease to accrue; (iii) such Bonds shall cease to be entitled to any benefit or security under the Paying Agent Agreement; and (iv) the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by Paying Agent at the redemption price.

Registration, Transfer and Exchange of Bonds

If the book-entry system is discontinued, the provisions in the Paying Agent Agreement summarized below will govern the registration, exchange and transfer of the Bonds.

The Paying Agent will keep or cause to be kept, at the Paying Agent's office, the bond register to provide for the registration and transfer of the Bonds. The bond register will be open to inspection by the District.

Upon surrender of a Bond for transfer at the Paying Agent's office, the County shall execute and, if required, the Paying Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same series, tenor, interest rate, and maturity and for an equivalent aggregate principal amount.

Bonds may be exchanged for an equivalent aggregate principal amount of Bonds of other authorized denominations of the same series, tenor, interest rate, and maturity, upon surrender of the Bonds for exchange at the Paying Agent's office. Upon surrender of Bonds for exchange, the County shall execute and, if required, the Paying Agent shall authenticate and deliver the Bonds that the Bondholder making the exchange is entitled to receive.

Every Bond presented or surrendered for transfer or exchange shall be accompanied by a written instrument of transfer, in a form satisfactory to the Paying Agent that is duly executed by the Owner or by his attorney duly authorized in writing. All fees and costs of any transfer or exchange of Bonds shall be paid by the Bondholder requesting such transfer or exchange.

No transfer or exchanges of Bonds are required to be made by the Paying Agent during the period from the close of business on the record date next preceding any interest payment date or redemption date to and including such interest payment date or redemption date.

Defeasance of Bonds

If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Registered Owners of all outstanding Bonds all of the principal, interest and premium, if any, represented by the Bonds, then such Registered Owners shall cease to be entitled to the obligation to levy taxes for payment of the Bonds, and such obligation and all agreements and covenants of the District to such Registered Owners shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal or accreted value of and interest and premium, if any, on the Bonds, but only out of monies on deposit in the Bond Interest and Sinking Fund or otherwise held in trust for such payment.

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 noncallable direct obligations of the United States of America or other noncallable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount that will, together with the interest to accrue thereon and available monies then on deposit in the Bond 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.

Any money held by the Paying Agent in trust for the payment of the principal or accreted value 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 repaid to the District free from the trusts created by the Paying Agent Agreement, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; provided that the District has certified to the Paying Agent that the District has complied with the provisions of Sections 50050-50056 of the California Government Code.

The sources and uses of funds with respect to the Bonds are as follows:

Par Amount	\$
Premium	

Building Fund	\$
Bond Interest and Sinking Fund	
Costs of Issuance ⁽¹⁾	

Debt service on the 2018 Bonds, assuming no optional redemptions, is as shown in the following table.

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SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

***Ad Valorem* Property Taxes**

The respective Boards of Supervisors of Yuba County and Butte County (the "Counties") have the power and are obligated to annually levy *ad valorem* taxes, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except certain personal property that is taxable at limited rates) for the payment of principal of and interest on the 2018 Bonds. Such taxes are required to be levied annually, in addition to all other taxes, during the period that any 2018 Bonds are outstanding in an amount sufficient to pay the principal or accreted value of and interest on the 2018 Bonds when due.

Such taxes, when collected, will be deposited into a debt service fund that is maintained by the County. The Counties will transfer monies from the taxes collected to the Paying Agent to the extent necessary to pay the principal or accreted value of and interest on the Bonds as the same become due and payable.

Although the Counties are obligated to levy *ad valorem* taxes for the payment of the Bonds, the Bonds are not a debt of the Counties.

Property Tax Collection Procedures

Taxes are levied by the Counties for each fiscal year on taxable real and personal property that is situated in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien that is sufficient, in the opinion of the county assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county tax collector and treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county clerk and county recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

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 District is located in Yuba County and Butte County).

