Section 1. Specifications of Election Order. Pursuant to sections 5304, 5322, 15100 et seq., and section 15266 of the California Education Code, an election shall be held within the boundaries of the District on November 6, 2018, for the purpose of submitting to the registered voters of the District the following proposition:

**BOND AUTHORIZATION**

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the District shall be authorized to issue and sell bonds of up to $28,000,000 in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A, subject to all of the accountability safeguards specified below. Bonds will be issued in one or more series.

**ACCOUNTABILITY SAFEGUARDS**

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers of the District may be assured that their money will be spent to address the specific facilities needs of the District, in compliance with the requirements of Article XIII A, section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at section 15264 et seq. of the California Education Code).

**Evaluation of Needs.** The Board has updated its Facilities Master Plan in order to evaluate and address all of the facilities needs of the District, and to determine which projects to finance from a local bond at this time. The Board hereby certifies that it has evaluated safety, class size reduction and information technology and other needs in developing the Bond Project List contained in Exhibit A.

**Independent Citizens’ Oversight Committee.** The Board shall establish an independent Citizens’ Oversight Committee (section 15278 et seq. of the California Education Code), to ensure bond proceeds are expended only for the school facilities projects listed in Exhibit A. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board.

**Annual Performance Audits.** The Board shall cause an annual, independent performance audit to be conducted to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A.

**Annual Financial Audits.** The Board shall cause an annual, independent financial audit of the bond proceeds to be conducted until all of those proceeds have been spent for the school facilities projects listed in Exhibit A.

**BOND PROJECT LIST**

The Bond Project List attached to this resolution as Exhibit A shall be considered a part of the ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.
egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, redirecting fire access, and acquiring any necessary easements, licenses, or rights of way to the property.

For any project involving modernization or renovation of a building or the major portion of a building, the District shall be authorized to proceed with new replacement construction if the Board of Trustees determines that replacement and new construction is economically more practical.

The budget for each project is an estimate and may be affected by factors beyond the District’s control. The final cost of each project will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be performed.

Bond proceeds shall be expended only for the specific purposes identified herein. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to the bond projects, but not for other administrator or teacher salaries. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

IMPARTIAL ANALYSIS OF MIDDLETOWN UNIFIED SCHOOL DISTRICT SCHOOL BOND MEASURE “H”

Measure “H”, placed on the ballot by the Middletown Unified School District (“District”), is a bond measure which seeks voter approval to authorize the District to issue general obligation bonds in an aggregate principal amount not to exceed $28,000,000 to be used to provide financing for the specific school facilities projects listed and described in the District’s Bond Project List included with the full text of this measure as Exhibit “A”. That Bond Project List includes, but is not limited to, the construction, modernization and renovation of classrooms, the improvement technical classrooms and agricultural facilities, and the repair, replacement, and update of outdoor areas, parking, roadways, and grounds. Proceeds from the sale of bonds shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, including furnishing and equipping of school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. The maximum term of the bonds will not exceed the legal limit.

Both the School Bond Law and the General Obligation Bond law authorize the governing board of a school district to issue and sell general obligation bonds to finance various school acquisitions and improvements if approved by 55 percent of the voters voting on the measure, provided certain accountability safeguards are included in the measure.

The bonds and interest thereon would be financed by ad valorem taxes levied annually on taxable real property within the District. The District’s tax rate statement reflects an estimate of the maximum property tax levies required to service the bonds.

The measure includes the following accountability safeguards:

1. That the proceeds from the bond sale shall be used only for the purposes listed in the Bond Project Measure included with full text of this measure as Exhibit “A” and for no other purpose.

2. A list of the specific projects to be funded and certification that the District Board has evaluated safety, class size reduction, information technology, and other needs in developing that list.

3. That the District Board conduct an annual, independent performance audit to ensure that the funds have been spent only on the specific projects listed in the measure.

4. That the District Board conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of such proceeds from the sale have been spent for the projects listed in the measure.

5. That the District Board shall establish a citizen oversight committee to ensure that the bond proceeds are used to fund the specific projects listed in the Bond Project List of this measure.

A “Yes” vote on this measure would authorize the Middletown Unified School District to issue bonds in an amount not to exceed $28,000,000 for those purposes listed in the Bond Project List.

A “No” vote on this measure would prevent the Middletown Unified School District from issuing these bonds.

s/Anita L. Grant
County Counsel
County of Lake
<table>
<thead>
<tr>
<th>EXHIBIT B</th>
<th>ARGUMENT IN FAVOR OF MEASURE “H”</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAX RATE STATEMENT</td>
<td>In Middletown, we recognize the value of a quality education and its contribution to the desirability of our community. While the District has maintained our schools, many of our classrooms are now old, outdated and in need of replacement. Rapid changes in the 21st century have created new learning opportunities, and our older facilities cannot support these advances in education. To enable our students to compete and succeed in our new economy, we must modernize our classrooms and reconstruct portions of older schools to provide access to modern classroom technology, equipment and infrastructure. Measure “H” will:</td>
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</table>

1. The best estimate from official sources of the average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors is 6 cents per $100 of assessed valuation ($60 per $100,000 of assessed valuation) of all property to be taxed. The best estimate of the final fiscal year in which the tax is anticipated to be collected is 2054-55.

2. The best estimate from official sources of the highest tax rate that would be required to be levied to fund that bond issue, and an estimate of the year in which that rate will apply, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors is 6 cents per $100 of assessed valuation ($60 per $100,000 of assessed valuation) of all property to be taxed. The best estimate of the year in which the highest tax rate will apply is anticipated to be 2019-20.

3. The best estimate from official sources of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is $58,427,655.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and are and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by the District or any other overlapping public agency.

Voters should note that estimated tax rate is based on the ASSESSED VALUE of taxable property on Lake County’s official tax rolls, not on the property’s market value. Property owners should consult their own property tax bills to determine their property’s assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District’s projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the Lake County Assessor in the annual assessment and the equalization process.

Dated: June 27, 2018.

s/Catherine Stone
Superintendent
Middletown Unified School District

| THERE WAS NO ARGUMENT FILED AGAINST MEASURE H |