Alternative Method of Tax Apportionment – Teeter Plan

For counties that have approved its implementation, the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”) authorized by Sections 4701 through 4717 of the State’s Revenue & Taxation Code guarantees distribution of 100% of the *ad valorem* taxes and assessments levied to the taxing entities within the county, with the county retaining all penalties and interest affixed upon delinquent properties and redemptions of subsequent collections. The purpose of using the Teeter Plan is to simplify the tax-levying and tax-apportioning process and to provide increased flexibility to counties in the use of available cash resources.

The county cash position is protected by a special fund, known as the “Tax Loss Reserve Fund,” which accumulates moneys from interest and penalty collections. In each fiscal year, the Tax Loss Reserve Fund is required to be funded to the amount of delinquent taxes plus 1% of that year’s tax levy. Amounts exceeding the amount required to be maintained in the Tax Loss Reserve Fund may be credited to the county’s general fund. Amounts required to be maintained in the Tax Loss Reserve Fund may be drawn on to the extent of the amount of uncollected taxes credited to each agency in advance of receipt.

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 county board of supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the county. The county board of supervisors may also, after holding a public hearing on the matter, discontinue the procedures 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 rolls in that agency.

While the County Board of Supervisors and the Board of Supervisors of Butte County have both approved implementation of the Teeter Plan, the County does not apply the Teeter Plan to school district general obligation bond tax levies. Consequently, for taxes levied in the County to pay debt service on the Bonds, the District will receive actual collections (including penalties and interest) for that purpose, rather than the amount levied. To determine a tax rate sufficient pay debt service on the Bonds each year, the County assumes a certain level of delinquencies. The County has historically used a 10% delinquency rate assumption to calculate tax rates. The County may adjust the delinquency rate assumption depending upon economic conditions.

As long as the Teeter Plan remains in effect in Butte County, the District will be credited with the full amount of the Butte County tax levy no matter the delinquency rate within the portion of the District within Butte County.

Assessed Valuations

The assessed valuation of property in the District is established by the respective county assessors, except for public utility property, which is assessed by the State Board of Equalization (“SBE”). Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the Consumer Price Index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners.

State law affords an appeal procedure to taxpayers who disagree with the assessed value of their taxable property. Taxpayers may informally request a reduction in assessment directly from the county assessor, who may grant or refuse the request, and may appeal an assessment directly to the county board

of equalization, which rules on appealed assessments whether or not settled by the county assessor. The county assessor is also authorized to reduce the assessed value of any taxable property upon a determination that the market value has declined below the then-current assessment, whether or not appealed by the taxpayer.

The District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds may be paid. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the respective treasurers of the Counties against all taxing agencies who received tax revenues, including the District.

A portion of property tax revenue of the District is derived from utility property subject to assessment by the SBE. State-assessed property, or “unitary property,” is property of a utility system with components located in many taxing jurisdictions assessed collectively as part of a “going concern” rather than as individual parcels of real or personal property. Unitary and certain other state-assessed property is allocated to the respective Counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

Shown in the following table are the assessed valuations for the District since fiscal year 2011-12 through 2017-18. Local secured assessed values include net local secured, secured homeowner exemption, and utility values. Unsecured assessed values include net local unsecured and unsecured homeowner exemption values.

MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
Assessed Valuation

Fiscal Year 2011-12 through Fiscal Year 2017-18

Fiscal Year	Local Secured	Unsecured	Total	Percent Change
2011-12	\$3,277,436,828	\$187,833,796	\$3,465,270,624	--
2012-13	3,199,412,115	187,956,359	3,387,368,474	-2.2%
2013-14	3,246,459,956	185,603,287	3,432,063,243	1.3
2014-15	3,390,209,331	182,541,310	3,572,750,641	4.1
2015-16	3,531,848,033	184,082,492	3,715,930,525	4.0
2016-17	3,674,716,140	181,782,951	3,856,499,091	3.8
2017-18	3,886,016,015	179,848,765	4,067,949,213	5.5

Source: Yuba County Auditor/Controller and Butte County Auditor-Controller.

The land use of property in the District as of fiscal year 2017-18 is shown below, as measured by local secured assessed valuation and number of parcels.

MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
Secured Roll Assessed Valuation and Parcels by Land Use
Fiscal Year 2017-18

	2017-18 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non Residential:				
Agricultural/Rural	\$522,105,369	13.44%	1,854	7.27%
Commercial/Office	237,014,450	6.10	573	2.25
Vacant Commercial	23,131,710	0.60	237	0.93
Industrial	169,561,223	4.36	150	0.59
Vacant Industrial	8,822,463	0.23	79	0.31
Recreational	36,072,284	0.93	70	0.27
Government/Social/Institutional	16,737,754	0.43	1,208	4.74
Miscellaneous	<u>23,427,024</u>	<u>0.60</u>	<u>83</u>	<u>0.33</u>
Subtotal Non-Residential	\$1,036,872,277	26.68%	4,254	16.68%
Residential:				
Single-Family Residence	\$2,291,234,573	58.96%	14,357	56.30%
Condominium/Townhouse	16,317,682	0.42	256	1.00
Mobile Home	218,788,233	5.63	2,499	9.80
Mobile Home Park	23,536,570	0.61	29	0.11
Hotel/Motel	13,547,035	0.35	13	0.05
2-4 Residential Units	46,518,594	1.20	381	1.49
5+Residential Units/Apartments	115,530,269	2.97	208	0.82
Miscellaneous Residential	21,702,215	0.56	253	0.99
Vacant Residential	<u>101,968,567</u>	<u>2.62</u>	<u>3,252</u>	<u>12.75</u>
Subtotal Residential	\$2,849,143,738	73.32%	21,248	83.32%
Total	\$3,886,016,015	100.00%	25,502	100.00%

⁽¹⁾ Local Secured Assessed Valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

The following table shows the 2017-18 assessed valuation of property in the District by jurisdiction.

MARYSVILLE JOINT UNIFIED DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2017-18

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Marysville	\$663,437,798	16.31%	\$663,437,798	100.00%
Unincorporated Yuba County	3,356,212,247	82.50	4,524,126,875	74.18
Unincorporated Butte County	<u>48,299,168</u>	<u>1.19</u>	8,818,761,696	0.55
Total District	\$4,067,949,213	100.00%		
Yuba County	\$4,019,650,045	98.81%	\$5,448,691,288	73.77%
Butte County	<u>48,299,168</u>	<u>1.19</u>	21,439,311,170	0.23
Total District	\$4,067,949,213	100.00%		

Source: California Municipal Statistics, Inc.

Set forth in the following table is the per parcel assessed valuation of single family homes in the District for fiscal year 2017-18.

MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2017-18

Single Family Residential	No. of	2017-18		Average	Median	
	Parcels	Assessed Valuation		Assessed Valuation	Assessed Valuation	
	14,357	\$2,291,234,573		\$159,590	\$136,395	
2015-16 Assessed Valuation	No. of	% of	Cumulative	Total	% of	Cumulative
	Parcels ⁽¹⁾	Total	% of Total	Valuation	Total	% of Total
\$0 - \$24,999	214	1.491%	1.491%	\$3,876,848	0.169%	0.169%
\$25,000 - \$49,999	1,049	7.307	8.797	41,434,787	1.808	1.978
\$50,000 - \$74,999	1,597	11.123	19.921	100,342,868	4.379	6.357
\$75,000 - \$99,999	1,853	12.907	32.827	162,539,424	7.094	13.451
\$100,000 - \$124,999	1,708	11.897	44.724	191,831,955	8.372	21.823
\$125,000 - \$149,999	1,461	10.176	54.900	199,702,337	8.716	30.539
\$150,000 - \$174,999	1,243	8.658	63.558	200,934,245	8.770	39.309
\$175,000 - \$199,999	1,057	7.362	70.920	197,471,154	8.619	47.928
\$200,000 - \$224,999	885	6.164	77.084	187,720,727	8.193	56.121
\$225,000 - \$249,999	883	6.150	83.235	209,705,668	9.153	65.273
\$250,000 - \$274,999	800	5.572	88.807	208,937,247	9.119	74.392
\$275,000 - \$299,999	410	2.856	91.663	117,443,012	5.126	79.518
\$300,000 - \$324,999	323	2.250	93.912	100,394,504	4.382	83.900
\$325,000 - \$349,999	207	1.442	95.354	69,306,332	3.025	86.924
\$350,000 - \$374,999	157	1.094	96.448	56,838,972	2.481	89.405
\$375,000 - \$399,999	129	0.889	97.346	49,717,160	2.170	91.575
\$400,000 - \$424,999	105	0.731	98.078	43,059,144	1.879	93.454
\$425,000 - \$449,999	63	0.439	98.516	27,389,967	1.195	94.650
\$450,000 - \$474,999	45	0.313	98.830	20,783,338	0.907	95.557
\$475,000 - \$499,999	32	0.223	99.053	15,528,394	0.678	96.234
\$500,000 and greater	136	0.947	100.00	86,276,490	3.766	100.00
	14,357	100.000%		\$2,291,234,573	100.000%	

⁽¹⁾Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Source: California Municipal Statistics, Inc.

Typical Tax Rates

The rate of the annual *ad valorem* tax levied by each of the Counties to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. A reduction in the assessed valuation of taxable property in the District caused by economic factors beyond the District's control, such as economic recession, slower growth, or deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, a flood or other natural disaster, could cause a reduction in the assessed value of the District and necessitate an unanticipated increase in tax rates.

One factor in the ability of taxpayers to pay additional taxes for general obligation bonds is the cumulative rate of tax. The following table shows *ad valorem* property tax rates per \$100 of assessed value for the last several years in a typical tax rate area of the District (TRA 001-001). TRA 001-001 comprises approximately 11.28% of the total assessed value of taxable property in the District.

MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
Typical Tax Rates per \$100 of Assessed Valuation (TRA 001-001)⁽¹⁾

	2013-14	2014-15	2015-16	2016-17	2017-18
General	1.000000	1.000000	1.000000	1.000000	1.000000
Marysville Joint Unified School District	.119795	.121717	.115075		.104469
Yuba Joint Community College District	<u>.027423</u>	<u>.025002</u>	<u>.025002</u>		<u>.025348</u>
Total	1.147218	1.146719	1.140010		1.129817

(1) The 2017-18 assessed valuation of TRA 001-001 is \$458,900,061 which comprises 11.28% of the total assessed valuation of taxable property within the district.

Source: California Municipal Statistics, Inc.

Largest Property Owners

The following table shows the 20 largest owners of taxable property in the District as determined by secured assessed valuation in fiscal year 2017-18.

The more property (by assessed value) owned by a single taxpayer in the District, the more tax collections are exposed to weaknesses in such taxpayer's financial situation and its ability or willingness to pay property taxes. In 2017-18 no single taxpayer owned more than 0.7% of the total secured taxable property in the District. Each taxpayer listed below is a unique name on the tax rolls. The District cannot determine from 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 this table.

MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
Largest Local Secured Taxpayers
Fiscal Year 2017-18

	Property Owner	Primary Land Use	2017-18 Assessed Valuation	% of Total ⁽¹⁾
1.	Western Aggregates Inc.	Industrial – Mining	\$26,343,035	0.68%
2.	Hampac LLC	Office Building	21,007,501	0.54
3.	Wal-Mart Real Estate Business Trust	Shopping Center	18,020,034	0.46
4.	Airport Ranch Co.	Agricultural	17,399,894	0.45
5.	Recology Yuba Sutter	Waste Management	15,479,341	0.40
6.	Nordic Industries Inc.	Light Industrial	12,859,535	0.33
7.	Farmland Reserve Inc.	Agricultural	11,903,254	0.31
8.	Shintaffer Farms Inc.	Food Processing	11,581,913	0.30
9.	Naumes Inc.	Agricultural	11,520,331	0.30
10.	R B Satori LP	Agricultural	11,202,368	0.29
11.	Laura Holmes Peters	Agricultural	11,117,656	0.29
12.	Fellowship of Friends Inc.	Agricultural	10,695,706	0.28
13.	California Water Service Company	Water Company	10,379,162	0.27
14.	LJ Rice Farms LLC	Agricultural	10,193,385	0.26
15.	James J. Hill III	Agricultural	9,950,111	0.26
16.	Sarbit S. and Prabhjot K. Johl	Agricultural	9,739,988	0.25
17.	Buttes Christian Manor LLC	Assisted Living	9,738,235	0.25
18.	Ajit S. Bains and Maria Del Carmen	Agricultural	9,667,357	0.25
19.	Thomas L. and Diana L. Bloxham	Apartments	9,404,402	0.24
20.	Soper Company	Forest Products	<u>9,305,589</u>	<u>0.24</u>
			<u>\$257,508,797</u>	<u>6.63%</u>

⁽¹⁾ 2017-18 Local Secured Assessed Valuation: \$3,886,016,015.

Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a statement of direct and overlapping bonded debt (the "Debt Report") prepared by California Municipal Statistics, Inc. and dated October 3, 2018. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency. Self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations are excluded from the Debt Report.

MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT Statement of Direct and Overlapping Bonded Debt Dated as of October 3, 2018

2018-19 Assessed Valuation: \$4,067,949,213

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 10/1/18</u>
Yuba Joint Community College District	13.504%	\$21,728,761
Marysville Joint Unified School District	100.	63,018,777
Yuba County Community Facilities District No. 2004-1	100.	15,130,000 ⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$99,877,538
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Butte County Certificates of Participation	0.225%	\$29,026
Butte County Pension Obligation Bonds	0.225	105,446
Yuba County General Fund Obligations	73.773	35,549,364
Yuba County Board of Education Certificates of Participation	73.773	1,207,255
Yuba Joint Community College District General Fund Obligations	13.504	1,645,370
Marysville Joint Unified School District	100.	19,931,099
City of Marysville General Fund Obligations	100.	8,004,669
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$66,472,229
 COMBINED TOTAL DEBT:		 \$166,349,767⁽²⁾

⁽¹⁾ Excludes the Bonds to be sold.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2017-18 Assessed Valuation:

Direct Debt (\$63,018,777)	1.55%
Total Direct and Overlapping Tax and Assessment Debt	2.46%
Combined Direct Debt (\$85,949,876)	2.04%
Combined Total Debt	4.09%

Source: California Municipal Statistics, Inc.

[BOND INSURANCE]

The following information has been furnished by [INSURER] ("___") for use in this Official Statement. No representation is made by the District or the Underwriter as to the accuracy or completeness of such information or the absence of material adverse changes therein at any time subsequent to the date hereof. Reference is made to Appendix H for a specimen of ___'s Policy.

Bond Insurance Policy

[INSURER]

LEGAL MATTERS

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Parker & Covert LLP, Sacramento, California, Bond Counsel for the District. The opinion of Bond Counsel with respect to the Bonds will be delivered in substantially the form attached hereto as Appendix D. Certain legal matters will also be passed upon for the District by Parker & Covert LLP, as Disclosure Counsel.

TAX MATTERS

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, based upon the analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific item of tax preference for purposes of the alternative minimum tax imposed on individuals. A complete copy of the proposed form of Opinion of Bond Counsel is set forth in Appendix D.

The Internal Revenue Code of 1986, as amended, (the "Code") imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds.

The District has made certain representations and has covenanted to comply with certain restrictions designed to assure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in federal gross income, possibly from the date of issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after that date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

Although Bond Counsel expects to render an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes and exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

In addition, no assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Bonds to